A bill for an act

relating to state government; appropriating money for commerce, jobs, and economic growth; making policy and technical changes; authorizing frontline worker premium payments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 116C.779, subdivision 1; 116J.035, by adding a subdivision; 116J.55, subdivisions 1, 5, 6; 116J.552, subdivision 6; 116J.8747, subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 216B.096, subdivision 11; 216B.24, by adding a subdivision; 216B.243, subdivision 3b; 216B.50, subdivision 1; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision; 237.55; 268.18, by adding a subdivision; 326B.106, subdivision 4; 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13; 326B.36, subdivision 7, by adding a subdivision; 326B.42, subdivisions 1b, 1c; 326B.437; 326B.46, subdivision 2; Minnesota Statutes 2021 Supplement, sections 116C.7792; 216C.376, subdivision 5; 326B.153, subdivision 1; Laws 2020, chapter 118, section 5, subdivision 1; Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1; Laws 2021, First Special Session chapter 10, article 1, sections 2, subdivision 2; 5; article 2, section 24, subdivisions 1, 3, 4, 5, 7; article 3, section 14, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116L; 216B; 216H; 465; repealing Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3.

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

ARTICLE 1

ENERGY AND UTILITIES

Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury.

Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be
credited to the account. Funds remaining in the account at the end of a fiscal year are not
canceled to the general fund but remain in the account until expended. The account shall
be administered by the commissioner of management and budget as provided under this
section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
plant must transfer all funds in the renewable development account previously established
under this subdivision and managed by the public utility to the renewable development
account established in paragraph (a). Funds awarded to grantees in previous grant cycles
that have not yet been expended and unencumbered funds required to be paid in calendar
year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
plant must transfer to the renewable development account $500,000 each year for each dry
cask containing spent fuel that is located at the Prairie Island power plant for each year the
plant is in operation, and $7,500,000 each year the plant is not in operation if ordered by
the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
each January 15 thereafter, the public utility that owns the Monticello nuclear generating
plant must transfer to the renewable development account $350,000 each year for each dry
cask containing spent fuel that is located at the Monticello nuclear power plant for each
year the plant is in operation, and $5,250,000 each year the plant is not in operation if ordered
by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable
development account under paragraphs (c) and (d) the amount necessary to pay its obligations
under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar
year.

(f) If the commission approves a new or amended power purchase agreement, the
termination of a power purchase agreement, or the purchase and closure of a facility under
section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
the public utility subject to this section shall enter into a contract with the city in which the
poultry litter plant is located to provide grants to the city for the purposes of economic
development on the following schedule: $4,000,000 in fiscal year 2018; $6,500,000 each
fiscal year in 2019 and 2020; and $3,000,000 in fiscal year 2021. The grants shall be paid
by the public utility from funds withheld from the transfer to the renewable development
account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the
termination of a power purchase agreement under section 216B.2424, subdivision 9, with
an entity owned or controlled, directly or indirectly, by two municipal utilities located north
of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
grant contract with such entity to provide $6,800,000 per year for five years, commencing
30 days after the commission approves the new or amended power purchase agreement, or
the termination of the power purchase agreement, and on each June 1 thereafter through
2021, to assist the transition required by the new, amended, or terminated power purchase
agreement. The grant shall be paid by the public utility from funds withheld from the transfer
to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f)
and (g) is limited to the amount deposited into the renewable development account, and its
predecessor, the renewable development account, established under this section, that was
not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
facility, the commission shall require the public utility to pay $7,500,000 for the discontinued
Prairie Island facility and $5,250,000 for the discontinued Monticello facility for any year
in which the commission finds, by the preponderance of the evidence, that the public utility
did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
permanent or interim storage site out of the state. This determination shall be made at least
every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement
electricity storage, load control, and smart meter technology; and
(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats;

and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Except as otherwise provided herein, members of the advisory group shall be chosen by the public utility. The public utility may design a request for proposal in conjunction with the advisory group. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject
and in evaluating responses to request for proposals, the advisory group must strongly
consider, where reasonable, potential benefit to Minnesota citizens and businesses and the
utility's ratepayers.

(m) The cost of acquiring the services of the independent third-party expert described
in paragraph (l) and any other costs incurred in administering the advisory group and its
actions as required by this section, not to exceed $150,000, shall be paid from funds withheld
by the public utility under paragraph (e).

(m) (n) The advisory group shall submit funding recommendations to the public utility,
which has full and sole authority to determine which expenditures shall be submitted by
the advisory group to the legislature. The commission may approve proposed
expenditures, may disapprove proposed expenditures that it finds not to be in compliance
with this subdivision or otherwise not in the public interest, and may, if agreed to by the
public utility, modify proposed expenditures. The commission shall, by order, submit its
funding recommendations to the legislature as provided under paragraph (n).

(n) (o) The commission shall present its recommended appropriations from the account
to the senate and house of representatives committees with jurisdiction over energy policy
and finance annually by February 15. Expenditures from the account must be appropriated
by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for
a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended
funding.

(o) (p) A request for proposal for renewable energy generation projects must, when
feasible and reasonable, give preference to projects that are most cost-effective for a particular
energy source.

(p) (q) The advisory group public utility must annually, by February 15, report to the
chairs and ranking minority members of the legislative committees with jurisdiction over
energy policy on projects funded by the account for the prior year and all previous years.
The report must, to the extent possible and reasonable, itemize the actual and projected
financial benefit to the public utility's ratepayers of each project.

(q) (r) By February 1, 2018, and each February 1 thereafter, the commissioner of
management and budget shall submit a written report regarding the availability of funds in
and obligations of the account to the chairs and ranking minority members of the senate

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and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Sec. 2. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) $10,000,000 in 2021;
(2) $10,000,000 in 2022;
(3) $5,000,000 $10,000,000 in 2023; and

(4) $5,000,000 $10,000,000 in 2024; and

(5) $10,000,000 in 2025.

e) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

(f) Any unspent amount remaining on January 1, 2025, must be transferred to the renewable development account.

(g) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

(h) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 3. Minnesota Statutes 2020, section 116J.55, subdivision 1, is amended to read:

Subdivision 1. Definitions. For the purposes of this section, "eligible community" means a county, municipality, or tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas:

(1) is currently operating and (i) is scheduled to cease operations or (ii) whose cessation of operations has been proposed in an integrated resource plan filed with the commission under section 216B.2422, or (iii) whose current operating license expires within 15 years of the effective date of this section; or

(2) ceased operations or was removed from the local property tax base no earlier than five years before the date an application is made for a grant under this section.
Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

Subd. 5. Grant awards; limitations. (a) The commissioner must award grants under this section to eligible communities through a competitive grant process.

(b) (a) A grant awarded to an eligible community under this section must not exceed $500,000 in any calendar year. The commissioner may accept grant applications on an ongoing or rolling basis.

(e) (b) Grants funded with revenues from the renewable development account established in section 116C.779 must be awarded to an eligible community located within the retail electric service territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located.

Sec. 5. Minnesota Statutes 2020, section 216B.096, subdivision 11, is amended to read:

Subd. 11. Reporting. Annually on November 1 October 15, a utility must electronically file with the commission a report, in a format specified by the commission, specifying the number of utility heating service customers whose service is disconnected or remains disconnected for nonpayment as of September 15 and October 1 and October 15. If customers remain disconnected on October 15, a utility must file a report each week between November 1 October 15 and the end of the cold weather period specifying:

(1) the number of utility heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of utility heating service customers that are reconnected to service each week. The utility may discontinue weekly reporting if the number of utility heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

The data reported under this subdivision are presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 6. Minnesota Statutes 2020, section 216B.24, is amended by adding a subdivision to read:

Subd. 1a. Wind or solar electric generating facilities. Any person proposing construction of a major utility facility that is a wind or solar electric generating facility designed for or capable of operation at a capacity of 50 megawatts or more must, in addition to any approvals required under this chapter, obtain approval from the governing board of
and pursuant to the land use ordinance of the county in which the proposed wind or solar
electric generating facility will be located.

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

Sec. 7. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. **Nuclear power plant; new construction prohibited; relicensing** Additional
storage of spent nuclear fuel. (a) The commission may not issue a certificate of need for
the construction of a new nuclear-powered electric generating plant.

(b) Any certificate of need for additional storage of spent nuclear fuel for a facility
seeking a license extension shall address the impacts of continued operations over the period
for which approval is sought.

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

Sec. 8. [216B.491] **DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms
defined in this subdivision have the meanings given.

Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,
letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity
or credit support arrangement, or other financial arrangement entered into in connection
with extraordinary event bonds that is designed to promote the credit quality and
marketability of extraordinary event bonds or to mitigate the risk of an increase in interest
rates.

Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary
event property is sold, assigned, transferred, or conveyed, other than as security, and any
successor to or subsequent assignee of the person.

Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event
bonds.

Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a
natural gas utility for consumption of natural gas in Minnesota.

Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from
unforeseen circumstances and of sufficient magnitude, as determined by the commission:

1. to impose significant costs on customers; and
(2) for which the issuance of extraordinary event bonds in response to the event meets
the conditions of section 216B.492, subdivision 2, as determined by the commission.

(b) Extraordinary event includes but is not limited to a storm event or other natural
disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a
temporary significant increase in the wholesale price of natural gas.

Subd. 7. Extraordinary event activity. "Extraordinary event activity" means an activity
undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide
natural gas service following one or more extraordinary events, including but not limited
to activities related to mobilization, staging, construction, reconstruction, replacement, or
repair of natural gas transmission, distribution, storage, or general facilities.

Subd. 8. Extraordinary event bonds. "Extraordinary event bonds" means low-cost
corporate securities, including but not limited to senior secured bonds, debentures, notes,
certificates of participation, certificates of beneficial interest, certificates of ownership, or
other evidences of indebtedness or ownership that have a scheduled maturity of no longer
than 30 years and a final legal maturity date that is not later than 32 years from the issue
date, that are rated AA or Aa2 or better by a major independent credit rating agency at the
time of issuance, and that are issued by a utility or an assignee under a financing order.

Subd. 9. Extraordinary event charge. "Extraordinary event charge" means a
nonbypassable charge that:

(1) is imposed on all customer bills by a utility that is the subject of a financing order
or the utility's successors or assignees;

(2) is separate from the utility's base rates; and

(3) provides a source of revenue solely to repay, finance, or refinance extraordinary
event costs.

Subd. 10. Extraordinary event costs. "Extraordinary event costs":

(1) means all incremental costs of extraordinary event activities that are approved by
the commission in a financing order issued under section 216B.492 as being:

(i) necessary to enable the utility to restore or maintain natural gas service to customers
after the utility experiences an extraordinary event; and

(ii) prudent and reasonable;

(2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary
event activities;
(3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts
intended to reimburse the utility for extraordinary event activities, including government
grants or aid of any kind;

(4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by
a government agency or court under a federal or state environmental statute, rule, or
regulation; and

(5) must be adjusted to reflect:

(i) the difference, as determined by the commission, between extraordinary event costs
that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

(ii) a more fair or reasonable allocation of extraordinary event costs to customers over
time, as expressed in a commission order.

Subd. 11. Extraordinary event property. "Extraordinary event property" means:

(1) all rights and interests of a utility or the utility's successor or assignee under a
financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments
to extraordinary event charges authorized under a financing order issued by the commission;

and

(2) all revenue, collections, claims, rights to payments, payments, money, or proceeds
arising from the rights and interests specified in clause (1), regardless of whether any are
commingled with other revenue, collections, rights to payment, payments, money, or
proceeds.

Subd. 12. Extraordinary event revenue. "Extraordinary event revenue" means revenue,
receipts, collections, payments, money, claims, or other proceeds arising from extraordinary
event property.

Subd. 13. Financing costs. "Financing costs" means:

(1) principal, interest, and redemption premiums that are payable on extraordinary event
bonds;

(2) payments required under an ancillary agreement and amounts required to fund or
replenish a reserve account or other accounts established under the terms of any indenture,
ancillary agreement, or other financing document pertaining to the bonds;

(3) other demonstrable costs related to issuing, supporting, repaying, refunding, and
servicing the bonds, including but not limited to servicing fees, accounting and auditing
fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees,
placement and underwriting fees, capitalized interest, rating agency fees, stock exchange
listing and compliance fees, security registration fees, filing fees, information technology
programming costs, and any other demonstrable costs necessary to otherwise ensure and
guarantee the timely payment of the bonds or other amounts or charges payable in connection
with the bonds;

(4) taxes and license fees imposed on the revenue generated from collecting an
extraordinary event charge;

(5) state and local taxes, including franchise, sales and use, and other taxes or similar
charges, including but not limited to regulatory assessment fees, whether paid, payable, or
accrued; and

(6) costs incurred by the commission to hire and compensate additional temporary staff
needed to perform the commission's responsibilities under this section and, in accordance
with section 216B.494, to engage specialized counsel and expert consultants experienced
in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

Subd. 14. Financing order. "Financing order" means an order issued by the commission
under section 216B.492 that authorizes an applicant to:

(1) issue extraordinary event bonds in one or more series;

(2) impose, charge, and collect extraordinary event charges; and

(3) create extraordinary event property.

Subd. 15. Financing party. "Financing party" means a holder of extraordinary event
bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other
person acting for the benefit of extraordinary event bondholders.

Subd. 16. Natural gas facility. "Natural gas facility" means natural gas pipelines,
including distribution lines, underground storage areas, liquefied natural gas facilities,
propane storage tanks, and other facilities the commission determines are used and useful
to provide natural gas service to retail and transportation customers in Minnesota.

Subd. 17. Nonbypassable. "Nonbypassable" means that the payment of an extraordinary
event charge required to repay bonds and related costs may not be avoided by any retail
customer located within a utility service area.

Subd. 18. Pretax costs. "Pretax costs" means costs incurred by a utility and approved
by the commission, including but not limited to:
(1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed by a storm event;

(2) costs to decommission and restore the site of a natural gas facility damaged or destroyed by an extraordinary event;

(3) other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance, and salvage proceeds; and

(4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing debt agreements, or for waivers or consents related to existing debt agreements.

Subd. 19. Storm event. "Storm event" means a tornado, derecho, ice or snow storm, flood, earthquake, or other significant weather or natural disaster that causes substantial damage to a utility's infrastructure.

Subd. 20. Successor. "Successor" means a legal entity that succeeds by operation of law to the rights and obligations of another legal entity as a result of bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets.

Subd. 21. Utility. "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas service to Minnesota customers. Utility includes the utility's successors or assignees.

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

Sec. 9. [216B.492] FINANCING ORDER.

Subdivision 1. Application. (a) A utility may file an application with the commission for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds under this section.

(b) The application must include the following information, as applicable:

(1) a description of each natural gas facility to be repaired or replaced;

(2) the undepreciated value remaining in the natural gas facility whose repair or replacement is proposed to be financed through the issuance of bonds under sections 216B.491 to 216B.499, and the method used to calculate the amount;

(3) the estimated amount of costs imposed on customers resulting from an extraordinary event that involves no physical damage to natural gas facilities;
(4) the estimated savings or estimated mitigation of rate impacts to utility customers if
the financing order is issued as requested in the application, calculated by comparing the
costs to customers that are expected to result from implementing the financing order and
the estimated costs associated with implementing traditional utility financing mechanisms
with respect to the same undepreciated balance, expressed in net present value terms;

(5) a description of (i) the nonbypassable extraordinary event charge utility customers
would be required to pay in order to fully recover financing costs, and (ii) the method and
assumptions used to calculate the amount;

(6) a proposed methodology to allocate the revenue requirement for the extraordinary
event charge among the utility's customer classes;

(7) a description of a proposed adjustment mechanism to be implemented when necessary
to correct any overcollection or undercollection of extraordinary event charges, in order to
complete payment of scheduled principal and interest on extraordinary event bonds and
other financing costs in a timely fashion;

(8) a memorandum with supporting exhibits, from a securities firm that is experienced
in the marketing of bonds and that is approved by the commissioner of management and
budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher
rating or equivalent rating criteria of at least one nationally recognized securities rating
organization for issuances similar to the proposed extraordinary event bonds;

(9) an estimate of the timing of the issuance and the term of the extraordinary event
bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance
does not exceed 30 years;

(10) identification of plans to sell, assign, transfer, or convey, other than as a security,
interest in extraordinary event property, including identification of an assignee, and
demonstration that the assignee is a financing entity wholly owned, directly or indirectly,
by the utility;

(11) identification of ancillary agreements that may be necessary or appropriate;

(12) one or more alternative financing scenarios in addition to the preferred scenario
contained in the application;

(13) the extent of damage to the utility's infrastructure caused by an extraordinary event
and the estimated costs to repair or replace the damaged infrastructure;

(14) a schedule of the proposed repairs to and replacement of damaged infrastructure;
(15) a description of the steps taken to provide customers interim natural gas service while the damaged infrastructure is being repaired or replaced; and

(16) a description of the impacts on the utility's current workforce resulting from implementing an infrastructure repair or replacement plan following an extraordinary event.

Subd. 2. Findings. After providing notice and holding a public hearing on an application filed under subdivision 1, the commission may issue a financing order if the commission finds that:

(1) the extraordinary event costs described in the application are reasonable;

(2) the proposed issuance of extraordinary event bonds and the imposition and collection of extraordinary event charges:
   (i) are just and reasonable;
   (ii) are consistent with the public interest;
   (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event costs; and
   (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that would have been achieved absent the issuance of extraordinary event bonds; and

(3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:
   (i) significantly lower overall costs to customers or significantly mitigate rate impacts to customers relative to traditional methods of financing; and
   (ii) achieve significant customer savings or significant mitigation of rate impacts to customers, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

Subd. 3. Contents. (a) A financing order issued under this section must:

(1) determine the maximum amount of extraordinary event costs that may be financed from proceeds of extraordinary event bonds issued pursuant to the financing order;

(2) describe the proposed customer billing mechanism for extraordinary event charges and include a finding that the mechanism is just and reasonable;

(3) describe the financing costs that may be recovered through extraordinary event charges and the period over which the costs may be recovered, which must end no earlier than the date of final legal maturity of the extraordinary event bonds;
(4) describe the extraordinary event property that is created and that may be used to pay, and secure the payment of, the extraordinary event bonds and financing costs authorized in the financing order;

(5) authorize the utility to finance extraordinary event costs through the issuance of one or more series of extraordinary event bonds. A utility is not required to secure a separate financing order for each issuance of extraordinary event bonds or for each scheduled phase of the replacement of natural gas facilities approved in the financing order;

(6) include a formula-based mechanism that must be used to make expeditious periodic adjustments to the extraordinary event charge authorized by the financing order that are necessary to correct for any overcollection or undercollection, or to otherwise guarantee the timely payment of extraordinary event bonds, financing costs, and other required amounts and charges payable in connection with extraordinary event bonds;

(7) specify the degree of flexibility afforded to the utility in establishing the terms and conditions of the extraordinary event bonds, including but not limited to repayment schedules, expected interest rates, and other financing costs;

(8) specify that the extraordinary event bonds must be issued as soon as feasible following issuance of the financing order;

(9) require the utility, at the same time as extraordinary event charges are initially collected and independent of the schedule to close and decommission any natural gas facility replaced as the result of an extraordinary event, to remove the natural gas facility from the utility's rate base and commensurately reduce the utility's base rates;

(10) specify a future ratemaking process to reconcile any difference between the projected pretax costs included in the amount financed by extraordinary event bonds and the final actual pretax costs incurred by the utility to retire or replace the natural gas facility;

(11) specify information regarding bond issuance and repayments, financing costs, energy transaction charges, extraordinary event property, and related matters that the natural gas utility is required to provide to the commission on a schedule determined by the commission;

(12) allow and may require the creation of a utility's extraordinary event property to be conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary event property to an assignee and the pledge of the extraordinary event property to secure the extraordinary event bonds;
(13) ensure that the structuring, marketing, and pricing of extraordinary event bonds result in reasonable securitization bond charges and significant customer savings or rate impact mitigation, consistent with market conditions and the terms of the financing order; and

(14) specify that a utility financing the replacement of one or more natural gas facilities after the natural gas facilities subject to the finance order are removed from the utility's rate base is prohibited from:

(i) operating the natural gas facilities; or

(ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

(b) A financing order issued under this section may:

(1) include conditions different from those requested in the application that the commission determines are necessary to:

(i) promote the public interest; and

(ii) maximize the financial benefits or minimize the financial risks of the transaction to customers and to directly impacted Minnesota workers and communities; and

(2) specify the selection of one or more underwriters of the extraordinary event bonds.

Subd. 4. Duration; irrevocability; subsequent order. (a) A financing order remains in effect until the extraordinary event bonds issued under the financing order and all financing costs related to the bonds have been paid in full.

(b) A financing order remains in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the utility to which the financing order applies or any affiliate, successor, or assignee of the utility to which the financing order applies.

(c) Subject to judicial review under section 216B.52, a financing order is irrevocable and is not reviewable by a future commission. The commission may not reduce, impair, postpone, or terminate extraordinary event charges approved in a financing order, or impair extraordinary event property or the collection or recovery of extraordinary event revenue.

(d) Notwithstanding paragraph (c), the commission may, on the commission's own motion or at the request of a utility or any other person, commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary event bonds issued under the original financing order if:

(1) the commission makes all of the findings specified in subdivision 2 with respect to the subsequent financing order; and
(2) the modification contained in the subsequent financing order does not in any way impair the covenants and terms of the extraordinary event bonds being refinanced, retired, or refunded.

Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b), the commission, in exercising the powers and carrying out the duties under this section, is prohibited from:

(1) considering extraordinary event bonds issued under this section to be debt of the utility other than for income tax purposes, unless it is necessary to consider the extraordinary event bonds to be debt in order to achieve consistency with prevailing utility debt rating methodologies;

(2) considering the extraordinary event charges paid under the financing order to be revenue of the utility;

(3) considering the extraordinary event or financing costs specified in the financing order to be the regulated costs or assets of the utility; or

(4) determining that any prudent action taken by a utility that is consistent with the financing order is unjust or unreasonable.

(b) Nothing in this subdivision:

(1) affects the authority of the commission to apply or modify any billing mechanism designed to recover extraordinary event charges;

(2) prevents or precludes the commission from (i) investigating a utility's compliance with the terms and conditions of a financing order, and (ii) requiring compliance with the financing order; or

(3) prevents or precludes the commission from imposing regulatory sanctions against a utility for failure to comply with the terms and conditions of a financing order or the requirements of this section.

(c) The commission is prohibited from refusing to allow a utility to recover any costs associated with the replacement of natural gas facilities solely because the utility has elected to finance the natural gas facility replacement through a financing mechanism other than extraordinary event bonds.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 10. [216B.493] POSTORDER COMMISSION DUTIES.

Subdivision 1. Financing cost review. Within 120 days after the date extraordinary event bonds are issued, a utility subject to a financing order must file with the commission the actual initial and ongoing financing costs, the final structure and pricing of the extraordinary event bonds, and the actual extraordinary event charge. The commission must review the prudence of the natural gas utility's actions to determine whether the actual financing costs were the lowest that could reasonably be achieved given the terms of the financing order and market conditions prevailing at the time of the bond's issuance.

Subd. 2. Enforcement. If the commission determines that a utility's actions under this section are not prudent or are inconsistent with the financing order, the commission may apply any remedies available, provided that any remedy applied may not directly or indirectly impair the security for the extraordinary event bonds.

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

Sec. 11. [216B.494] USE OF OUTSIDE EXPERTS.

(a) In carrying out the duties under this section, the commission may:

(1) contract with outside consultants and counsel experienced in securitized utility customer-backed bond financing similar to extraordinary event bonds; and

(2) hire and compensate additional temporary staff as needed.

Expenses incurred by the commission under this paragraph must be treated as financing costs and included in the extraordinary event charge. The costs incurred under clause (1) are not an obligation of the state and are assigned solely to the transaction.

(b) A utility presented with a written request from the commission for reimbursement of the commission's expenses incurred under paragraph (a), accompanied by a detailed account of those expenses, must remit full payment of the expenses to the commission within 30 days of receiving the request.

(c) If a utility's application for a financing order is denied or withdrawn for any reason and extraordinary event bonds are not issued, the commission's costs to retain expert consultants under this section must be paid by the applicant utility and are deemed to be prudent deferred expenses eligible for recovery in the utility's future rates.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 12. [216B.495] EXTRAORDINARY EVENT CHARGE; BILLING

TREATMENT.

(a) A utility that obtains a financing order and causes extraordinary event bonds to be
issued must:

(1) include on each customer's monthly natural gas bill:

(i) a statement that a portion of the charges represents extraordinary event charges
approved in a financing order;

(ii) the amount and rate of the extraordinary event charge as a separate line item titled
"extraordinary event charge"; and

(iii) if extraordinary event property has been transferred to an assignee, a statement that
the assignee is the owner of the rights to extraordinary event charges and that the utility or
other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

(2) file annually with the commission:

(i) a calculation of the impact of financing the retirement or replacement of natural gas
facilities on customer rates, itemized by customer class; and

(ii) evidence demonstrating that extraordinary event revenues are applied solely to the
repayment of extraordinary event bonds and other financing costs.

(b) Extraordinary event charges are nonbypassable and must be paid by all existing and
future customers receiving service from the utility or the utility's successors or assignees
under commission-approved rate schedules or special contracts.

(c) A utility's failure to comply with this section does not invalidate, impair, or affect
any financing order, extraordinary event property, extraordinary event charge, or
extraordinary event bonds, but does subject the utility to penalties under applicable
commission rules.

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

Sec. 13. [216B.496] EXTRAORDINARY EVENT PROPERTY.

Subdivision 1. General. (a) Extraordinary event property is an existing present property
right or interest in a property right, even though the imposition and collection of extraordinary
event charges depend on the utility collecting extraordinary event charges and on future
natural gas consumption. The property right or interest exists regardless of whether the
revenues or proceeds arising from the extraordinary event property have been billed, have
accrued, or have been collected.

(b) Extraordinary event property exists until all extraordinary event bonds issued under
a financing order are paid in full and all financing costs and other costs of the extraordinary
event bonds have been recovered in full.

(c) All or any portion of extraordinary event property described in a financing order
issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee
that is wholly owned, directly or indirectly, by the utility and is created for the limited
purpose of acquiring, owning, or administering extraordinary event property or issuing
extraordinary event bonds authorized by the financing order. All or any portion of
extraordinary event property may be pledged to secure extraordinary event bonds issued
under a financing order, amounts payable to financing parties and to counterparties under
any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,
assignment, or pledge by a utility or an affiliate of extraordinary event property is a
transaction in the ordinary course of business.

(d) If a utility defaults on any required payment of charges arising from extraordinary
event property described in a financing order, a court, upon petition by an interested party
and without limiting any other remedies available to the petitioner, must order the
sequestration and payment of the revenues arising from the extraordinary event property to
the financing parties.

(e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary
event property specified in a financing order issued to a utility, and in the revenue and
collections arising from the property, is not subject to setoff, counterclaim, surcharge, or
defense by the utility or any other person, or in connection with the reorganization,
bankruptcy, or other insolvency of the utility or any other entity.

(f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other
insolvency proceeding; merger or acquisition; sale; other business combination; transfer by
operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations
of, and has the same duties and rights under, a financing order as the utility to which the
financing order applies. A successor to a utility must perform the duties and exercise the
rights in the same manner and to the same extent as the utility, including collecting and
paying to any person entitled to receive revenues, collections, payments, or proceeds of
extraordinary event property.
Subd. 2. Security interests in extraordinary event property. (a) The creation, perfection, and enforcement of any security interest in extraordinary event property to secure the repayment of the principal and interest on extraordinary event bonds, amounts payable under any ancillary agreement, and other financing costs are governed solely by this section.

(b) A security interest in extraordinary event property is created, valid, and binding when:

(1) the financing order that describes the extraordinary event property is issued;

(2) a security agreement is executed and delivered; and

(3) value is received for the extraordinary event bonds.

(c) Once a security interest in extraordinary event property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien, upon the filing of a financing statement with the secretary of state.

(d) The description or indication of extraordinary event property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this section and the financing order creating the extraordinary event property.

(e) A security interest in extraordinary event property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the extraordinary event property unless the holder of the security interest has agreed otherwise in writing.

(f) The priority of a security interest in extraordinary event property is not affected by the commingling of extraordinary event property or extraordinary event revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all extraordinary event property or extraordinary event revenue that is pledged to pay extraordinary event bonds, even if the extraordinary event property or extraordinary event revenue is deposited in a cash or deposit account of the utility in which the extraordinary event revenue is commingled with other money. Any other security interest that applies to the other money does not apply to the extraordinary event revenue.

(g) Neither a subsequent commission order amending a financing order under section 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a
financing order under section 216B.492, subdivision 3, affects the validity, perfection, or
priority of a security interest in or transfer of extraordinary event property.

(h) A valid and enforceable security interest in extraordinary event property is perfected
only when the security interest has attached and when a financing order has been filed with
the secretary of state in accordance with procedures established by the secretary of state.
The financing order must name the pledgor of the extraordinary event property as debtor
and identify the property.

Subd. 3. Sales of extraordinary event property. (a) A sale, assignment, or transfer of
extraordinary event property is an absolute transfer and true sale of, and not a pledge of or
secured transaction relating to, the seller's right, title, and interest in, to, and under the
extraordinary event property if the documents governing the transaction expressly state that
the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary
event property may be created when:

(1) the financing order creating and describing the extraordinary event property is
effective;

(2) the documents evidencing the transfer of the extraordinary event property are executed
and delivered to the assignee; and

(3) value is received.

(b) A transfer of an interest in extraordinary event property must be filed with the
secretary of state against all third persons and perfected under sections 336.3-301 to
336.3-312, including any judicial lien or other lien creditors or any claims of the seller or
creditors of the seller, other than creditors holding a prior security interest, ownership
interest, or assignment in the extraordinary event property previously perfected under this
subdivision or subdivision 2.

(c) The characterization of a sale, assignment, or transfer as an absolute transfer and
true sale, and the corresponding characterization of the property interest of the assignee, is
not affected or impaired by:

(1) commingling of extraordinary event revenue with other money;

(2) the retention by the seller of:

(i) a partial or residual interest, including an equity interest, in the extraordinary event
property, whether direct or indirect, or whether subordinate or otherwise; or
(ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of extraordinary event revenue;

(3) any recourse that the purchaser may have against the seller;

(4) any indemnification rights, obligations, or repurchase rights made or provided by the seller;

(5) an obligation of the seller to collect extraordinary event revenues on behalf of an assignee;

(6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;

(7) any subsequent financing order amending a financing order under section 216B.492, subdivision 4, paragraph (d); or

(8) any application of an adjustment mechanism under section 216B.492, subdivision 3, paragraph (a), clause (6).

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

Sec. 14. [216B.497] EXTRAORDINARY EVENT BONDS.

(a) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within the individual's or entity's control in extraordinary event bonds.

(b) Extraordinary event bonds issued under a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any political subdivision. Holders of extraordinary event bonds may not have taxes levied by the state or a political subdivision in order to pay the principal or interest on extraordinary event bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently obligate the state or a political subdivision to levy any tax or make any appropriation to pay principal or interest on the extraordinary event bonds.

(c) The state pledges to and agrees with holders of extraordinary event bonds, any assignee, and any financing parties that the state will not:

(1) take or permit any action that impairs the value of extraordinary event property; or

(2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and remitted for the benefit of holders of extraordinary event bonds, any assignee, and any financing parties until any principal, interest, and redemption premium payable on
extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(d) A person who issues extraordinary event bonds may include the pledge specified in paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation related to the issuance and marketing of the extraordinary event bonds.

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

Sec. 15. [216B.498] **ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO COMMISSION REGULATION.**

An assignee or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 216B.491 to 216B.499.

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

Sec. 16. [216B.499] **EFFECT ON OTHER LAWS.**

(a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499 govern.

(b) Nothing in this section precludes a utility for which the commission has initially issued a financing order from applying to the commission for:

(1) a subsequent financing order amending the financing order under section 216B.492, subdivision 4, paragraph (d); or

(2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding series of extraordinary event bonds.

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

Sec. 17. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

**Subdivision 1. Commission approval required.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of $100,000 $1,000,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the
commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

Sec. 18. Minnesota Statutes 2021 Supplement, section 216C.376, subdivision 5, is amended to read:

Subd. 5. Program funding. (a) In 2022, the public utility subject to section 116C.779 must withhold $8,000,000 from the transfer made under section 116C.779, subdivision 1, paragraph (e), to pay for assistance provided by the program under this section. In 2024, the amount that must be withheld is $8,000,000. The money withheld under this paragraph must be used to pay for financial assistance awarded under this section and the costs to administer this section. Any money that remains unexpended on June 30, 2027, five years after the money is withheld cancels to the renewable development account.

(b) The renewable energy credits associated with the electricity generated by a solar energy system installed under this section are the property of the public utility that is subject to this section for the life of the system, regardless of the duration of the financial assistance provided by the public utility under this section.

Sec. 19. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

Subd. 8. Qualifying commercial real property. "Qualifying commercial real property" means a multifamily residential dwelling, or a commercial or industrial building, or farmland that the implementing entity has determined, after review of an energy audit or renewable energy system feasibility study, or agronomic assessment, can be benefited by benefit from the installation of cost-effective energy improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.
Sec. 20. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision to read:

Subd. 1b. Definition. For the purposes of this section, "land and water improvements" means:

1) any improvement to qualifying farmland, as defined in section 273.13, subdivision 23, that is permanent in nature, results in improved agricultural productivity or resiliency, and reduces environmental impact; or

2) water conservation measures, which includes permanently affixed equipment, appliances, or improvements that reduce a property's water consumption or that enable the property to manage water more efficiently.

Sec. 21. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

Subd. 2. Program requirements. A commercial PACE loan program must:

1) impose requirements and conditions on financing arrangements to ensure timely repayment;

2) require an energy audit or renewable energy system feasibility study to be conducted on the qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

3) require the inspection of all installations and a performance verification of at least ten percent of the cost-effective energy improvements or land and water improvements financed by the program;

4) not prohibit the financing of all cost-effective energy improvements or land and water improvements not otherwise prohibited by this section;

5) require that all cost-effective energy improvements or land and water improvements be made to a qualifying commercial real property prior to, or in conjunction with, an applicant's repayment of financing for cost-effective energy improvements for that property;

6) have cost-effective energy improvements or land and water improvements financed by the program performed by a licensed contractor as required by chapter 326B or other law or ordinance;

7) require disclosures to borrowers by the implementing entity of the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default;

8) provide financing only to those who demonstrate an ability to repay;
(9) not provide financing for a qualifying commercial real property in which the owner is not current on mortgage or real property tax payments;

(10) require a petition to the implementing entity by all owners of the qualifying commercial real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; and

(12) require that liability for special assessments related to the financing runs with the qualifying commercial real property; and

(13) prior to financing any improvements to or imposing any assessment upon qualifying commercial real property, require notice to and written consent from the mortgage lender of any mortgage encumbering or otherwise secured by the qualifying commercial real property.

Sec. 22. [216H.022] CARBON CAPTURE AND SEQUESTRATION; STATE POLICY.

It is the policy of the state to support the development and deployment of carbon capture and sequestration technologies in Minnesota as a method of reducing greenhouse gas emissions in order to achieve the state greenhouse gas emission-reduction goals established under section 216H.02, subdivision 1.

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

Sec. 23. Minnesota Statutes 2020, section 237.55, is amended to read:

237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.

The commissioner of commerce must prepare a report for presentation to the Public Utilities Commission by January March 31 of each year. Each report must review the accessibility of telecommunications services to persons who have communication disabilities, describe services provided, account for annual revenues and expenditures for each aspect of the fund to date, and include predicted program future operation.

Sec. 24. [465.485] BAN ON NATURAL GAS AND PROpane HOOKUPS; PROHIBITION.

A political subdivision is prohibited from adopting an ordinance, resolution, code, policy, or permit requirement that prohibits or has the effect of preventing a utility from (1)
29.1 connecting or reconnecting natural gas or propane to any building, or (2) supplying natural
gas or propane to any building or utility customer.

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

29.4 Sec. 25. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

29.5 Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota
Statutes, section 116C.779, subdivision 1, paragraph (j), $2,000,000 in fiscal year 2021 is
appropriated from the renewable development account established in Minnesota Statutes,
section 116C.779, subdivision 1, to the commissioner of employment and economic
development for deposit in the community energy transition account established in Minnesota
Statutes, section 116J.55, subdivision 3. This is a onetime appropriation and is available
until June 30, 2022.

29.6 (b) If another bill is enacted during the 2020 regular legislative session that appropriates
money from the renewable development account established in Minnesota Statutes, section
116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes,
section 116J.55, the appropriation under this subdivision cancels to the renewable
development account under Minnesota Statutes, section 116C.779, subdivision 1.

29.17 Sec. 26. Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1, is
amended to read:

29.19 Subdivision 1. **Total Appropriation**

29.20 The amounts that may be spent for each

29.22 purpose are specified in the following

29.23 subdivisions.

29.24 Sec. 27. **ADVANCED NUCLEAR STUDY.**

29.25 Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a
study evaluating the potential costs, benefits, and impacts of advanced nuclear technology
reactor power generation in Minnesota.

29.28 (b) At a minimum, the study must address the potential costs, benefits, and impacts of
advanced nuclear technology reactor power generation on:

29.30 (1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation

29.31 Energy Act, Laws 2007, chapter 136;
(2) system costs for ratepayers;

(3) system reliability;

(4) the environment;

(5) local jobs; and

(6) local economic development.

c) The study must also evaluate:

(1) current Minnesota statutes and administrative rules that would require modifications in order to enable the construction and operation of advanced nuclear reactors; and

(2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors, while accounting for the avoided costs that result from the closure of coal-fired plants.

Subd. 2. Report. The commissioner of commerce must submit the results of the study under subdivision 1 to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy no later than January 31, 2023.

Sec. 28. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.

As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422, subdivision 2, but no later than December 31, 2025, the public utility that owns an electric generation facility that is powered by coal, scheduled for retirement in 2028, and located within the St. Croix National Scenic Riverway must provide, to the extent known, the public utility's plan and a detailed timeline to decommission and demolish the electric generation facility and remediate pollution at the electric generation facility site. The public utility must also provide a copy of the plan and timeline to the governing body of the municipality where the electric generation facility is located on the same date the plan and timeline are submitted to the Public Utilities Commission. If a resource plan is not filed or required before December 31, 2025, the plan and timeline must be submitted to the Public Utilities Commission and the municipality as a separate filing by December 31, 2025.

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

Sec. 29. APPROPRIATIONS.

Subdivision 1. Advanced nuclear study. $150,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of commerce to conduct an advanced nuclear study and develop a report. This is a onetime appropriation.
Subd. 2. **Solar for schools.** $4,150,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of commerce to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This appropriation is available until June 30, 2028. The base amount for fiscal year 2024 is $5,700,000. The base amount for fiscal year 2025 is $0.

Subd. 3. **Granite Falls hydroelectric generating facility.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,290,000 is appropriated in fiscal year 2023 from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for a grant to the city of Granite Falls for repair and overage costs related to the city's existing hydroelectric generating facility. This is a onetime appropriation. Any amount of the appropriation under this paragraph that remains unexpended on June 30, 2024, must be returned to the renewable development account.

Subd. 4. **Community energy transition grants.** $3,500,000 in fiscal year 2023 is appropriated from the renewable development account to the commissioner of employment and economic development. This appropriation is available only for grants to eligible communities located within the service territory of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2029.

Subd. 5. **National Sports Center solar array.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $3,500,000 in fiscal year 2023 is appropriated from the renewable development account to the Minnesota Amateur Sports Commission to install solar arrays. This appropriation may be used to install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Sec. 30. **REPEALER.**

Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9; and Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3, are repealed.

**ARTICLE 2**

**JOBS AND ECONOMIC GROWTH APPROPRIATIONS**

Section 1. **APPROPRIATIONS.**
The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

**APPROPRIATIONS**

Available for the Year

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<tr>
<th>Ending June 30</th>
<th>2022</th>
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<td>Sec. 2. DEPARTMENT OF LABOR AND INDUSTRY</td>
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(a) $175,000 is to study the adequacy of current benefits available to disabled or injured police officers, firefighters, and state troopers. The study shall consider workers' compensation, disability, and pension benefits and the adequacy of these benefits for Minnesota police officers, firefighters, and state troopers. At least one public hearing shall be held. The Public Employees Retirement Association shall cooperate with the department in conducting this study. The department shall issue a report no later than January 15, 2023, to the chairs and ranking minority members of the standing committees of the house of representatives and the senate having jurisdiction over public safety and employment issues and to the chair of the Legislative Commission on Pensions and Retirement.

(b)(1) $50,000 in fiscal year 2023 is appropriated from the workforce development fund to the commissioner of labor and industry.
for a grant to Abijah's on the Backside to
provide equine experiential mental health
therapy to first responders suffering from
job-related trauma and post-traumatic stress
disorder.

(2) For purposes of this section, a "first
responder" is a peace officer as defined in
Minnesota Statutes, section 626.84,
subdivision 1, paragraph (c); a full-time
firefighter as defined in Minnesota Statutes,
section 299N.03, subdivision 5; or a volunteer
firefighter as defined in Minnesota Statutes,
section 299N.03, subdivision 7.

(3) Abijah's on the Backside must report to
the commissioner of labor and industry and
the chairs and ranking minority members of
the house of representatives and senate
committees overseeing labor and industry
policy and finance on the equine experiential
mental health therapy provided to first
responders under this section. The report must
include an overview of the program's budget,
a detailed explanation of program
expenditures, the number of first responders
served by the program, and a list and
explanation of the services provided to and
benefits received by program participants. An
initial report is due by January 15, 2023, and
a final report is due by January 15, 2024.

Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2, is
amended to read:

Subd. 2. Business and Community Development Appropriations by Fund

General

<table>
<thead>
<tr>
<th>Fund</th>
<th>General</th>
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<tbody>
<tr>
<td></td>
<td>205,215,000</td>
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</table>

Article 2 Sec. 3.
(a) $1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2025.

(b) $8,425,000 in the first year and $1,425,000 in the second year are for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program and $7,000,000 in the first year is for technical assistance to small businesses. Except for awards for technical assistance for small businesses, all grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(c) $1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(d) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(e) $139,000 each year is for the Center for Rural Policy and Development.

(f) $25,000 each year is for the administration of state aid for the Destination Medical Center.
(g) $875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h) (1) $2,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. This appropriation is available through June 30, 2023. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. In fiscal year 2024 and beyond, the base amount is $1,500,000.

(2) Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant funds available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

(3) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant.
program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(i) $1,500,000 each year is for a grant to the Minnesota Initiative Foundations. This appropriation is available until June 30, 2025. In fiscal year 2024 and beyond, the base amount is $1,000,000. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses
for quality engagement and improvement by
stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(j) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(k) $10,029,000 the first year and $10,028,000 the second year are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2024 and beyond, the base amount is $12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money

Article 2 Sec. 3.
appropriated to the commissioner for the
Minnesota investment fund may be used for
the redevelopment program under Minnesota
Statutes, sections 116J.575 and 116J.5761, at
the discretion of the commissioner. Grants
under this paragraph are not subject to the
grant amount limitation under Minnesota
Statutes, section 116J.8731.

(l) $0 each year is for the redevelopment
program under Minnesota Statutes, sections
116J.575 and 116J.5761. In fiscal year 2024
and beyond, the base amount is $2,246,000.

(m) $1,000,000 each year is for the Minnesota
emerging entrepreneur loan program under
Minnesota Statutes, section 116M.18. Funds
available under this paragraph are for transfer
into the emerging entrepreneur program
special revenue fund account created under
Minnesota Statutes, chapter 116M, and are
available until expended. Of this amount, up
to four percent is for administration and
monitoring of the program.

(n) $325,000 each year is for the Minnesota
Film and TV Board. The appropriation in each
year is available only upon receipt by the
board of $1 in matching contributions of
money or in-kind contributions from nonstate
sources for every $3 provided by this
appropriation, except that each year up to
$50,000 is available on July 1 even if the
required matching contribution has not been
received by that date.

(o) $12,000 each year is for a grant to the
Upper Minnesota Film Office.
$500,000 each year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2025.

$q$ $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

$r$ $1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

$s$ $2,500,000 each year is for Launch Minnesota. This appropriation is available until June 30, 2025. The base in fiscal year 2026 is $0. Of this amount:

(1) $1,500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) $500,000 each year is for administration of Launch Minnesota; and

(3) $500,000 each year is for grantee activities at Launch Minnesota.

$1,148,000 the first year is for a grant to the Northeast Entrepreneur Fund, a small business administration microlender and community development financial institution operating in northern Minnesota. Grant funds must be used as capital for accessing additional federal lending for small businesses.
impacted by COVID-19 and must be returned to the commissioner for deposit in the general fund if the Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022.

(u) $80,000,000 the first year is for the Main Street Economic Revitalization Loan Program. Of this amount, up to $300,000 is for the commissioner's administration and monitoring of the program. This appropriation is available until June 30, 2025.

(v) $70,000,000 the first year is for the Main Street COVID-19 Relief Grant Program. Of this amount, up to:

(1) $34,950,000 is for grants to the Minnesota Initiative Foundations to serve businesses outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) $34,950,000 is for grants to partner organizations to serve businesses inside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2; and

(3) $100,000 is for the commissioner's administration and monitoring of the program.

(w) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(x) $500,000 each year is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439.

In awarding grants with this appropriation, the commissioner must prioritize eligible
applicants that did not receive a grant pursuant to the appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (q).

(y) $750,000 each year is from the workforce development fund for grants to the Neighborhood Development Center for small business programs, including:

(1) training, lending, and business services;
(2) model outreach and training in greater Minnesota; and
(3) development of new business incubators.

This is a onetime appropriation.

(z) $5,000,000 in the first year is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This appropriation is available until April 1, 2023.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 4. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to read:

Sec. 5. BUREAU OF MEDIATION SERVICES $2,370,000 $2,415,000

(a) $125,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041. This is a onetime appropriation.

(b) $68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.
Sec. 5. MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION FUND REQUIREMENTS EXTENSIONS.

Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet the minimum capital investment requirements, wage, or minimum job creation goals or requirements provided in a business subsidy agreement, as applicable, during or within the 12-month period following a peacetime emergency related to the COVID-19 pandemic shall be granted an extension until December 31, 2023, to meet those capital investment, wage, or job creation goals or requirements before the grant must be repaid.

EFFECTIVE DATE. This section is effective retroactively from March 15, 2020.

ARTICLE 3
DEED POLICY

Section 1. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision to read:

Subd. 7a. Competitive grants. The commissioner shall, when awarding competitive grants to organizations for the purpose of providing job training, give priority to programs or organizations that focus job training in high-wage, high-demand careers. For purposes of this subdivision, "high-wage, high-demand" has the meaning given in section 116L.99.

Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

Subd. 6. Eligible expenditures. (a) Money in the account established in subdivision 3 must be used only to:

(1) award grants to eligible communities under this section; and

(2) reimburse the department's reasonable costs to administer this section, up to a maximum of five percent of the appropriation made to the commissioner under this section. The commissioner may transfer part of the allowable administrative portion of this appropriation to the Environmental Quality Board to assist communities with regulatory coordination, and dedicated technical assistance on conversion for these communities.
An eligible community awarded a grant under this section may use the grant to plan for or address the economic and social impacts on the eligible community of the electric generating plant's cessation of operations, including but not limited to land use studies, economic planning, researching, planning, and implementing activities and impact studies and other planning activities enabling communities to become shovel-ready and support the transition from power plants to other economic activities to minimize the negative impacts of power plant closures on tax revenues and jobs designed to:

1. assist workers at the plant find new employment, including worker retraining and developing small business start-up skills;
2. increase the eligible community's property tax base; and
3. develop alternative economic development strategies to attract new employers to the eligible community.

Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

Subd. 6. Municipality. "Municipality" means the statutory or home rule charter city, town, federally recognized Tribe, or, in the case of unorganized territory, the county in which the site is located.

Sec. 4. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

Subd. 2. Qualified job training program. To qualify for grants under this section, a job training program must satisfy the following requirements:

1. the program must be operated by a nonprofit corporation that qualifies under section 501(c)(3) of the Internal Revenue Code;
2. the program may spend up to $5,500 in total training per participant;
3. the program must provide education and training in:
   (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics, and communications;
   (ii) long-term plans for success including participant coaching for two years after placement;
   (iii) soft skills, including skills critical to success on the job; and
   (iv) access to internships, technology training, personal and emotional intelligence skill development, and other support services;
the program may provide income supplements not to exceed $2,000 per participant support services, when needed, to participants for housing, counseling, tuition, and other basic needs;

(5) individuals served by the program must be 18 years of age or older as of the date of enrollment, and have household income in the six months immediately before entering the program that is 200 percent or less of the federal poverty guideline for Minnesota, based on family size; and

(6) the program must be certified by the commissioner of employment and economic development as meeting the requirements of this subdivision.

Sec. 5. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:

Subd. 3. Graduation and retention grant requirements. (a) For purposes of a placement grant under this section, a qualified graduate is a graduate of a job training program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at least the current state minimum wage. To qualify for a retention grant under this section for a retention fee, a job in which the graduate is retained must pay at least the current state minimum wage.

(b) Programs are limited to one placement and one retention payment for a qualified graduate in a performance program.

Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:

Subd. 4. Duties of program. (a) A program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

(b) A program must maintain and provide upon request records for each qualified graduate. The records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, and describe the job including its compensation rate and benefits, and average hours per week.

(c) A program is subject to the reporting requirements under section 116L.98.

Sec. 7. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

Subd. 3. Business subsidy. "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any
loan, lease, or other obligation, or any preferential use of government facilities given to a
business.

The following forms of financial assistance are not a business subsidy:

(1) a business subsidy of less than $150,000;

(2) assistance that is generally available to all businesses or to a general class of similar
businesses, such as a line of business, size, location, or similar general criteria;

(3) public improvements to buildings or lands owned by the state or local government
that serve a public purpose and do not principally benefit a single business or defined group
of businesses at the time the improvements are made;

(4) redevelopment property polluted by contaminants as defined in section 116J.552,
subdivision 3;

(5) assistance provided for the sole purpose of renovating old or decaying building stock
or bringing it up to code and assistance provided for designated historic preservation districts,
provided that the assistance is equal to or less than 50 percent of the total cost;

(6) assistance to provide job readiness and training services if the sole purpose of the
assistance is to provide those services;

(7) assistance for housing;

(8) assistance for pollution control or abatement, including assistance for a tax increment
financing hazardous substance subdistrict as defined under section 469.174, subdivision
23;

(9) assistance for energy conservation;

(10) tax reductions resulting from conformity with federal tax law;

(11) workers' compensation and unemployment insurance;

(12) benefits derived from regulation;

(13) indirect benefits derived from assistance to educational institutions;

(14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding
bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)
of the Internal Revenue Code of 1986, as amended through December 31, 1999;

(15) assistance for a collaboration between a Minnesota higher education institution and
a business;
(16) assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;

(17) redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;

(18) general changes in tax increment financing law and other general tax law changes of a principally technical nature;

(19) federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;

(20) funds from dock and wharf bonds issued by a seaway port authority;

(21) business loans and loan guarantees of $150,000 or less;

(22) federal loan funds provided through the United States Department of Commerce, Economic Development Administration, Department of the Treasury; and

(23) property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100.

Sec. 8. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions or to workforce development intermediaries for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

(2) provide employment where there are defined career paths for trainees;

(3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and
(4) demonstrate the active participation of Department of Employment and Economic
Development workforce centers, Minnesota State College and University institutions and
other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment
of participating private businesses, Tribal-owned businesses, and municipal and
county hospitals. Pathways projects must be matched with cash or in-kind contributions on
at least a one-half-to-one ratio by participating private businesses, Tribal-owned
businesses, and municipal or county hospitals.

A single grant to any one institution shall not exceed $400,000. A portion of a grant may
be used for preemployment training.

Sec. 9. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time
employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation
from public or private sector employment and is eligible for or has exhausted entitlement
to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or
reemployment in the same or a similar occupation in the area in which the individual resides,
including older individuals who may have substantial barriers to employment by reason of
age;

(3) has been terminated or has received a notice of termination of employment as a result
of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a
result of general economic conditions in the community in which the individual resides or
because of natural disasters;

(5) is a veteran as defined by section 197.447, has been discharged or released from
active duty under honorable conditions within the last 36 months, and (i) is unemployed or
(ii) is employed in a job verified to be below the skill level and earning capacity of the
veteran;
(6) is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; or

(7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must now find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

For the purposes of this section, "dislocated worker" does not include an individual who was an employee, at the time employment ceased, of a political committee, political fund, principal campaign committee, or party unit, as those terms are used in chapter 10A, or an organization required to file with the federal elections commission.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 10. [116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT ORGANIZATIONS.

Subdivision 1. Purpose. In order to ensure that grants are awarded to mission-centered and fiscally responsible grantees, a nonprofit organization that is a recipient of a future or past grant or direct appropriation made by or through the department must provide information to the commissioner as specified in this section.

Subd. 2. Definitions. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.
(b) "Compensation" means salary, bonuses, the present value of stock options, the value of employee benefits, employer contributions to retirement or deferred compensation plans on behalf of the officer or employee, and any other compensation or benefit of value.

(c) "Highly compensated employee" means an employee of a nonprofit organization with estimated annual wages that:

(1) are greater than 80 percent of the governor's annual salary; and

(2) are equal to, or greater than, 80 percent of the estimated annual wages of the second highest paid employee of the nonprofit organization.

(d) "Nonprofit organization" means an organization described in United States Code, title 26, section 501(c)(3), and is exempt from income tax under United States Code, title 26, section 501(a).

Subd. 3. Requirements. (a) By September 1 of each year, a nonprofit organization that is recipient of a future or past grant or direct appropriation made by or through the department must provide the following to the commissioner:

(1) number of and compensation for any highly compensated employees of the nonprofit organization;

(2) administrative expenses of the nonprofit organization for the previous three years as evidenced by the nonprofit's Internal Revenue Service Form 990;

(3) total functional expenses, including the nonprofit's program expenses, administrative expenses, and fundraising expenses, for the previous three years; and

(4) revenue for the previous three years.

(b) A nonprofit organization that has been in operation for fewer than three years shall submit the data required under paragraph (a), clauses (2) to (4), for the time period since the inception of the nonprofit organization.

Subd. 4. Reporting to legislature. Beginning February 15, 2023, and each year thereafter, the commissioner must submit a combined report containing the information provided by the grant recipients to the chairs and ranking minority members of the legislative committees and budget divisions with jurisdiction over economic development. The commissioner shall also include in the report a calculation of each nonprofit's percentage of expenses and a revenue and expenses trend comparison over the previous three years.
Sec. 11. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

Subd. 2. Definitions. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. This definition does not include certificates awarded by workforce investment boards or work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Sec. 12. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

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

(1) the total number of participants enrolled;

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

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

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

(5) the total number of participants enrolled in training by occupational group;
(6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

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

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

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

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

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

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

(13) the total cost of the program;

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

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

(16) the administrative cost of the program.

(b) The report to the legislature must contain:

(1) participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not; and

(2) a list of any grant recipients that did not satisfy all of the reporting requirements of this section for the applicable reporting period.

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

Sec. 13. Minnesota Statutes 2020, section 181.032, is amended to read:

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

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee
(b) The earnings statement may be in any form determined by the employer but must include:
(1) the name of the employee;
(2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;
(3) allowances, if any, claimed pursuant to permitted meals and lodging;
(4) the total number of hours worked by the employee unless exempt from chapter 177;
(5) the total amount of gross pay earned by the employee during that period;
(6) a list of deductions made from the employee's pay;
(7) the net amount of pay after all deductions are made;
(8) the date on which the pay period ends;
(9) the legal name of the employer and the operating name of the employer if different from the legal name;
(10) the physical address of the employer's main office or principal place of business, and a mailing address if different; and
(11) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) Within seven days of the start of employment, an employer shall provide each employee a written notice, either in writing or by electronic means, containing the following information:
(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates, as well as any pay schedule or range of pay for an
employee who is reasonably expected to move between job duties, classifications, and pay
or benefit structures in their day-to-day duties;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum
wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay
day on which the employee will receive the first payment of wages earned;

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

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

(9) the telephone number of the employer; and

(10) a checkbox to indicate whether a hiring employer is a staffing agency and space
for a staffing agency to indicate the initial entity for which the employee will perform work.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each
employee acknowledging receipt of the notice. An employee's signature on the notice
constitutes acknowledgment of receipt of the notice and does not create a contract. For the
purposes of this paragraph, "signed" means a written signature or an electronic signature
as defined in section 325L.02. The notice must be provided to each employee in English.
The English version of the notice must include text provided by the commissioner that
informs employees that they may request, by indicating on the form, the notice be provided
in a particular language. If requested, the employer shall provide the notice in the language
requested by the employee. The commissioner shall make available to employers the text
to be included in the English version of the notice required by this section and assist
employers with translation of the notice in the languages requested by their employees.

(f) The notice requirement under paragraph (d) is satisfied for an employee if the
employee has received all of the information required in paragraph (d) specific to the
employee through a collective bargaining agreement, employee handbook, offer letter, or
a combination of those documents. In such an instance, the employer must retain a record
or listing of the referenced documents that satisfied the notice requirement in paragraph (d).
An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date of the employee's next earnings statement following the date the changes take effect. The notice of changes to information under this paragraph does not require a signature by the employee acknowledging receipt. The requirements of this paragraph are satisfied if the changes to information are contained on the employee's next earnings statement.

(h) Notice is not required under paragraph (g) to an employee for discretionary pay. For the purposes of this section, "discretionary pay" means compensation paid by the employer for which the amount and timing are not disclosed in advance by the employer and are at the employer's sole discretion.

(i) Notice is not required under paragraph (g) to an employee employed by a staffing agency upon subsequent job placements following the initial placement by the staffing agency.

(j) The commissioner shall issue a written warning to an employer upon the first finding of a violation or violations of the notice requirements found in paragraphs (d) to (g). For purposes of this paragraph, discovery by the commissioner of more than one violation of the notice requirements under paragraphs (d) to (g) at the same employer during the same investigation shall be considered a single violation.

Sec. 14. Minnesota Statutes 2020, section 181.101, is amended to read:

181.101 WAGES; HOW OFTEN PAID.

(a) Except as provided in paragraph (b), every employer must pay all wages, including salary, earnings, and gratuities earned by an employee at least once every 31 days and all commissions earned by an employee at least once every three months, on a regular payday designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages or commissions earned are not paid, the commissioner of labor and industry or the commissioner's representative may serve a demand for payment on behalf of an employee. In addition to other remedies under section 177.27, if payment of wages is not made within ten days of service of the demand, the commissioner may charge and collect the wages earned at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the
employee's average daily earnings at the same rate or rates, not exceeding 20 days total,
for each day beyond the ten-day limit following the demand. If payment of commissions is
not made within ten days of service of the demand, the commissioner may charge and collect
the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid,
not exceeding 20 days total, for each day beyond the ten-day limit. Money collected by the
commissioner must be paid to the employee concerned. This section does not prevent an
employee from prosecuting a claim for wages. This section does not prevent a school district,
other public school entity, or other school, as defined under section 120A.22, from paying
any wages earned by its employees during a school year on regular paydays in the manner
provided by an applicable contract or collective bargaining agreement, or a personnel policy
adopted by the governing board. For purposes of this section, "employee" includes a person
who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes
of this section, wages are earned on the day an employee works. This section provides a
substantive right for employees to the payment of wages, including salary, earnings, and
gratuities, as well as commissions, in addition to the right to be paid at certain times.

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

Sec. 15. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to
read:

Subd. 7. Overpayments; report to legislature. Beginning January 15, 2023, and each
January 15 thereafter, the commissioner must report to the chairs and ranking minority
members of the committees of the house of representatives and the senate having jurisdiction
over unemployment insurance for the previous calendar year, to the extent that the following
information is not classified as not public under chapter 13 or 268:

(1) the number and total dollar amount of overpayments made by the department,
regardless of whether the improper recipient of the overpayment was identified by the
department;

(2) the number and total dollar amount of overpayments as a percentage of total claims
paid over the same period;
(3) for each overpayment, the dollar amount of the overpayment and information as to
whether the overpayment was made due to:

(i) misrepresentation by a legitimate applicant;

(ii) fraud attempt through identity theft; or

(iii) other fraud attempt by an unidentified imposter or hijacker;

(4) information regarding the number of suspected fraud attempts by imposters or
hijackers that the department identified and stopped prior to issuing an overpayment; and

(5) the number of times the department referred fraud cases to law enforcement.

Sec. 16. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 1, is amended to read:

Subdivision 1. Establishment. Lake of the Woods County shall establish a loan program
to make forgivable loans to eligible remote recreational businesses that experienced a loss
in revenue that is greater than 30 percent during the period between March 15, 2020, and March 15, 2021, as compared with the previous year March 15, 2019, and March 15, 2020.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 17. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 3, is amended to read:

Subd. 3. Eligibility. To be eligible for a forgivable loan, a remote recreational business must:

(1) have been in operation on March 15, 2021;

(2) show that the closure and ongoing COVID-19-related requirements of the United States and Canadian border restricted the ability of American customers to access the location of the remote recreational business; and

(3) not have received a grant under the Main Street COVID-19 relief grant program.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.
Sec. 18. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 4, is amended to read:

Subd. 4. Application. (a) Lake of the Woods County shall develop forms and procedures for soliciting and reviewing applications for loans under this section.

(b) Loans shall be made before April 1, 2022. Any funds not spent by April 1, 2023, must be returned to the state general fund.

(c) If there are insufficient funds to fund all claims in full, the county shall distribute funds on a prorated basis.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 19. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 5, is amended to read:

Subd. 5. Maximum loan amount. The maximum loan amount shall be equal to 75 percent of the remote recreational business's gross annual receipts for fiscal years 2020 and 2021, not to exceed $500,000 per eligible remote recreational business.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 20. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 7, is amended to read:

Subd. 7. Report to legislature. By January 15, 2023, Lake of the Woods County shall report to the legislative committees with jurisdiction over economic development policy and finance on the loans provided to remote recreational businesses under this section.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 21. PAY FOR PERFORMANCE.

Of the amounts appropriated in law from the workforce development fund for grants to pass-through entities, 25 percent in fiscal year 2024 and 50 percent in fiscal year 2025 are for performance grants under Minnesota Statutes, section 116J.8747.

ARTICLE 4
LABOR APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The
appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

**APPROPRIATIONS**

Available for the Year

Ending June 30

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
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<tr>
<td>Subd. 1. <strong>Total Appropriation</strong></td>
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<td><strong>Appropriations by Fund</strong></td>
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<td><strong>General</strong></td>
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<td>25,000</td>
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<tr>
<td><strong>Subd. 2. Workforce Development Initiatives</strong></td>
<td>-0-</td>
<td>25,000</td>
</tr>
</tbody>
</table>

$25,000 in fiscal year 2023 is for youth skills training grants under Minnesota Statutes, section 175.46. This is a onetime appropriation.

**ARTICLE 5**

**LABOR AND INDUSTRY POLICY AND TECHNICAL**

Section 1. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

Subd. 4. Special requirements. (a) **Space for commuter vans.** The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) **Smoke detection devices.** The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.
(c) **Doors in nursing homes and hospitals.** The State Building Code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) **Child care facilities in churches; ground level exit.** A licensed day care center serving fewer than 30 preschool age persons and which is located in a belowground space in a church building is exempt from the State Building Code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) **Family and group family day care.** Until the legislature enacts legislation specifying appropriate standards, the definition of dwellings constructed in accordance with the International Residential Code as adopted as part of the State Building Code applies to family and group family day care homes licensed by the Department of Human Services under Minnesota Rules, chapter 9502.

(f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(h) **Relocated residential buildings.** A residential building relocated within or into a political subdivision of the state need not comply with the State Energy Code or section 326B.439 provided that, where available, an energy audit is conducted on the relocated building.

(i) **Automatic garage door opening systems.** The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(j) **Exterior wood decks, patios, and balconies.** The code must permit the decking surface and upper portions of exterior wood decks, patios, and balconies to be constructed of (1) heartwood from species of wood having natural resistance to decay or termites, including redwood and cedars, (2) grades of lumber which contain sapwood from species of wood having natural resistance to decay or termites, including redwood and cedars, or (3) treated wood. The species and grades of wood products used to construct the decking

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Article 5 Section 1.
surface and upper portions of exterior decks, patios, and balconies must be made available
to the building official on request before final construction approval.

(k) Bioprocess piping and equipment. No permit fee for bioprocess piping may be
imposed by municipalities under the State Building Code, except as required under section
326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92
administered by the Department of Labor and Industry. All data regarding the material
production processes, including the bioprocess system’s structural design and layout, are
nonpublic data as provided by section 13.7911.

(l) Use of ungraded lumber. The code must allow the use of ungraded lumber in
gеographic areas of the state where the code did not generally apply as of April 1, 2008, to
the same extent that ungraded lumber could be used in that area before April 1, 2008.

(m) Window cleaning safety. The code must require the installation of dedicated
anchorages for the purpose of suspended window cleaning on (1) new buildings four stories
or greater; and (2) buildings four stories or greater, only on those areas undergoing
reconstruction, alteration, or repair that includes the exposure of primary structural
components of the roof. The code shall incorporate by reference nationally recognized safety
standards for window cleaning developed by the International Window Cleaning Association
(IWCA) and approved by the American National Standards Institute (ANSI). Such standards
shall require that window cleaning safety features be provided for all windows on:

(1) new buildings where determined by the standard; and

(2) existing buildings undergoing alterations where both of the following conditions are
met:

(i) the windows do not currently have safe window cleaning features; and

(ii) the proposed work area being altered can include provisions for safe window cleaning.

The commissioner may waive all or a portion of the requirements of this paragraph
related to reconstruction, alteration, or repair, if the installation of dedicated anchorages
would not result in significant safety improvements due to limits on the size of the project,
or other factors as determined by the commissioner.

Sec. 2. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended
to read:

Subdivision 1. Building permits. (a) Fees for building permits submitted as required
in section 326B.107 include:
(1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality; and

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

(b) The total valuation and fee schedule is:

(1) $1 to $500, $29.50

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

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

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

(5) $50,001 to $100,000, $764.15 for the first $50,000 plus $9 for each additional $1,000 or fraction thereof, to and including $100,000;

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

(7) $500,001 to $1,000,000, $3,886.65 for the first $500,000 plus $4.25 for each additional $1,000 or fraction thereof, to and including $1,000,000; and

(8) $1,000,001 and up, $6,636.65 for the first $1,000,000 plus $2.75 for each additional $1,000 or fraction thereof.

(c) Other inspections and fees are:

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

(2) reinspection fees, $63.25 per hour;

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

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

(d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than $63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.
EFFECTIVE DATE. This section is effective retroactively from October 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

Subd. 5. Elevator. As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, hand-powered elevators, endless belt lifts, and wheelchair platform lifts. Elevator does not include external temporary material lifts or temporary construction personnel elevators at sites of construction of new or remodeled buildings.

Sec. 4. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision to read:

Subd. 5a. Platform lift. As used in this chapter, "platform lift" means a powered hoisting and lowering device designed to transport mobility-impaired persons on a guided platform.

Sec. 5. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

Subd. 13. Exemption from licensing. (a) Employees of a licensed elevator contractor or licensed limited elevator contractor are not required to hold or obtain a license under this section or be provided with direct supervision by a licensed master elevator constructor, licensed limited master elevator constructor, licensed elevator constructor, or licensed limited elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts.

Unlicensed employees performing elevator work under this exemption must comply with subdivision 5. This exemption does not include the installation, maintenance, repair, or replacement of electrical wiring for elevator equipment.

(b) Contractors or individuals shall not be required to hold or obtain a license under this section when performing work on:

(1) conveyors, including vertical reciprocating conveyors;

(2) platform lifts not covered under section 326B.163, subdivision 5a; or

(3) dock levelers.

Sec. 6. Minnesota Statutes 2020, section 326B.36, subdivision 7, is amended to read:

Subd. 7. Exemptions from inspections. Installations, materials, or equipment shall not be subject to inspection under sections 326B.31 to 326B.399:
(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing electrical maintenance work only as defined by rule;

(2) when owned or leased, and operated and maintained by any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, load control, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(3) when used in the street lighting operations of an electrical utility;

(4) when used as outdoor area lights which are owned and operated by an electrical utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326B.164, is required to obtain a permit from the authority having jurisdiction as provided by section 326B.184, and the inspection has been or will be performed by an elevator inspector certified and licensed by the department. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electrical Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.
Sec. 7. Minnesota Statutes 2020, section 326B.36, is amended by adding a subdivision to read:

Subd. 8. Electric utility exemptions; additional requirements. For exemptions to inspections exclusively for load control allowed for electrical utilities under subdivision 7, clause (2), item (i), the following requirements apply:

(1) the exempted work must be conducted by a Class A electrical contractor. If a deficiency or code violation is found when conducting such work, the electrical contractor or other designee must report the deficiency or code violation to the electric utility; and

(2) the electric utility must, within ten calendar days of discovering the need for repair, inform the owner:

(i) of the location of the materials or equipment that need repair;

(ii) that a permit is required for the work; and

(iii) of a time frame for the repair to be complete, not to exceed six months, after which time the utility must disconnect the materials or equipment.

Sec. 8. Minnesota Statutes 2020, section 326B.42, subdivision 1b, is amended to read:

Subd. 1b. Backflow prevention rebuilder. (a) A "backflow prevention rebuilder" is an individual who is qualified by training prescribed by the Plumbing Board and possesses a master or journeyworker plumber's license to engage in the testing, maintenance, and rebuilding of reduced pressure zone type backflow prevention assemblies as regulated by the Plumbing Code.

(b) For the purposes of this section and section 326B.437, a backflow prevention rebuilder who is qualified by training prescribed by the Plumbing Board and engages in rebuilding of backflow prevention assemblies limited to systems used to apply water to soil and plant materials or provide water to landscape features is exempt from the licensing requirements of paragraph (a). Nothing in this paragraph allows an employee or delegate of the backflow prevention rebuilder or tester to engage in the testing, maintenance, and rebuilding of backflow prevention assemblies as regulated by the Plumbing Code, unless the employee or delegate has the requisite backflow prevention tester or rebuilder training prescribed by the Plumbing Board.
Sec. 9. Minnesota Statutes 2020, section 326B.42, subdivision 1c, is amended to read:

Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an individual who is qualified by training prescribed by the Plumbing Board to engage in the testing of reduced pressure zone type backflow prevention assemblies as regulated by the Plumbing Code.

Sec. 10. Minnesota Statutes 2020, section 326B.437, is amended to read:

**326B.437 REDUCED PRESSURE BACKFLOW PREVENTION REBUILDERS AND TESTERS.**

(a) No person shall perform or offer to perform the installation, maintenance, repair, or replacement, or rebuilding of reduced pressure zone type backflow prevention assemblies unless the person obtains a plumbing contractor's license. An individual shall not engage in the testing, maintenance, repair, or rebuilding of reduced pressure zone type backflow prevention assemblies, as regulated by the Plumbing Code, unless the individual is certified by the commissioner as a backflow prevention rebuilder.

(b) An individual shall not engage in testing of a reduced pressure zone type backflow prevention assembly, as regulated by the Plumbing Code, unless the individual possesses a backflow prevention rebuilder certificate or is certified by the commissioner as a backflow prevention tester.

(c) Certificates are issued for an initial period of two years and must be renewed every two years thereafter for as long as the certificate holder installs, maintains, repairs, rebuilds, or tests reduced pressure zone type backflow prevention assemblies. For purposes of calculating fees under section 326B.092, an initial or renewed backflow prevention rebuilder or tester certificate shall be considered an entry level license.

(d) The Plumbing Board shall adopt expedited rules under section 14.389 that are related to the certification of backflow prevention rebuilders and backflow prevention testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the 18-month limitation under section 14.125, this authority expires on December 31, 2014.

(e) The department shall recognize certification programs that are a minimum of 16 contact hours and include the passage of an examination. The examination must consist of a practical and a written component. This paragraph expires when the Plumbing Board adopts rules under paragraph (d).
Sec. 11. Minnesota Statutes 2020, section 326B.46, subdivision 2, is amended to read:

Subd. 2. Bond; insurance. (a) The bond and insurance requirements of paragraphs (b) and (c) apply to each person who performs or offers to perform plumbing work within the state, including any person who offers to perform or performs sewer or water service installation or backflow prevention testing or rebuilding as described under subdivision 1b, paragraph (b), without a contractor's license. If the person performs or offers to perform any plumbing work other than sewer or water service installation or backflow prevention testing or rebuilding as described under subdivision 1b, paragraph (b), then the person must meet the requirements of paragraphs (b) and (c) as a condition of holding a contractor's license.

(b) Each person who performs or offers to perform plumbing work within the state shall give and maintain bond to the state in the penal sum of at least $25,000 for (1) all plumbing work entered into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. The bond must comply with section 326B.0921. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e).

(c) Each person who performs or offers to perform plumbing work within the state shall have and maintain in effect public liability insurance, including products liability insurance with limits of at least $50,000 per person and $100,000 per occurrence and property damage insurance with limits of at least $10,000. The insurance shall be written by an insurer licensed to do business in the state of Minnesota. Each person who performs or offers to perform plumbing work within the state shall maintain on file with the commissioner a certificate evidencing the insurance. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured.

Sec. 12. Laws 2021, First Special Session chapter 10, article 3, section 14, subdivision 1, is amended to read:

Subdivision 1. License required. (a) No individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyworker plumber, and restricted journeyworker plumber unless licensed to do so by the commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner. A license is not required for individuals servicing or installing a commercial chemical dispensing system or servicing...
or replacing a commercial dishwashing machine, including connecting a commercial chemical
dispensing system or commercial dishwashing machine to a water line or drain line, provided
that:

(1) the individual servicing or installing the commercial chemical dispensing system or
servicing or replacing the commercial dishwashing machine is an employee of the
manufacturer or distributor of the commercial chemical dispensing system or commercial
dishwashing machine;

(2) the individual servicing or installing the commercial chemical dispensing system or
servicing or replacing the commercial dishwashing machine has a minimum of 25 hours of
classroom or laboratory training, a minimum of 20 hours of in-field training with a qualified
technician on the types of systems being installed, followed by a minimum of 100 hours of
supervised field experience. The training and experience curriculum required under this
clause must be approved by the commissioner, in consultation with the manufacturer or
distributor, but the commissioner shall not require training or experience hours in excess
of the amounts specified in this clause;

(3) the manufacturer or distributor of the commercial chemical dispensing system or
commercial dishwashing machine must meet the insurance requirements of section 326B.46,
subdivision 2, paragraph (c);

(4) the connection is a push fit fitting, compression fitting, or threaded pipe fitting to an
existing water line or drain, which has been initially installed by a licensed plumber; and

(5) the commercial chemical dispensing system complies with ASSE 1055 or contains
code-approved integral backflow protection.

A license is not required for individuals performing backflow prevention rebuilding as
described under subdivision 1b, paragraph (b), provided that the individual: (1) has completed
backflow prevention rebuilder training as prescribed by the Plumbing Board; and (2) has
obtained a nationally recognized third-party accredited professional irrigation certification
and any such professional certifications have been approved by the commissioner.

A master plumber may also work as a journeyworker plumber, a restricted journeyworker
plumber, and a restricted master plumber. A journeyworker plumber may also work as a
restricted journeyworker plumber. Anyone not so licensed may do plumbing work which
complies with the provisions of the minimum standards prescribed by the Plumbing Board
on premises or that part of premises owned and actually occupied by the worker as a
residence, unless otherwise forbidden to do so by a local ordinance.
(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person.

(c) Except as provided in subdivision 1a, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyworker, restricted master, or restricted journeyworker license.

Sec. 13. LAWS CHAPTER 32 EFFECTIVE DATE. Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2, sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter 32, article 1, section 1, applies to appointments made on or after that date.

ARTICLE 6
FRONTLINE WORKER PREMIUM PAY

Section 1. FRONTLINE WORKER PREMIUM PAY PROGRAM.

Subdivision 1. Program established; payments authorized. The commissioner of revenue, to the extent feasible, shall make premium payments to eligible frontline workers as provided in this section.

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

(b) "First responder or other emergency frontline worker" means a person who performs service for hire for an employer for one day or more as one of the following:

(1) law enforcement personnel;
(2) firefighter;
(3) corrections officer at congregate living settings;
(4) paramedic;
(5) ambulance service personnel; and
emergency medical technician or other first responder whose primary responsibility
is to respond to medical emergencies before the arrival of a licensed ambulance service.

(c) "Long-term or other health care frontline worker" means a person who performs
service for hire for an employer for one day or more as one of the following:

1. long-term care facility worker;
2. outpatient care worker;
3. home care worker;
4. personal assistance provider;
5. home health provider;
6. home delivered meal provider;
7. nurse;
8. nursing assistant;
9. nursing aide;
10. medical resident;
11. pharmacy staff;
12. phlebotomist;
13. hospice provider;
14. respiratory therapist; or
15. worker providing direct patient care in inpatient and outpatient dialysis facilities.

Subd. 3. Eligibility. A first responder or other emergency frontline worker or a long-term
or other health care frontline worker is eligible to receive frontline worker premium pay as
provided under this section if the first responder or other emergency frontline worker or
long-term or other health care frontline worker:

1. was employed as of March 15, 2020, in a position that did not allow for remote work;
2. worked at least 1,200 hours in a position as a first responder or other emergency
   frontline worker or a long-term or other health care frontline worker during the period
   between March 15, 2020, and December 31, 2020;
3. did not collect unemployment benefits for more than four weeks on a cumulative
   basis for the period between March 15, 2020, and December 31, 2020; and
Subd. 4. Application; verification of eligibility. (a) An eligible first responder or other emergency frontline worker or an eligible long-term or other health care frontline worker may apply to the commissioner of revenue in the form and manner determined by the commissioner for a payment under this section.

(b) The commissioner must begin accepting applications from eligible applicants on May 16, 2022. The commissioner must not accept applications submitted after June 17, 2022.

(c) The commissioner must verify each applicant’s eligibility for a payment under this section.

Subd. 5. Use of information. The commissioner of revenue may consult with the commissioner of employment and economic development and disclose information to the extent necessary to verify eligibility and administer the payments under this section.

Subd. 6. Payments; amounts. (a) As soon as practicable, the commissioner of revenue must make payments to verified applicants in the order in which the application was received.

(b) The payment for a verified eligible first responder or other emergency frontline worker or a verified eligible long-term or other health care frontline worker equals $1,200.

Subd. 7. Report. By January 15, 2023, the commissioner of revenue shall report to the legislative committees with jurisdiction over taxes and economic development policy and finance on the program under this section.

Subd. 8. Appropriation. (a) $250,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of revenue to make the payments required under this section. This is a onetime appropriation.

(b) Any unexpended amount from the appropriation in paragraph (a) remaining after June 30, 2023, is canceled.

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

Sec. 2. TAX TREATMENT OF FRONTLINE WORKER PREMIUM PAYMENTS.

(a) For the purposes of this section, “subtraction” has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this section.
(b) The amount of frontline worker premium payments received under section 1 is a subtraction.

(c) For purposes of Minnesota Statutes, section 290.0674, subdivision 2a, paragraph (b), "income" does not include frontline worker premium payments received under section 1.

(d) For purposes of Minnesota Statutes, section 290A.03, subdivision 3, paragraph (b), "income" does not include frontline worker premium payments received under section 1.

**EFFECTIVE DATE.** This section is effective for taxable years in which a taxpayer received a frontline worker premium payment.
Sec. 9. Laws 2005, chapter 97, article 10, section 3, is amended to read:

Sec. 3. SUNSET.

Sections 1 and 2 shall expire on June 30, 2023.

Sec. 3. DEPARTMENT OF COMMERCE

Subd. 3. Third-Party Evaluator

$500,000 each year is for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the Renewable Development Advisory Group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (l). No portion of this appropriation may be expended or retained by the commissioner of commerce. Any money appropriated under this paragraph that is unexpended at the end of a fiscal year cancels to the renewable development account.