

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 4091

1.2 A bill for an act

1.3 relating to state government; appropriating money for commerce, jobs, and
1.4 economic growth; making policy and technical changes; authorizing frontline
1.5 worker premium payments; requiring reports; appropriating money; amending
1.6 Minnesota Statutes 2020, sections 116C.779, subdivision 1; 116J.035, by adding
1.7 a subdivision; 116J.55, subdivisions 1, 5, 6; 116J.552, subdivision 6; 116J.8747,
1.8 subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17,
1.9 subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 216B.096, subdivision
1.10 11; 216B.24, by adding a subdivision; 216B.243, subdivision 3b; 216B.50,
1.11 subdivision 1; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a
1.12 subdivision; 237.55; 268.18, by adding a subdivision; 326B.106, subdivision 4;
1.13 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13;
1.14 326B.36, subdivision 7, by adding a subdivision; 326B.42, subdivisions 1b, 1c;
1.15 326B.437; 326B.46, subdivision 2; Minnesota Statutes 2021 Supplement, sections
1.16 116C.7792; 216C.376, subdivision 5; 326B.153, subdivision 1; Laws 2020, chapter
1.17 118, section 5, subdivision 1; Laws 2021, First Special Session chapter 4, article
1.18 2, section 3, subdivision 1; Laws 2021, First Special Session chapter 10, article 1,
1.19 sections 2, subdivision 2; 5; article 2, section 24, subdivisions 1, 3, 4, 5, 7; article
1.20 3, section 14, subdivision 1; proposing coding for new law in Minnesota Statutes,
1.21 chapters 116L; 216B; 216H; 465; repealing Laws 2005, chapter 97, article 10,
1.22 section 3, as amended; Laws 2021, First Special Session chapter 4, article 2, section
1.23 3, subdivision 3.

1.24 May 21, 2022

1.25 The Honorable David J. Osmek

1.26 President of the Senate

1.27 The Honorable Melissa Hortman

1.28 Speaker of the House of Representatives

1.29 We, the undersigned conferees for S.F. No. 4091 report that we have agreed upon the
1.30 items in dispute and recommend as follows:

1.31 That the House recede from its amendments and that S.F. No. 4091 be further amended
1.32 as follows:

1.33 Delete everything after the enacting clause and insert:

"ARTICLE 1

ECONOMIC DEVELOPMENT 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. If an appropriation in this act is enacted more than once during the 2022 regular session, the appropriation is to be given effect only once.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation \$ -0- \$ 22,181,000

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>-0-</u>	<u>10,431,000</u>
<u>Workforce Development</u>	<u>-0-</u>	<u>11,750,000</u>

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

Subd. 2. Business and Community Development -0- 8,231,000

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>6,231,000</u>
<u>Workforce Development</u>	<u>-0-</u>	<u>2,000,000</u>

(a) \$4,000,000 in fiscal year 2023 is for the main street economic revitalization program under Minnesota Statutes, section 116J.8749.

3.1 Priority for the amounts appropriated under
3.2 this paragraph shall be given to applicants
3.3 from partner organizations and regions not
3.4 previously awarded funds under the program.

3.5 In fiscal year 2024, the base amount is
3.6 \$3,000,000. Beginning in fiscal year 2025, the
3.7 base amount is \$0.

3.8 (b) \$2,000,000 in fiscal year 2023 is for the
3.9 Canadian border counties economic relief
3.10 program. This is a onetime appropriation.

3.11 (c) \$231,000 in fiscal year 2023 is for the Join
3.12 Us Minnesota campaign to market the state of
3.13 Minnesota to businesses and potential workers.

3.14 This appropriation is available until June 30,
3.15 2024. Of this amount, up to five percent is for
3.16 administration and monitoring of the program.

3.17 Beginning in fiscal year 2024, the base amount
3.18 is \$780,000. In fiscal year 2026, the base
3.19 amount is \$0.

3.20 (d) \$500,000 in fiscal year 2023 is from the
3.21 workforce development fund for a grant to
3.22 Local Initiatives Support Corporation Twin
3.23 Cities for the developers of color

3.24 capacity-building initiative. Grant funds may
3.25 not be used for the purchase of real property,
3.26 equipment, or hard assets. By February 15,

3.27 2025, the commissioner shall submit a report
3.28 to the chairs of the legislative committees with
3.29 jurisdiction over economic development on

3.30 the use of grant funds and program outcomes.
3.31 This is a onetime appropriation, and funds are
3.32 available until June 30, 2024, when any

3.33 unspent funds will cancel to the workforce
3.34 development fund.

4.1 (e) \$500,000 in fiscal year 2023 is from the
 4.2 workforce development fund for a grant to
 4.3 Enterprise Minnesota, Inc., for the small
 4.4 business growth acceleration program under
 4.5 Minnesota Statutes, section 116O.115. This
 4.6 is a onetime appropriation.

4.7 (f) \$1,000,000 in fiscal year 2023 is from the
 4.8 workforce development fund for grants to the
 4.9 Neighborhood Development Center for small
 4.10 business incubators outside the seven-county
 4.11 metropolitan area, as defined in Minnesota
 4.12 Statutes, section 473.121, subdivision 2. This
 4.13 is a onetime appropriation,

4.14 **Subd. 3. Employment and Training Programs** -0- 10,450,000

	<u>Appropriations by Fund</u>		
4.15	<u>General</u>	<u>-0-</u>	<u>700,000</u>
4.17	<u>Workforce</u>		
4.18	<u>Development</u>	<u>-0-</u>	<u>9,750,000</u>

4.19 (a) \$1,000,000 in fiscal year 2023 is from the
 4.20 workforce development fund for a grant to
 4.21 Women's Foundation of Minnesota to invest
 4.22 in economic structures that educate, mobilize,
 4.23 and equip Black women with the necessary
 4.24 tools to build, retain, and strengthen the
 4.25 capacity to build generational wealth. This is
 4.26 a onetime appropriation.

4.27 (b) Beginning in fiscal year 2024, the base
 4.28 amount is \$350,000 for activities associated
 4.29 with immigrant and refugee affairs under
 4.30 Minnesota Statutes, section 116J.4231.

4.31 (c) \$700,000 in fiscal year 2023 is for a grant
 4.32 to the Southwest Minnesota Initiative
 4.33 Foundation for a workforce partnership
 4.34 scholarship pilot program designed to increase
 4.35 the skilled labor force within the Southwest

5.1 Minnesota Initiative Foundation's service area.
5.2 The Southwest Minnesota Initiative
5.3 Foundation shall define the pilot program,
5.4 subject to approval by the commissioner,
5.5 within the following parameters:
5.6 (1) to qualify for a scholarship, students must:
5.7 (i) obtain a scholarship from a local employer
5.8 to supplement the amount of the scholarship
5.9 under this pilot program; and
5.10 (ii) pursue a post-secondary credential in a
5.11 high-demand occupation as determined by the
5.12 applicable regional workforce development
5.13 board;
5.14 (2) scholarship recipients under the pilot shall
5.15 agree to work in a high-demand career in the
5.16 Southwest Minnesota Initiative Foundation's
5.17 service area after the scholarship recipient
5.18 completes their credential, in a manner, time
5.19 period, and reporting cadence developed and
5.20 monitored by the Southwest Minnesota
5.21 Initiative Foundation;
5.22 (3) the Southwest Minnesota Initiative
5.23 Foundation's shall submit an annual report by
5.24 December 31 of each year, beginning in 2023
5.25 and ending in 2028, to the commissioner and
5.26 the chairs and ranking minority members of
5.27 the legislative committees with jurisdiction
5.28 over employment and economic development
5.29 policy, which must include:
5.30 (i) the number of students receiving
5.31 scholarships;
5.32 (ii) the total dollar amount of scholarships
5.33 issued;

6.1 (iii) the graduation rate and employment
6.2 outcomes of scholarship recipients; and
6.3 (iv) any additional information about the
6.4 program requested by the recipients of the
6.5 report.

6.6 This is a onetime appropriation and is
6.7 available until June 30, 2027.

6.8 (d) \$400,000 in fiscal year 2023 is from the
6.9 workforce development fund for a grant to the
6.10 Minneapolis Park and Recreation Board's Teen
6.11 Teamworks youth employment and training
6.12 programs. This is a onetime appropriation and
6.13 is available until June 30, 2025.

6.14 (e) \$2,000,000 in fiscal year 2023 is from the
6.15 workforce development fund for a youth
6.16 technology competitive training grant program
6.17 to prepare people, primarily those who are
6.18 Black, Indigenous, people of color, or women
6.19 to meet the growing labor needs in
6.20 Minnesota's technology industry. This is a
6.21 onetime appropriation and money is available
6.22 until June 30, 2024. Of this amount, up to five
6.23 percent is for administration and monitoring
6.24 of the program. Grant money shall be used to:

6.25 (1) provide career education, wraparound
6.26 support services, and job skills training for
6.27 high-school-aged youth in the technology
6.28 industry;

6.29 (2) increase the number of summer internship
6.30 opportunities in the technology industry;

6.31 (3) support outreach activities to businesses
6.32 and create pathways for employment and
6.33 internships for youth in the technology
6.34 industry; and

7.1 (4) increase the number of young adults
7.2 employed in the technology industry and
7.3 ensure that they reflect Minnesota's diverse
7.4 workforce.

7.5 Programs and services supported by grant
7.6 money must give priority to individuals and
7.7 groups that are economically disadvantaged
7.8 or historically underrepresented in the
7.9 technology industry, including but not limited
7.10 to women, veterans, and members of minority
7.11 and immigrant groups.

7.12 (f) \$700,000 in fiscal year 2023 is from the
7.13 workforce development fund for an adult
7.14 technology competitive training grant program
7.15 to prepare people, primarily those who are
7.16 Black, Indigenous, people of color, and
7.17 women to meet the growing labor needs in
7.18 Minnesota's technology industry. Fifty percent
7.19 of grant money must go to communities
7.20 located outside the seven-county metropolitan
7.21 area as defined in Minnesota Statutes, section
7.22 473.121, subdivision 2. This is a onetime
7.23 appropriation and money is available until
7.24 June 30, 2024. Of this amount, up to five
7.25 percent is for administration and monitoring
7.26 of the program. Grant money must be used to:

7.27 (1) provide jobs skills, wraparound support
7.28 services, and training for adults in the
7.29 technology industry;

7.30 (2) support outreach activities to businesses
7.31 to create pathways for employment for
7.32 participants in the technology industry; and

8.1 (3) increase the number of adults employed
8.2 in the technology industry and ensure that they
8.3 reflect Minnesota's diverse workforce.

8.4 Programs and services supported by grant
8.5 money must give priority to individuals and
8.6 groups that are economically disadvantaged
8.7 or historically underrepresented in the
8.8 technology industry, including but not limited
8.9 to women, veterans, and members of minority
8.10 and immigrant groups.

8.11 (g) \$1,000,000 in fiscal year 2023 is from the
8.12 workforce development fund for a workforce
8.13 modernization project to improve the
8.14 workforce development digital system to
8.15 provide greater customer service to job seekers
8.16 and employers looking to hire. Money must
8.17 be used for predevelopment and development
8.18 costs of software, digital infrastructure, and
8.19 implementation as well as associated staffing
8.20 costs to develop these systems. This is a
8.21 onetime appropriation and money is available
8.22 until June 30, 2030.

8.23 (h) \$400,000 in fiscal year 2023 is from the
8.24 workforce development fund for a
8.25 performance grant under Minnesota Statutes,
8.26 section 116J.8747, to Hire to expand their
8.27 career pathway job training and placement
8.28 program that connects lower-skilled job
8.29 seekers to entry-level and gateway jobs in
8.30 high-growth sectors. This is a onetime
8.31 appropriation.

8.32 (i) \$250,000 in fiscal year 2023 is from the
8.33 workforce development fund for a grant to the
8.34 University of Minnesota Tourism Center for
8.35 the creation and operation of an online

9.1 hospitality training program in partnership
9.2 with Explore Minnesota Tourism. This
9.3 training program must be made available at
9.4 no cost to Minnesota residents in an effort to
9.5 address critical workforce shortages and assist
9.6 in career development. Of this amount,
9.7 \$25,000 is for maintenance and management
9.8 of the training website and online training
9.9 program. This is a onetime appropriation.

9.10 (j)(1) \$500,000 in fiscal year 2023 is from the
9.11 workforce development fund for a grant to
9.12 East Side Neighborhood Services. This is a
9.13 onetime appropriation.

9.14 (2) Of the amount appropriated:

9.15 (i) \$250,000 is for the senior community
9.16 service employment program, which provides
9.17 work readiness training to low-income adults
9.18 55 and older, to provide ongoing support and
9.19 mentoring needs to the program participants
9.20 as well as the transition period from subsidized
9.21 wages to unsubsidized wages; and

9.22 (ii) \$250,000 is for the nursing assistant plus
9.23 program to serve the increased need for growth
9.24 of medical talent pipelines through expansion
9.25 of the existing program and development of
9.26 in-house training.

9.27 (k) \$500,000 in fiscal year 2023 is from the
9.28 workforce development fund for a grant to the
9.29 Boys & Girls Club of the Northland to
9.30 implement after school and summer
9.31 programming at the Hibbing site.
9.32 Programming will include academic success
9.33 and career exploration opportunities. This is
9.34 a onetime appropriation.

10.1 (l) \$500,000 in fiscal year 2023 is from the
10.2 workforce development fund for a grant to
10.3 Minnesota Diversified Industries, Inc., to assist
10.4 individuals with disabilities through mobile,
10.5 on-demand, and virtual reality career skills
10.6 programming statewide. Minnesota
10.7 Diversified Industries shall submit a report on
10.8 the number and demographics of individuals
10.9 served, hours of career skills programming
10.10 delivered, outreach to employers, and
10.11 recommendations for future career skills
10.12 delivery methods to the chairs and ranking
10.13 minority members of the legislative
10.14 committees with jurisdiction over labor and
10.15 workforce development policy and finance by
10.16 January 15, 2023. This is a onetime
10.17 appropriation.

10.18 (m) \$200,000 in fiscal year 2023 is from the
10.19 workforce development fund for a grant to Ka
10.20 Joog to provide, in partnership with Pathway
10.21 Career Training Center, phlebotomy training
10.22 and certification for adults statewide. This is
10.23 a onetime appropriation.

10.24 (n) \$450,000 in fiscal year 2023 is from the
10.25 workforce development fund for a grant to
10.26 Mind the G.A.P.P. (Gaining Assistance to
10.27 Prosperity Program) to improve the quality of
10.28 life of unemployed and underemployed
10.29 individuals by improving their employment
10.30 outcomes and developing individual earnings
10.31 potential. This is a onetime appropriation.

10.32 (o) \$600,000 in fiscal year 2023 is from the
10.33 workforce development fund for grants to
10.34 organizations providing support services to
10.35 new Americans in order to facilitate successful

- 11.1 community integration and entry into the
- 11.2 workforce. Services may include case
- 11.3 management, job training and employment
- 11.4 services, education programs, and legal
- 11.5 services. Of this amount:
- 11.6 (1) \$200,000 is for a grant to the International
- 11.7 Institute of Minnesota;
- 11.8 (2) \$200,000 is for a grant to the Minnesota
- 11.9 Council of Churches;
- 11.10 (3) \$100,000 is for a grant to Arrive
- 11.11 Ministries; and
- 11.12 (4) \$100,000 is for a grant to Catholic
- 11.13 Charities of the Diocese of Winona, Inc.
- 11.14 This is a onetime appropriation.
- 11.15 (p) \$950,000 in fiscal year 2023 is from the
- 11.16 workforce development fund for a grant to
- 11.17 Summit Academy OIC to expand and establish
- 11.18 a new statewide in-person and virtual network
- 11.19 for Summit Academy OIC's employment
- 11.20 placement and STEM program. This is a
- 11.21 onetime appropriation.
- 11.22 (q) \$300,000 in fiscal year 2023 is from the
- 11.23 workforce development fund for a grant to
- 11.24 Urban League Twin Cities for training and
- 11.25 recruitment of individuals for potential careers
- 11.26 in public safety. This is a onetime
- 11.27 appropriation.

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

11.30		44,741,000	
11.31	Subd. 2. Business and Community Development	208,015,000	<u>48,241,000</u>

12.1	Appropriations by Fund		
12.2			41,941,000
12.3	General	205,215,000	<u>45,441,000</u>
12.4	Remediation	700,000	700,000
12.5	Workforce		
12.6	Development	2,100,000	2,100,000

12.7 (a) \$1,787,000 each year is for the greater
 12.8 Minnesota business development public
 12.9 infrastructure grant program under Minnesota
 12.10 Statutes, section 116J.431. This appropriation
 12.11 is available until June 30, 2025.

12.12 (b) \$8,425,000 in the first year and ~~\$1,425,000~~
 12.13 \$2,425,000 in the second year are for the
 12.14 small business partnership grant program
 12.15 formerly known as the business development
 12.16 competitive grant program. Of this amount,
 12.17 up to five percent is for administration and
 12.18 monitoring of the ~~business development~~
 12.19 ~~competitive grant~~ program and \$7,000,000 in
 12.20 the first year ~~is~~ and \$1,000,000 in the second
 12.21 year are for technical assistance to small
 12.22 businesses. Funding for technical assistance
 12.23 to small businesses in the second year shall
 12.24 be divided proportionately between program
 12.25 grantees from the first year. Except for awards
 12.26 for technical assistance for small businesses,
 12.27 all grant awards shall be for two consecutive
 12.28 years. ~~Grants~~ and shall be awarded in the first
 12.29 year. The small business partnership grant
 12.30 program shall also provide business
 12.31 development assistance and services to
 12.32 commercial cooperatives, employee-owned
 12.33 businesses, and commercial land trusts.
 12.34 Beginning in fiscal year 2024, the base amount
 12.35 is \$2,605,000.

13.1 (c) \$1,772,000 each year is for contaminated
13.2 site cleanup and development grants under
13.3 Minnesota Statutes, sections 116J.551 to
13.4 116J.558. This appropriation is available until
13.5 expended.

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

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

13.13 (f) \$25,000 each year is for the administration
13.14 of state aid for the Destination Medical Center
13.15 under Minnesota Statutes, sections 469.40 to
13.16 469.47.

13.17 (g) \$875,000 each year is for the host
13.18 community economic development program
13.19 established in Minnesota Statutes, section
13.20 116J.548.

13.21 (h)(1) \$2,500,000 each year is for grants to
13.22 local communities to increase the number of
13.23 quality child care providers to support
13.24 economic development. This appropriation is
13.25 available through June 30, 2023. Fifty percent
13.26 of grant funds must go to communities located
13.27 outside the seven-county metropolitan area as
13.28 defined in Minnesota Statutes, section
13.29 473.121, subdivision 2. In fiscal year 2024
13.30 and beyond, the base amount is \$1,500,000.

13.31 (2) Grant recipients must obtain a 50 percent
13.32 nonstate match to grant funds in either cash
13.33 or in-kind contribution, unless the
13.34 commissioner waives the requirement. Grant

14.1 funds available under this subdivision must
14.2 be used to implement projects to reduce the
14.3 child care shortage in the state, including but
14.4 not limited to funding for child care business
14.5 start-ups or expansion, training, facility
14.6 modifications, direct subsidies or incentives
14.7 to retain employees, or improvements required
14.8 for licensing, and assistance with licensing
14.9 and other regulatory requirements. In awarding
14.10 grants, the commissioner must give priority
14.11 to communities that have demonstrated a
14.12 shortage of child care providers.

14.13 (3) Within one year of receiving grant funds,
14.14 grant recipients must report to the
14.15 commissioner on the outcomes of the grant
14.16 program, including but not limited to the
14.17 number of new providers, the number of
14.18 additional child care provider jobs created, the
14.19 number of additional child care slots, and the
14.20 amount of cash and in-kind local funds
14.21 invested. Within one month of all grant
14.22 recipients reporting on program outcomes, the
14.23 commissioner must report the grant recipients'
14.24 outcomes to the chairs and ranking members
14.25 of the legislative committees with jurisdiction
14.26 over early learning and child care and
14.27 economic development.

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

- 15.1 (1) facilitate planning processes for rural
15.2 communities resulting in a community solution
15.3 action plan that guides decision making to
15.4 sustain and increase the supply of quality child
15.5 care in the region to support economic
15.6 development;
- 15.7 (2) engage the private sector to invest local
15.8 resources to support the community solution
15.9 action plan and ensure quality child care is a
15.10 vital component of additional regional
15.11 economic development planning processes;
- 15.12 (3) provide locally based training and technical
15.13 assistance to rural child care business owners
15.14 individually or through a learning cohort.
15.15 Access to financial and business development
15.16 assistance must prepare child care businesses
15.17 for quality engagement and improvement by
15.18 stabilizing operations, leveraging funding from
15.19 other sources, and fostering business acumen
15.20 that allows child care businesses to plan for
15.21 and afford the cost of providing quality child
15.22 care; and
- 15.23 (4) recruit child care programs to participate
15.24 in quality rating and improvement
15.25 measurement programs. The Minnesota
15.26 Initiative Foundations must work with local
15.27 partners to provide low-cost training,
15.28 professional development opportunities, and
15.29 continuing education curricula. The Minnesota
15.30 Initiative Foundations must fund, through local
15.31 partners, an enhanced level of coaching to
15.32 rural child care providers to obtain a quality
15.33 rating through measurement programs.
- 15.34 The Minnesota Initiative Foundations are
15.35 authorized to subgrant their allocation to

16.1 partner organizations who are assisting in their
16.2 child care work.

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

16.10 (k) \$10,029,000 the first year and \$10,028,000
16.11 the second year are for the Minnesota
16.12 investment fund under Minnesota Statutes,
16.13 section 116J.8731. Of this amount, the
16.14 commissioner of employment and economic
16.15 development may use up to three percent for
16.16 administration and monitoring of the program.
16.17 In fiscal year 2024 and beyond, the base
16.18 amount is \$12,370,000. This appropriation is
16.19 available until expended. Notwithstanding
16.20 Minnesota Statutes, section 116J.8731, money
16.21 appropriated to the commissioner for the
16.22 Minnesota investment fund may be used for
16.23 the redevelopment program under Minnesota
16.24 Statutes, sections 116J.575 and 116J.5761, at
16.25 the discretion of the commissioner. Grants
16.26 under this paragraph are not subject to the
16.27 grant amount limitation under Minnesota
16.28 Statutes, section 116J.8731.

16.29 (l) ~~\$0 each~~ \$1,500,000 in the second year is
16.30 for the redevelopment program under
16.31 Minnesota Statutes, sections ~~116J.575~~
16.32 116J.571 and 116J.5761. Notwithstanding
16.33 Minnesota Statutes, section 116J.571, this
16.34 appropriation is available until June 30, 2027.

- 17.1 In fiscal year 2024 and beyond, the base
17.2 amount is ~~\$2,246,000~~ \$3,496,000.
- 17.3 (m) \$1,000,000 each year is for the Minnesota
17.4 emerging entrepreneur loan program under
17.5 Minnesota Statutes, section 116M.18. Funds
17.6 available under this paragraph are for transfer
17.7 into the emerging entrepreneur program
17.8 special revenue fund account created under
17.9 Minnesota Statutes, chapter 116M, and are
17.10 available until expended. Of this amount, up
17.11 to four percent is for administration and
17.12 monitoring of the program.
- 17.13 (n) \$325,000 each year is for the Minnesota
17.14 Film and TV Board. The appropriation in each
17.15 year is available only upon receipt by the
17.16 board of \$1 in matching contributions of
17.17 money or in-kind contributions from nonstate
17.18 sources for every \$3 provided by this
17.19 appropriation, except that each year up to
17.20 \$50,000 is available on July 1 even if the
17.21 required matching contribution has not been
17.22 received by that date.
- 17.23 (o) \$12,000 each year is for a grant to the
17.24 Upper Minnesota Film Office.
- 17.25 (p) \$500,000 each year is for a grant to the
17.26 Minnesota Film and TV Board for the film
17.27 production jobs program under Minnesota
17.28 Statutes, section 116U.26. This appropriation
17.29 is available until June 30, 2025.
- 17.30 (q) \$4,195,000 each year is for the Minnesota
17.31 job skills partnership program under
17.32 Minnesota Statutes, sections 116L.01 to
17.33 116L.17. If the appropriation for either year
17.34 is insufficient, the appropriation for the other

- 18.1 year is available. This appropriation is
18.2 available until expended.
- 18.3 (r) \$1,350,000 each year from the workforce
18.4 development fund is for jobs training grants
18.5 under Minnesota Statutes, section 116L.41.
- 18.6 (s) \$2,500,000 ~~each year is~~ in the first year
18.7 and \$3,500,000 in the second year are for
18.8 Launch Minnesota. This appropriation is
18.9 available until June 30, 2025. Beginning in
18.10 fiscal year 2024, the base amount is
18.11 \$3,500,000. The base in fiscal year 2026 is
18.12 \$0. Of this amount:
- 18.13 (1) \$1,500,000 each year is for innovation
18.14 grants to eligible Minnesota entrepreneurs or
18.15 start-up businesses to assist with their
18.16 operating needs;
- 18.17 (2) \$500,000 each year is for administration
18.18 of Launch Minnesota; and
- 18.19 (3) \$500,000 each year is for grantee activities
18.20 at Launch Minnesota.
- 18.21 (t) \$1,148,000 the first year is for a grant to
18.22 the Northeast Entrepreneur Fund, a small
18.23 business administration microlender and
18.24 community development financial institution
18.25 operating in northern Minnesota. Grant funds
18.26 must be used as capital for accessing
18.27 additional federal lending for small businesses
18.28 impacted by COVID-19 and must be returned
18.29 to the commissioner for deposit in the general
18.30 fund if the Northeast Entrepreneur Fund fails
18.31 to secure such federal funds before January 1,
18.32 2022.
- 18.33 (u) \$80,000,000 the first year is for the Main
18.34 Street Economic Revitalization Loan Program.

19.1 Of this amount, up to \$300,000 is for the
19.2 commissioner's administration and monitoring
19.3 of the program. This appropriation is available
19.4 until June 30, 2025.

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

19.8 (1) \$34,950,000 is for grants to the Minnesota
19.9 Initiative Foundations to serve businesses
19.10 outside of the metropolitan area as defined in
19.11 Minnesota Statutes, section 473.121,
19.12 subdivision 2;

19.13 (2) \$34,950,000 is for grants to partner
19.14 organizations to serve businesses inside the
19.15 metropolitan area as defined in Minnesota
19.16 Statutes, section 473.121, subdivision 2; and

19.17 (3) \$100,000 is for the commissioner's
19.18 administration and monitoring of the program.

19.19 (w) \$250,000 each year is for the publication,
19.20 dissemination, and use of labor market
19.21 information under Minnesota Statutes, section
19.22 116J.401.

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

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

19.32 (y) \$750,000 each year is from the workforce
19.33 development fund for grants to the

20.1 Neighborhood Development Center for small
20.2 business programs, including:
20.3 (1) training, lending, and business services;
20.4 (2) model outreach and training in greater
20.5 Minnesota; and
20.6 (3) development of new business incubators.

20.7 This is a onetime appropriation.

20.8 (z) \$5,000,000 in the first year is for a grant
20.9 to Lake of the Woods County for the
20.10 forgivable loan program for remote
20.11 recreational businesses. This appropriation is
20.12 available until April 1, ~~2022~~ 2023.

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

20.14 Sec. 4. Laws 2021, First Special Session chapter 14, article 11, section 42, is amended to
20.15 read:

20.16 Sec. 42. **APPROPRIATION; MEAT PROCESSING BUSINESSES IN**
20.17 **REDEVELOPMENT AREA.**

20.18 Of an appropriation in fiscal year 2022 for the targeted community capital project grant
20.19 program under Minnesota Statutes, section 116J.9924, the commissioner of employment
20.20 and economic development must grant \$6,000,000 to the city of South St. Paul for ~~one or~~
20.21 ~~more grants to any~~ a grant to a business engaged in the meat processing industry and currently
20.22 conducting operations in a building or buildings constructed on or before January 1, 1947,
20.23 and located in ~~a city of the second class that was designated as a redevelopment area by the~~
20.24 ~~United States Department of Commerce under the Public Works and Economic Development~~
20.25 ~~Act of 1965, Public Law 89-136, title IV, section 401(a)(4).~~ This appropriation includes:
20.26 the city of South St. Paul. Grant proceeds may be used for site acquisition costs; relocation
20.27 costs; predesign; design; sewer, water, and stormwater infrastructure; site preparation;
20.28 engineering; and the cost of improvements to real property locally zoned to allow a meat
20.29 processing land use ~~that are incurred by any qualified business under this section. A grantee~~
20.30 ~~under this section must work in consultation with a local government unit with jurisdiction~~
20.31 ~~over the area where the property is located on activities funded by the grant.~~ This is a onetime

22.1	<u>Subd. 2. Labor Standards and Apprenticeship</u>	<u>-0-</u>	<u>1,200,000</u>
22.2	<u>Appropriations by Fund</u>		
22.3	<u>General</u>	<u>-0-</u>	<u>700,000</u>
22.4	<u>Workforce</u>		
22.5	<u>Development</u>	<u>-0-</u>	<u>500,000</u>
22.6	<u>(a) \$500,000 in fiscal year 2023 is for the</u>		
22.7	<u>loggers safety grant program under Laws</u>		
22.8	<u>2021, First Special Session chapter 10, article</u>		
22.9	<u>3, section 21. This is a onetime appropriation.</u>		
22.10	<u>(b) \$200,000 in fiscal year 2023 is to establish</u>		
22.11	<u>a Veterans Liaison Coordinator position in the</u>		
22.12	<u>Division of Labor Standards and</u>		
22.13	<u>Apprenticeship. The position is responsible</u>		
22.14	<u>for collaborating with Minnesota stakeholders</u>		
22.15	<u>and state and federal agencies to: promote and</u>		
22.16	<u>increase veterans in the trades; support</u>		
22.17	<u>initiatives for veterans seeking a living wage</u>		
22.18	<u>and sustainable employment; and increase</u>		
22.19	<u>awareness of registered apprenticeship</u>		
22.20	<u>opportunities in Minnesota. Of this amount,</u>		
22.21	<u>up to \$150,000 is for salary and benefits for</u>		
22.22	<u>the position, and \$50,000 is for administrative</u>		
22.23	<u>support services, marketing, and paid</u>		
22.24	<u>communications. The base for the</u>		
22.25	<u>appropriation is \$180,000 in fiscal year 2024</u>		
22.26	<u>and \$160,000 in fiscal year 2025.</u>		
22.27	<u>(c) \$500,000 in fiscal year 2023 is from the</u>		
22.28	<u>workforce development fund for labor</u>		
22.29	<u>education and advancement program grants</u>		
22.30	<u>under Minnesota Statutes, section 178.11, to</u>		
22.31	<u>expand and promote training for people of</u>		
22.32	<u>color, Indigenous people, and women. This is</u>		
22.33	<u>a onetime appropriation. Of this amount:</u>		
22.34	<u>(1) \$50,000 is available for program</u>		
22.35	<u>administration; and</u>		

23.1 (2) at least \$250,000 must be awarded to
 23.2 community-based organizations.

23.3 **Subd. 3. Workforce Development Initiatives** -0- 858,000

23.4 Appropriations by Fund

23.5 General -0- 608,000

23.6 Workforce
 23.7 Development -0- 250,000

23.8 (a) \$500,000 in fiscal year 2023 is for youth
 23.9 skills training grants under Minnesota Statutes,
 23.10 section 175.46.

23.11 (b) \$108,000 in fiscal year 2023 is for
 23.12 administration of the youth skills training
 23.13 grants under Minnesota Statutes, section
 23.14 175.46. In fiscal year 2024, the base for this
 23.15 appropriation is \$116,000. In fiscal year 2025,
 23.16 the base for this appropriation is \$124,000.

23.17 (c)(1) \$250,000 in fiscal year 2023 is
 23.18 appropriated from the workforce development
 23.19 fund to the commissioner of labor and industry
 23.20 for a grant to Abijah's on the Backside to
 23.21 provide equine experiential mental health
 23.22 therapy to first responders suffering from
 23.23 job-related trauma and post-traumatic stress
 23.24 disorder. This is a onetime appropriation.

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

23.33 (3) Abijah's on the Backside must report to
 23.34 the commissioner of labor and industry and

24.1 the chairs and ranking minority members of
 24.2 the house of representatives and senate
 24.3 committees overseeing labor and industry
 24.4 policy and finance on the equine experiential
 24.5 mental health therapy provided to first
 24.6 responders under this section. The report must
 24.7 include an overview of the program's budget,
 24.8 a detailed explanation of program
 24.9 expenditures, the number of first responders
 24.10 served by the program, and a list and
 24.11 explanation of the services provided to and
 24.12 benefits received by program participants. An
 24.13 initial report is due by January 15, 2023, and
 24.14 a final report is due by January 15, 2024.

24.15 **Subd. 4. Combative Sports** -0- 150,000

24.16 **Sec. 3. WORKERS' COMPENSATION COURT**
 24.17 **OF APPEALS** **\$** **-0-** **\$** **300,000**

24.18 (a) This appropriation is from the workers'
 24.19 compensation fund. Of this amount, \$100,000
 24.20 is for rulemaking. This appropriation is
 24.21 onetime.

24.22 (b) In fiscal years 2024 and 2025, \$200,000
 24.23 is added to the agency's base.

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

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

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

24.31 ~~(b) \$68,000 each year is for grants to area~~
 24.32 ~~labor management committees. Grants may~~
 24.33 ~~be awarded for a 12-month period beginning~~

25.1 ~~July 1 each year. Any unencumbered balance~~
25.2 ~~remaining at the end of the first year does not~~
25.3 ~~cancel but is available for the second year.~~
25.4 ~~(e)~~ (b) \$47,000 each year is for rulemaking,
25.5 staffing, and other costs associated with peace
25.6 officer grievance procedures.

25.7 **ARTICLE 3**

25.8 **ECONOMIC DEVELOPMENT POLICY**

25.9 Section 1. **[116J.015] REVIEW OF REPORT MANDATES.**

25.10 The commissioner of employment and economic development shall annually create a
25.11 list of reports that were mandated by law at least three years prior to the date of the list and
25.12 that no longer serve a useful purpose. This list, along with an explanation of why the reports
25.13 should be eliminated and suggested legislation for eliminating the listed reports, shall be
25.14 submitted no later than January 15 each year, beginning in 2023, to the chairs of relevant
25.15 legislative committees.

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

25.17 Sec. 2. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision
25.18 to read:

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

25.23 Sec. 3. **[116J.4231] IMMIGRANT AND REFUGEE AFFAIRS.**

25.24 Subdivision 1. **Effort established; purpose.** (a) Immigrant and refugee affairs is an
25.25 effort established within the Department of Employment and Economic Development to
25.26 assist in carrying out the duties under subdivision 2.

25.27 (b) The purpose of the effort is to serve immigrants and refugees in Minnesota by:

25.28 (1) addressing challenges that face immigrants and refugees in Minnesota and creating
25.29 access in economic development and workforce programs and services;

26.1 (2) providing interstate agency coordination, policy reviews, and guidance that assist in
26.2 creating access to immigrants and refugees.

26.3 Subd. 2. **Duties.** (a) The effort has the duty to:

26.4 (1) create and implement a statewide strategy to support immigrant and refugee integration
26.5 into Minnesota communities;

26.6 (2) address the state's workforce needs by connecting employers and job seekers within
26.7 the immigrant and refugee community;

26.8 (3) identify strategies to reduce employment barriers for immigrants and refugees;

26.9 (4) ensure equitable opportunities and access to services within state government for
26.10 immigrants and refugees;

26.11 (5) work with state agencies and community and foundation partners to undertake studies
26.12 and research and analyze economic and demographic trends to better understand and serve
26.13 the state's immigrant and refugee communities;

26.14 (6) coordinate best practices for language access initiatives to all state agencies;

26.15 (7) convene stakeholders and make policy recommendations to the governor on issues
26.16 impacting immigrants and refugees; and

26.17 (8) provide an annual report as required by subdivision 3.

26.18 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, immigrant
26.19 and refugee affairs shall report to the legislative committees with jurisdiction over the effort's
26.20 activities during the previous year.

26.21 (b) The report shall contain at a minimum:

26.22 (1) a summary of the effort's activities;

26.23 (2) immigrant and refugee employment and job training outcomes;

26.24 (3) suggested policies, incentives, and legislation designed to accelerate the achievement
26.25 of the duties under subdivision 2;

26.26 (4) the amount and types of grants awarded under subdivision 6; and

26.27 (5) any other information deemed necessary and requested by the legislative committees
26.28 with jurisdiction over the effort.

26.29 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
26.30 1.

27.1 Subd. 4. Interdepartmental Coordinating Council on Immigrant and Refugee
27.2 Affairs. (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs
27.3 is established to identify ways in which state departments and agencies can work together
27.4 to deliver state programs and services effectively and efficiently to Minnesota's immigrant
27.5 and refugee populations.

27.6 (b) The council shall implement policies, procedures, and programs requested by the
27.7 governor through the state departments and efforts.

27.8 (c) The council shall be chaired by a representative from immigrant and refugee affairs
27.9 and shall be comprised of the commissioners, department directors, or designees, from the
27.10 following state departments, efforts, and offices:

27.11 (1) the governor's office;

27.12 (2) the Department of Administration;

27.13 (3) the Department of Employment and Economic Development;

27.14 (4) the Department of Human Services;

27.15 (5) the Department of Human Services Resettlement Program Office;

27.16 (6) the Department of Labor and Industry;

27.17 (7) the Department of Health;

27.18 (8) the Department of Education;

27.19 (9) the Office of Higher Education;

27.20 (10) the Department of Public Safety;

27.21 (11) the Department of Corrections; and

27.22 (12) the immigrant and refugee affairs effort.

27.23 (d) Each department or office serving as a member of the council shall designate one
27.24 staff member as an immigrant and refugee services liaison. The liaisons' responsibilities
27.25 shall include:

27.26 (1) preparation and dissemination of information and services available to immigrants
27.27 and refugees;

27.28 (2) interfacing with the immigrant and refugee affairs effort on issues that impact
27.29 immigrants and refugees and their communities; and

28.1 (3) where applicable, serving as the point of contact for immigrants and refugees accessing
28.2 resources both within the department and with boards charged with oversight of a profession.

28.3 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any
28.4 right or benefit, substantive or procedural, enforceable at law or in equity by any party
28.5 against the state; its departments, agencies, or entities; its officers, employees, or agents;
28.6 or any other person.

28.7 Subd. 6. **Grants.** Within the limits of available appropriations, the immigrant and refugee
28.8 affairs effort may apply for grants for interested state agencies, community partners, and
28.9 stakeholders under this section to carry out the duties under subdivision 2.

28.10 Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

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

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

28.14 (2) reimburse the department's reasonable costs to administer this section, up to a
28.15 maximum of five percent of the appropriation made to the commissioner under this section.
28.16 The commissioner may transfer part of the allowable administrative portion of this
28.17 appropriation to the Environmental Quality Board to assist communities with regulatory
28.18 coordination, and dedicated technical assistance on conversion for these communities.

28.19 (b) An eligible community awarded a grant under this section may use the grant to plan
28.20 for or address the economic and social impacts on the eligible community of the electric
28.21 generating plant's cessation of operations, including but not limited to land use studies,
28.22 economic planning, researching, planning, and implementing activities and impact studies
28.23 and other planning activities enabling communities to become shovel-ready and support
28.24 the transition from power plants to other economic activities to minimize the negative
28.25 impacts of power plant closures on tax revenues and jobs designed to:

28.26 (1) assist workers at the plant find new employment, including worker retraining and
28.27 developing small business start-up skills;

28.28 (2) increase the eligible community's property tax base; and

28.29 (3) develop alternative economic development strategies to attract new employers to the
28.30 eligible community.

29.1 Sec. 5. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

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

29.5 Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

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

29.8 (1) the program must be operated by a nonprofit corporation that qualifies under section
29.9 501(c)(3) of the Internal Revenue Code;

29.10 (2) the program may spend up to \$5,500 in total training per participant;

29.11 (3) the program must provide education and training in:

29.12 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,
29.13 and communications;

29.14 (ii) long-term plans for success including participant coaching for two years after
29.15 placement;

29.16 (iii) soft skills, including skills critical to success on the job; and

29.17 (iv) access to internships, technology training, personal and emotional intelligence skill
29.18 development, and other support services;

29.19 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~
29.20 support services, when needed, to participants for housing, counseling, tuition, and other
29.21 basic needs;

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

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

29.28 Sec. 7. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:

29.29 Subd. 3. **Graduation and retention grant requirements.** (a) For purposes of a placement
29.30 grant under this section, a qualified graduate is a graduate of a job training program qualifying

30.1 under subdivision 2 who is placed in a job in Minnesota averaging at least 32 hours per
30.2 week that pays at least the current state minimum wage. To qualify for a retention grant
30.3 under this section for a retention fee, a job in which the graduate is retained must pay at
30.4 least the current state minimum wage.

30.5 (b) Programs are limited to one placement and one retention payment for a qualified
30.6 graduate in a performance program. The payment must be made within two years, subject
30.7 to the requirements under sections 16A.15 and 16C.05.

30.8 Sec. 8. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:

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

30.11 (b) A program must maintain and provide upon request records for each qualified graduate
30.12 in compliance with state record retention requirements under section 15.17. The records
30.13 must include information sufficient to verify the graduate's eligibility under this section,
30.14 identify the employer, and describe the job including its compensation rate ~~and~~, benefits,
30.15 and average hours per week.

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

30.17 Sec. 9. Minnesota Statutes 2021 Supplement, section 116J.8749, subdivision 1, is amended
30.18 to read:

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

30.21 (b) "Borrower" means an eligible recipient receiving a loan guaranteed under this section.

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

30.23 (d) "Eligible project" means the development, redevelopment, demolition, site preparation,
30.24 predesign, design, engineering, repair, or renovation of real property or capital improvements.
30.25 Eligible projects must be designed to address the greatest economic development and
30.26 redevelopment needs that have arisen in the community surrounding that real property since
30.27 March 15, 2020. Eligible project includes but is not limited to the construction of buildings,
30.28 infrastructure, and related site amenities, landscaping, or street-scaping. Eligible project
30.29 does not include the purchase of real estate or business operations or business operating
30.30 expenses, such as inventory, wages, or working capital.

30.31 (e) "Eligible recipient" means a:

31.1 (1) business;

31.2 (2) nonprofit organization; ~~or~~

31.3 (3) developer; or

31.4 (4) in a metropolitan county as defined in section 473.121, subdivision 4, excluding

31.5 Hennepin or Ramsey County, the county economic development association that is seeking

31.6 funding to complete an eligible project. Eligible recipient does not include a partner

31.7 organization or a local unit of government, unless the eligible recipient meets the

31.8 qualifications under clause (4) in this paragraph.

31.9 (f) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan

31.10 amount for a maximum period of 15 years from the origination of the loan.

31.11 (g) "Leveraged grant" means a grant that is matched by the eligible recipient's

31.12 commitment to the eligible project of nonstate funds at a level of 200 percent of the grant

31.13 amount. The nonstate match may include but is not limited to funds contributed by a partner

31.14 organization and insurance proceeds.

31.15 (h) "Loan guarantee trust fund" means a dedicated account established under this section

31.16 for the purpose of compensation for defaulted loan guarantees.

31.17 (i) "Partner organizations" or "partners" means:

31.18 (1) foundations engaged in economic development;

31.19 (2) community development financial institutions; and

31.20 (3) community development corporations.

31.21 (j) "Program" means the Main Street Economic Revitalization Program under this section.

31.22 (k) "Subordinated loan" means a loan secured by a lien that is lower in priority than one

31.23 or more specified other liens.

31.24 Sec. 10. Minnesota Statutes 2021 Supplement, section 116J.8749, subdivision 3, is amended

31.25 to read:

31.26 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to

31.27 partner organizations to provide leveraged grants and guaranteed loans to eligible recipients

31.28 using criteria, forms, applications, and reporting requirements developed by the

31.29 commissioner.

31.30 (b) To be eligible for a grant, a partner organization must:

32.1 (1) outline a plan to provide leveraged grants and guaranteed loans to eligible recipients
32.2 for specific eligible projects that represent the greatest economic development and
32.3 redevelopment needs in the surrounding community. This plan must include an analysis of
32.4 the economic impact of the eligible projects the partner organization proposes to make these
32.5 investments in;

32.6 (2) establish a process of ensuring there are no conflicts of interest in determining awards
32.7 under the program; and

32.8 (3) demonstrate that the partner organization has raised funds for the specific purposes
32.9 of this program to commit to the proposed eligible projects or will do so within the 15-month
32.10 period following the encumbrance of funds. Existing assets and state or federal funds may
32.11 not be used to meet this requirement.

32.12 (c) Grants shall be made ~~in up to three rounds~~ as follows:

32.13 (1) a first round with an application date before September 1, 2021, during which no
32.14 more than 50 percent of available funds will be granted;

32.15 (2) a second round with an application date after September 1, 2021, but before March
32.16 1, 2022; and

32.17 ~~(3) a third round with an application date after June 30, 2023, if any funds remain after~~
32.18 ~~the first two rounds.~~

32.19 (3) when funds are available for this program after March 1, 2022, the department shall
32.20 make grants in rounds at least annually.

32.21 A partner may apply in multiple rounds for projects that were not funded in earlier rounds
32.22 or for new projects.

32.23 (d) Up to four percent of a grant under this subdivision may be used by the partner
32.24 organization for administration and monitoring of the program.

32.25 Sec. 11. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

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

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

- 33.1 (1) a business subsidy of less than \$150,000;
- 33.2 (2) assistance that is generally available to all businesses or to a general class of similar
33.3 businesses, such as a line of business, size, location, or similar general criteria;
- 33.4 (3) public improvements to buildings or lands owned by the state or local government
33.5 that serve a public purpose and do not principally benefit a single business or defined group
33.6 of businesses at the time the improvements are made;
- 33.7 (4) redevelopment property polluted by contaminants as defined in section 116J.552,
33.8 subdivision 3;
- 33.9 (5) assistance provided for the sole purpose of renovating old or decaying building stock
33.10 or bringing it up to code and assistance provided for designated historic preservation districts,
33.11 provided that the assistance is equal to or less than 50 percent of the total cost;
- 33.12 (6) assistance to provide job readiness and training services if the sole purpose of the
33.13 assistance is to provide those services;
- 33.14 (7) assistance for housing;
- 33.15 (8) assistance for pollution control or abatement, including assistance for a tax increment
33.16 financing hazardous substance subdistrict as defined under section 469.174, subdivision
33.17 23;
- 33.18 (9) assistance for energy conservation;
- 33.19 (10) tax reductions resulting from conformity with federal tax law;
- 33.20 (11) workers' compensation and unemployment insurance;
- 33.21 (12) benefits derived from regulation;
- 33.22 (13) indirect benefits derived from assistance to educational institutions;
- 33.23 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding
33.24 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)
33.25 of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- 33.26 (15) assistance for a collaboration between a Minnesota higher education institution and
33.27 a business;
- 33.28 (16) assistance for a tax increment financing soils condition district as defined under
33.29 section 469.174, subdivision 19;
- 33.30 (17) redevelopment when the recipient's investment in the purchase of the site and in
33.31 site preparation is 70 percent or more of the assessor's current year's estimated market value;

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

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

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

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

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

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

34.11 Sec. 12. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

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

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

34.21 Preference shall be given to projects that:

34.22 (1) provide employment with benefits paid to employees;

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

34.24 (3) pilot the development of an educational pathway that can be used on a continuing
34.25 basis for transitioning persons from welfare to work; and

34.26 (4) demonstrate the active participation of Department of Employment and Economic
34.27 Development workforce centers, Minnesota State College and University institutions and
34.28 other educational institutions, and local welfare agencies.

34.29 Pathways projects must demonstrate the active involvement and financial commitment
34.30 of participating private business businesses, Tribal-owned businesses, and municipal and
34.31 county hospitals. Pathways projects must be matched with cash or in-kind contributions on

35.1 at least a one-half-to-one ratio by participating private ~~business~~ businesses, Tribal-owned
35.2 businesses, and municipal or county hospitals.

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

35.5 Sec. 13. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

35.23 (5) is a veteran as defined by section 197.447, has been discharged or released from
35.24 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
35.25 (ii) is employed in a job verified to be below the skill level and earning capacity of the
35.26 veteran;

35.27 (6) is an individual determined by the United States Department of Labor to be covered
35.28 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,
35.29 as amended; or

35.30 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent
35.31 a substantial number of years in the home providing homemaking service and (i) has been
35.32 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,

36.1 or disability of that person, must now find employment to self support; or (ii) derived the
36.2 substantial share of support from public assistance on account of dependents in the home
36.3 and no longer receives such support. To be eligible under this clause, the support must have
36.4 ceased while the worker resided in Minnesota.

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

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

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

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

36.18 Sec. 14. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

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

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

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

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

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

37.1 Sec. 15. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

37.2 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
37.3 31 of each even-numbered year, the commissioner must report to the chairs and ranking
37.4 minority members of the committees of the house of representatives and the senate having
37.5 jurisdiction over economic development and workforce policy and finance the following
37.6 information separately for each of the previous two fiscal or calendar years, for each program
37.7 subject to the requirements of subdivision 1:

37.8 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

37.28 (13) the total cost of the program;

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

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

38.1 (16) the administrative cost of the program.

38.2 (b) The report to the legislature must contain:

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

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

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

38.9 Sec. 16. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to
38.10 read:

38.11 Subd. 7. **Overpayments; report to legislature.** (a) Beginning July 1, 2023, and each
38.12 April 15 thereafter, the commissioner must report to the chairs and ranking minority members
38.13 of the committees of the house of representatives and the senate having jurisdiction over
38.14 unemployment insurance for the previous calendar year, to the extent that the following
38.15 information is not classified as not public under chapter 13 or 268, information about
38.16 unemployment insurance fraud and attempted fraud, including:

38.17 (1) misrepresentation or fraud by an authenticated applicant;

38.18 (2) attempted fraud through identity theft; or

38.19 (3) acts of attempted fraud by an unidentified imposter or hijacker.

38.20 (b) For each of paragraph (a), clauses (1) to (3), the report must detail the number of
38.21 weeks held overpaid, and total dollar amount, source, and cause of benefits held overpaid.

38.22 (c) For each of paragraph (a), clauses (1) to (3), the report must detail the number of
38.23 weeks and total dollar amount held overpaid as a ratio of total weeks paid and the total
38.24 amount paid over the same period.

38.25 (d) Information provided must include available data regarding suspected fraud attempts
38.26 for each of paragraph (a), clauses (1) to (3), that the department identified and stopped prior
38.27 to issuing an overpayment, including progress made to enhance data collection related to
38.28 such fraudulent attempts and the number of times the department referred fraudulent activity
38.29 to law enforcement.

39.1 Sec. 17. Laws 2019, First Special Session chapter 7, article 2, section 8, subdivision 8, as
39.2 amended by Laws 2021, First Special Session chapter 10, article 2, section 19, is amended
39.3 to read:

39.4 Subd. 8. **Report.** (a) Launch Minnesota shall report by December 31, 2022, and again
39.5 by December 31, 2023, to the chairs and ranking minority members of the committees of
39.6 the house of representatives and senate having jurisdiction over economic development
39.7 policy and finance. Each report shall include information on the work completed, including
39.8 awards made by the department under this section and progress toward transferring the
39.9 activities of Launch Minnesota to an entity outside of state government.

39.10 (b) By December 31, ~~2024~~ 2023, Launch Minnesota shall provide a comprehensive
39.11 transition plan to the chairs and ranking minority members of the committees of the house
39.12 of representatives and senate having jurisdiction over economic development policy and
39.13 finance. The transition plan shall include: (1) a detailed strategy for the transfer of Launch
39.14 Minnesota activities to an entity outside of state government; (2) the projected date of the
39.15 transfer; and (3) the role of the state, if any, in ongoing activities of Launch Minnesota or
39.16 its successor entity.

39.17 Sec. 18. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 1,
39.18 is amended to read:

39.19 Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program
39.20 to make forgivable loans to eligible remote recreational businesses that experienced a loss
39.21 in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021,
39.22 and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March
39.23 15, 2020.

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

39.25 Sec. 19. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 3,
39.26 is amended to read:

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

39.29 (1) have been in operation on March 15, ~~2020~~ 2021;

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

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

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

40.3 Sec. 20. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 4,
40.4 is amended to read:

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

40.7 (b) Loans shall be made before ~~April 1, 2022~~ December 30, 2022. Any funds not spent
40.8 by April 1, ~~2022~~ 2023, must be returned to the state general fund.

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

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

40.12 Sec. 21. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 5,
40.13 is amended to read:

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

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

40.18 Sec. 22. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 7,
40.19 is amended to read:

40.20 Subd. 7. **Report to legislature.** By ~~January 15~~ April 30, 2023, Lake of the Woods County
40.21 shall report to the legislative committees with jurisdiction over economic development
40.22 policy and finance on the loans provided to remote recreational businesses under this section.

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

40.24 Sec. 23. Laws 2022, chapter 50, article 1, section 1, is amended to read:

40.25 Section 1. **APPROPRIATION; UNEMPLOYMENT INSURANCE TRUST FUND**
40.26 **LOAN REPAYMENT AND REPLENISHMENT.**

40.27 Subdivision 1. **Appropriation.** \$2,324,175,000 from the state fiscal recovery federal
40.28 fund and \$405,825,000 from the general fund in fiscal year 2022 are appropriated to the

41.1 commissioner of employment and economic development for the purposes of this section
41.2 article.

41.3 Subd. 2. **Repayment.** Within ten days following enactment of this section, the
41.4 commissioner must determine the sum of any outstanding loans and any interest accrued
41.5 on the loans from the federal unemployment insurance trust fund, and issue payments to
41.6 the federal unemployment trust fund equal to that sum.

41.7 Subd. 3. **Replenishment.** Following the full repayment of outstanding loans from the
41.8 federal unemployment insurance trust fund, the commissioner must deposit into the
41.9 unemployment insurance trust fund all the remaining money appropriated ~~in~~ for this section.

41.10 Sec. 24. Laws 2022, chapter 50, article 2, section 2, is amended by adding a subdivision
41.11 to read:

41.12 Subd. 13. **Fraud prevention.** The commissioner of labor and industry, in cooperation
41.13 with the commissioner of employment and economic development and the commissioner
41.14 of revenue, must develop a fraud prevention plan and implement a process to identify
41.15 fraudulent payments made under subdivision 5.

41.16 **EFFECTIVE DATE.** This section is effective retroactively from April 29, 2022.

41.17 Sec. 25. **CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

41.18 Subdivision 1. **Relief program established.** The Northland Foundation must develop
41.19 and implement a Canadian border counties economic relief program to assist businesses
41.20 adversely affected by the 2021 closure of the Boundary Waters Canoe Area Wilderness or
41.21 the closures of the Canadian border since 2020.

41.22 Subd. 2. **Available relief.** (a) The economic relief program established under this section
41.23 may include grants to the extent that funds are available. Before awarding grants to the
41.24 Northland Foundation for the relief program under this section:

41.25 (1) the Northland Foundation must develop criteria, procedures, and requirements for:

41.26 (i) determining eligibility for assistance;

41.27 (ii) evaluating applications for assistance;

41.28 (iii) awarding assistance; and

41.29 (iv) administering the grant program authorized under this section;

42.1 (2) the Northland Foundation must submit criteria, procedures, and requirements
42.2 developed under clause (1) to the commissioner of employment and economic development
42.3 for review; and

42.4 (3) the commissioner must approve the criteria, procedures, and requirements submitted
42.5 under clause (2).

42.6 (b) The maximum grant to a business under this section is \$50,000 per business.

42.7 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
42.8 business must:

42.9 (1) be located within Koochiching County or Cook County;

42.10 (2) document a reduction of at least 20 percent in gross receipts in 2021 compared to
42.11 2019; and

42.12 (3) provide a written explanation for how the 2021 closure of the Boundary Waters
42.13 Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the
42.14 reduction in gross receipts documented under clause (2).

42.15 Subd. 4. **Monitoring.** (a) The Northland Foundation must establish performance
42.16 measures, including but not limited to the following components:

42.17 (1) the number of grants awarded and award amounts for each grant;

42.18 (2) the number of jobs created or retained as a result of the assistance, including
42.19 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
42.20 and the status of the jobs as temporary or permanent;

42.21 (3) the amount of business activity and changes in gross revenues of the grant recipient
42.22 as a result of the assistance; and

42.23 (4) the new tax revenue generated as a result of the assistance.

42.24 (b) The commissioner of employment and economic development must monitor the
42.25 Northland Foundation's compliance with this section and the performance measures
42.26 developed under paragraph (a).

42.27 (c) The Northland Foundation must comply with all requests made by the commissioner
42.28 under this section.

42.29 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to
42.30 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance

43.1 under this section must provide for job creation and retention goals and wage and benefit
43.2 goals.

43.3 Subd. 6. **Administrative costs.** The commissioner of employment and economic
43.4 development may use up to three percent of the appropriation made for this section for
43.5 administrative expenses of the department.

43.6 **EFFECTIVE DATE.** This section is effective July 1, 2022, and expires June 30, 2023.

43.7 Sec. 26. **ENCUMBRANCE EXCEPTION.**

43.8 Notwithstanding Minnesota Statutes, section 16B.98, subdivision 5, paragraph (a), clause
43.9 (2), or 16C.05, subdivision 2, paragraph (a), clause (3), the commissioner of employment
43.10 and economic development may permit grant recipients of the Minnesota investment fund
43.11 program under Minnesota Statutes, section 116J.8731; the job creation fund program under
43.12 Minnesota Statutes, section 116J.8748; and the border-to-border broadband program under
43.13 Minnesota Statutes, section 116J.395, to incur eligible expenses based on an agreed upon
43.14 work plan and budget for up to 90 days prior to an encumbrance being established in the
43.15 accounting system.

43.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
43.17 expires on June 30, 2025.

43.18 Sec. 27. **MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION**
43.19 **FUND REQUIREMENTS EXTENSIONS.**

43.20 Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment
43.21 Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job
43.22 Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet
43.23 the minimum capital investment requirements, wage, or minimum job creation goals or
43.24 requirements provided in a business subsidy agreement, as applicable, during or within the
43.25 12-month period following a peacetime emergency related to the COVID-19 pandemic shall
43.26 be granted an extension until December 31, 2023, to meet those capital investment, wage,
43.27 or job creation goals or requirements before the grant must be repaid.

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

44.1 **ARTICLE 4**

44.2 **COMBATIVE SPORTS**

44.3 Section 1. Minnesota Statutes 2020, section 341.21, subdivision 2a, is amended to read:

44.4 Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack
44.5 and defense as a professional boxer, professional or amateur tough person, ~~martial artist,~~
44.6 or professional or amateur mixed martial artist while engaged in a combative sport.

44.7 Sec. 2. Minnesota Statutes 2020, section 341.21, subdivision 2c, is amended to read:

44.8 Subd. 2c. **Combative sports contest.** "Combative sports contest" means a professional
44.9 boxing, a professional or amateur tough person, or a professional or amateur ~~martial art~~
44.10 ~~contest~~ or mixed martial arts contest, bout, competition, match, or exhibition.

44.11 Sec. 3. Minnesota Statutes 2020, section 341.21, subdivision 7, is amended to read:

44.12 Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed
44.13 as tough man or tough woman contests, means a ~~contest of two-minute rounds consisting~~
44.14 ~~of not more than four rounds between two or more individuals who use their hands, or their~~
44.15 ~~feet, or both in any manner. Tough person contest includes kickboxing and other recognized~~
44.16 ~~martial art contest.~~ boxing match or similar contest where each combatant wears headgear
44.17 and gloves that weigh at least 12 ounces.

44.18 Sec. 4. Minnesota Statutes 2020, section 341.221, is amended to read:

44.19 **341.221 ADVISORY COUNCIL.**

44.20 (a) The commissioner must appoint a Combative Sports Advisory Council to advise the
44.21 commissioner on the administration of duties under this chapter.

44.22 (b) The council shall have ~~nine~~ five members appointed by the commissioner. ~~One~~
44.23 ~~member must be a retired judge of the Minnesota District Court, Minnesota Court of Appeals,~~
44.24 ~~Minnesota Supreme Court, the United States District Court for the District of Minnesota,~~
44.25 ~~or the Eighth Circuit Court of Appeals. At least four~~ All five members must have knowledge
44.26 of the boxing combative sports industry. ~~At least four members must have knowledge of~~
44.27 ~~the mixed martial arts industry.~~ The commissioner shall make serious efforts to appoint
44.28 qualified women to serve on the council.

44.29 ~~(e) Council members shall serve terms of four years with the terms ending on the first~~
44.30 ~~Monday in January.~~

44.31 ~~(d)~~ (c) The council shall annually elect from its membership a chair.

45.1 ~~(e)~~ (d) Meetings shall be convened by the commissioner, or by the chair with the approval
45.2 of the commissioner.

45.3 ~~(f)~~ The commissioner shall designate two of the members to serve until the first Monday
45.4 in January 2013; two members to serve until the first Monday in January 2014; two members
45.5 to serve until the first Monday in January 2015; and three members to serve until the first
45.6 Monday in January 2016.

45.7 (e) Appointments to the council and the terms of council members shall be governed by
45.8 sections 15.059 and 15.0597.

45.9 ~~(g)~~ (f) Removal of members, filling of vacancies, and compensation of members shall
45.10 be as provided in section 15.059.

45.11 (g) Meetings convened for the purpose of advising the commissioner on issues related
45.12 to a challenge filed under section 341.345 are exempt from the open meeting requirements
45.13 of chapter 13D.

45.14 Sec. 5. Minnesota Statutes 2020, section 341.25, is amended to read:

45.15 **341.25 RULES.**

45.16 (a) The commissioner may adopt rules that include standards for the physical examination
45.17 and condition of combatants and referees.

45.18 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
45.19 chapter, including, but not limited to, the conduct of all combative sport contests and their
45.20 manner, supervision, time, and place.

45.21 (c) The commissioner must adopt unified rules for mixed martial arts contests.

45.22 (d) The commissioner may adopt the rules of the Association of Boxing Commissions,
45.23 with amendments.

45.24 (e) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated
45.25 by the Association of Boxing Commissions and amended August 2, 2016, are incorporated
45.26 by reference and made a part of this chapter except as qualified by this chapter and Minnesota
45.27 Rules, chapter 2202. In the event of a conflict between this chapter and the Unified Rules,
45.28 this chapter must govern.

45.29 (f) The most recent version of the Unified Rules of Boxing, as promulgated by the
45.30 Association of Boxing Commissions, are incorporated by reference and made a part of this
45.31 chapter except as modified by this chapter and Minnesota Rules, chapter 2201. In the event
45.32 of a conflict between this chapter and the Unified Rules, this chapter must govern.

46.1 Sec. 6. Minnesota Statutes 2020, section 341.28, is amended to read:

46.2 **341.28 REGULATION OF COMBATIVE SPORT CONTESTS.**

46.3 Subdivision 1. **Regulatory authority; combative sports.** All combative sport contests
46.4 within this state must be conducted according to the requirements of this chapter.

46.5 Subd. 1a. **Regulatory authority; professional boxing contests.** All professional boxing
46.6 contests are subject to this chapter. Every combatant in a boxing contest shall wear padded
46.7 gloves that weigh at least eight ounces. Officials at all boxing contests must be licensed
46.8 under this chapter.

46.9 Subd. 2. **Regulatory authority; tough person contests.** All professional and amateur
46.10 tough person contests are subject to this chapter. All tough person contests are subject to
46.11 ~~Association of Boxing Commissions rules~~ the most recent version of the Unified Rules of
46.12 Boxing, as promulgated by the Association of Boxing Commissions. Every contestant in a
46.13 tough person contest shall have a physical examination prior to their bouts. Every contestant
46.14 in a tough person contest shall wear headgear and padded gloves that weigh at least 12
46.15 ounces. ~~All tough person bouts are limited to two-minute rounds and a maximum of four~~
46.16 ~~total rounds.~~ Officials at all tough person contests shall be licensed under this chapter.

46.17 Subd. 3. **Regulatory authority; mixed martial arts contests; ~~similar sporting~~**
46.18 **events.** All professional and amateur mixed martial arts contests, ~~martial arts contests except~~
46.19 ~~amateur contests regulated by the Minnesota State High School League (MSHSL), recognized~~
46.20 ~~martial arts studios and schools in Minnesota, and recognized national martial arts~~
46.21 ~~organizations holding contests between students, ultimate fight contests, and similar sporting~~
46.22 ~~events~~ are subject to this chapter and all officials at these events must be licensed under this
46.23 chapter.

46.24 Subd. 4. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this
46.25 chapter specifically states otherwise, contests or exhibitions for martial arts and amateur
46.26 boxing are exempt from the requirements of this chapter and officials at these events are
46.27 not required to be licensed under this chapter.

46.28 (b) All martial arts and amateur boxing contests must be regulated by the Thai Boxing
46.29 Association, International Sports Karate Association, World Kickboxing Association, United
46.30 States Muay Thai Association, United States Muay Thai Federation, World Association of
46.31 Kickboxing Organizations, International Kickboxing Federation, USA Boxing, or an
46.32 organization that governs interscholastic athletics under subdivision 5.

47.1 (c) Any regulatory body overseeing a martial arts or amateur boxing event must submit
47.2 bout results to the commissioner within 72 hours after the event. If the regulatory body
47.3 issues suspensions, it must submit to the commissioner, within 72 hours after the event, a
47.4 list of any suspensions resulting from the event.

47.5 Subd. 5. **Regulatory authority; certain students.** Amateur martial arts and amateur
47.6 boxing contests regulated by the Minnesota State High School League, National Collegiate
47.7 Athletic Association, National Junior Collegiate Athletic Association, National Association
47.8 of Intercollegiate Athletics, or any similar organization that governs interscholastic athletics
47.9 are not subject to this chapter and officials at these events are not required to be licensed
47.10 under this chapter.

47.11 Sec. 7. Minnesota Statutes 2020, section 341.30, subdivision 4, is amended to read:

47.12 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's
47.13 license to an individual, corporation, or other business entity, the applicant shall, ~~a minimum~~
47.14 ~~of six weeks before the combative sport contest is scheduled to occur,~~ complete a licensing
47.15 application on the Office of Combative Sports website or on forms ~~furnished or approved~~
47.16 prescribed by the commissioner and shall:

47.17 ~~(1) provide the commissioner with a copy of any agreement between a combatant and~~
47.18 ~~the applicant that binds the applicant to pay the combatant a certain fixed fee or percentage~~
47.19 ~~of the gate receipts;~~

47.20 ~~(2)~~ (1) show on the licensing application the owner or owners of the applicant entity and
47.21 the percentage of interest held by each owner holding a 25 percent or more interest in the
47.22 applicant;

47.23 ~~(3)~~ (2) provide the commissioner with a copy of the latest financial statement of the
47.24 applicant;

47.25 ~~(4) provide the commissioner with a copy or other proof acceptable to the commissioner~~
47.26 ~~of the insurance contract or policy required by this chapter;~~

47.27 ~~(5)~~ (3) provide proof, where applicable, of authorization to do business in the state of
47.28 Minnesota; and

47.29 ~~(6)~~ (4) deposit with the commissioner a ~~cash bond or~~ surety bond in an amount set by
47.30 the commissioner, which must not be less than \$10,000. The bond shall be executed in favor
47.31 of this state and shall be conditioned on the faithful performance by the promoter of the
47.32 promoter's obligations under this chapter and the rules adopted under it.

48.1 (b) Before the commissioner issues a license to a combatant, the applicant shall:

48.2 (1) submit to the commissioner the results of ~~a current medical examination~~ examinations
48.3 ~~on forms furnished or approved~~ prescribed by the commissioner. ~~The medical examination~~
48.4 ~~must include an ophthalmological and neurological examination, and documentation of test~~
48.5 ~~results for HBV, HCV, and HIV, and any other blood test as the commissioner by rule may~~
48.6 ~~require. The ophthalmological examination must be designed to detect any retinal defects~~
48.7 ~~or other damage or condition of the eye that could be aggravated by combative sports. The~~
48.8 ~~neurological examination must include an electroencephalogram or medically superior test~~
48.9 ~~if the combatant has been knocked unconscious in a previous contest. The commissioner~~
48.10 ~~may also order an electroencephalogram or other appropriate neurological or physical~~
48.11 ~~examination before any contest if it determines that the examination is desirable to protect~~
48.12 ~~the health of the combatant. The commissioner shall not issue a license to an applicant~~
48.13 ~~submitting positive test results for HBV, HCV, or HIV; that state that the combatant is~~
48.14 cleared to participate in a combative sport contest. The applicant must undergo and submit
48.15 the results of the following medical examinations, which do not exempt a combatant from
48.16 the requirements set forth in section 341.33:

48.17 (i) a physical examination performed by a licensed medical doctor, doctor of osteopathic
48.18 medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations
48.19 are valid for one year from the date of the exam;

48.20 (ii) an ophthalmological examination performed by an ophthalmologist or optometrist
48.21 that includes dilation designed to detect any retinal defects or other damage or a condition
48.22 of the eye that could be aggravated by combative sports. Ophthalmological examinations
48.23 are valid for one year from the date of the exam;

48.24 (iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C
48.25 antibody), and HIV. Blood work results are good for one year from the date blood was
48.26 drawn. The commissioner shall not issue a license to an applicant submitting positive test
48.27 results for HBsAg, HCV, or HIV; and

48.28 (iv) other appropriate neurological or physical examinations before any contest, if the
48.29 commissioner determines that the examination is desirable to protect the health of the
48.30 combatant.

48.31 (2) complete a licensing application on the Office of Combative Sports website or on
48.32 forms furnished or approved by the commissioner; and

49.1 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's
49.2 license, state photo identification card, passport, or birth certificate combined with additional
49.3 photo identification.

49.4 (c) Before the commissioner issues a license to a referee, judge, or timekeeper, the
49.5 applicant must submit proof of qualifications that may include certified training from the
49.6 Association of Boxing Commissions, licensure with other regulatory bodies, three
49.7 professional references, or a log of bouts worked.

49.8 (d) Before the commissioner issues a license to a ringside physician, the applicant must
49.9 submit proof that they are licensed to practice medicine in the state of Minnesota and in
49.10 good standing.

49.11 Sec. 8. Minnesota Statutes 2020, section 341.32, subdivision 2, is amended to read:

49.12 Subd. 2. **Expiration and application.** Licenses expire annually on ~~December 31~~ June
49.13 30. A license may be applied for each year by filing an application for licensure and satisfying
49.14 all licensure requirements established in section 341.30, and submitting payment of the
49.15 license fees established in section 341.321. An application for a license and renewal of a
49.16 license must be on a form provided by the commissioner. Any license received or renewed
49.17 in the year 2022 shall be valid until June 30, 2023.

49.18 Sec. 9. Minnesota Statutes 2020, section 341.321, is amended to read:

49.19 **341.321 FEE SCHEDULE.**

49.20 (a) The fee schedule for professional and amateur licenses issued by the commissioner
49.21 is as follows:

49.22 (1) referees, \$25;

49.23 (2) promoters, \$700;

49.24 (3) judges and knockdown judges, \$25;

49.25 (4) trainers and seconds, \$80;

49.26 (5) timekeepers, \$25;

49.27 (6) professional combatants, \$70;

49.28 (7) amateur combatants, \$50; and

49.29 (8) ringside physicians, \$25.

50.1 ~~License fees for promoters are due at least six weeks prior to the combative sport contest.~~
50.2 All ~~other~~ license fees shall be paid no later than the weigh-in prior to the contest. No license
50.3 may be issued until all prelicensure requirements outlined in section 341.30 are satisfied
50.4 and fees are paid.

50.5 ~~(b) The commissioner shall establish a contest fee for each combative sport contest and~~
50.6 ~~shall consider the size and type of venue when establishing a contest fee. The A promoter~~
50.7 ~~or event organizer of an event regulated by the Department of Labor and Industry must pay,~~
50.8 ~~per event, a combative sport contest fee is of \$1,500 per event or not more than four percent~~
50.9 ~~of the gross ticket sales, whichever is greater, as determined by the commissioner when the~~
50.10 ~~combative sport contest is scheduled. The fee must be paid as follows:~~

50.11 ~~(e) A professional or amateur combative sport contest fee is nonrefundable and shall be~~
50.12 ~~paid as follows:~~

50.13 ~~(1) \$500 at the time is due when the combative sport contest is scheduled; and~~

50.14 ~~(2) \$1,000 is due at the weigh-in prior to the contest;~~

50.15 ~~(3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to~~
50.16 ~~the commissioner within 14 days of the completed contest; and~~

50.17 ~~(4) the face value of all complimentary tickets distributed for an event, to the extent they~~
50.18 ~~exceed 15 percent of total event attendance, count toward gross tickets sales for the purposes~~
50.19 ~~of determining a combative sport contest fee.~~

50.20 ~~If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the~~
50.21 ~~commissioner within seven days of the completed contest.~~

50.22 ~~(d) The commissioner may establish the maximum number of complimentary tickets~~
50.23 ~~allowed for each event by rule.~~

50.24 ~~(e) (c) All fees and penalties collected by the commissioner must be deposited in the~~
50.25 ~~commissioner account in the special revenue fund.~~

50.26 Sec. 10. [341.322] PAYMENT SCHEDULE.

50.27 The commissioner may establish a schedule of fees to be paid by a promoter to referees,
50.28 judges and knockdown judges, timekeepers, and ringside physicians.

50.29 Sec. 11. [341.323] EVENT APPROVAL.

50.30 Subdivision 1. Preapproval documentation. Before the commissioner approves a
50.31 combative sport contest, the promoter shall:

51.1 (1) provide the commissioner, at least six weeks before the combative sport contest is
51.2 scheduled to occur, information about the time, date, and location of the contest;

51.3 (2) provide the commissioner, at least 72 hours before the combative sport contest is
51.4 scheduled to occur, with a copy of any agreement between a combatant and the promoter
51.5 that binds the promoter to pay the combatant a certain fixed fee or percentage of the gate
51.6 receipts;

51.7 (3) provide the commissioner, at least 72 hours before the combative sport contest is
51.8 scheduled to occur, with a copy or other proof acceptable to the commissioner of the
51.9 insurance contract or policy required by this chapter; and

51.10 (4) provide the commissioner, at least 72 hours before the combative sport contest is
51.11 scheduled to occur, proof acceptable to the commissioner that the promoter will provide,
51.12 at the cost of the promoter, at least one uniformed security guard or uniformed off-duty
51.13 member of law enforcement to provide security at any event regulated by the Department
51.14 of Labor and Industry. The commissioner may require a promoter to take additional security
51.15 measures to ensure the safety of participants and spectators at an event.

51.16 Subd. 2. **Proper licensure.** Before the commissioner approves a combative sport contest,
51.17 the commissioner must ensure that the promoter is properly licensed under this chapter.
51.18 The promoter must maintain proper licensure from the time the promoter schedules a
51.19 combative sport contest through the date of the contest.

51.20 Subd. 3. **Discretion.** Nothing in this section limits the commissioner's discretion in
51.21 deciding whether to approve a combative sport contest or event.

51.22 **Sec. 12. [341.324] AMBULANCE.**

51.23 A promoter must ensure, at the cost of the promoter, that an ambulance and two
51.24 emergency medical technicians are on the premises during a combative sport contest.

51.25 **Sec. 13. Minnesota Statutes 2020, section 341.33, is amended to read:**

51.26 **341.33 PHYSICAL EXAMINATION REQUIRED; FEES.**

51.27 **Subdivision 1. Examination by physician.** All combatants must be examined by a
51.28 physician licensed by this state within 36 hours before entering the ring, and the examining
51.29 physician shall immediately file with the commissioner a written report of the examination.
51.30 Each female combatant shall take and submit a negative pregnancy test as part of the
51.31 examination. The physician's examination may report on the condition of the combatant's
51.32 heart and general physical and general neurological condition. The physician's report may

52.1 record the condition of the combatant's nervous system and brain as required by the
52.2 commissioner. The physician may prohibit the combatant from entering the ring if, in the
52.3 physician's professional opinion, it is in the best interest of the combatant's health. The cost
52.4 of the examination is payable by the promoter conducting the contest or exhibition.

52.5 Subd. 2. **Attendance of physician.** A promoter holding or sponsoring a combative sport
52.6 contest shall have in attendance a physician licensed by ~~this~~ the state of Minnesota. ~~The~~
52.7 ~~commissioner may establish a schedule of fees to be paid to each attending physician by~~
52.8 ~~the promoter holding or sponsoring the contest.~~

52.9 Sec. 14. **[341.345] CHALLENGING THE OUTCOME OF A COMBATIVE SPORT**
52.10 **CONTEST.**

52.11 Subdivision 1. **Challenge.** (a) If a combatant disagrees with the outcome of a combative
52.12 sport contest regulated by the Department of Labor and Industry in which the combatant
52.13 participated, the combatant may challenge the outcome.

52.14 (b) If a third party makes a challenge on behalf of a combatant, the third party must
52.15 provide written confirmation that they are authorized to make the challenge on behalf of
52.16 the combatant. The written confirmation must contain the combatant's signature and must
52.17 be submitted with the challenge.

52.18 Subd. 2. **Form.** A challenge must be submitted on a form prescribed by the commissioner,
52.19 set forth all relevant facts and the basis for the challenge, and state what remedy is being
52.20 sought. A combatant may submit photos, videos, documents, or any other evidence the
52.21 combatant would like the commissioner to consider in connection to the challenge. A
52.22 combatant may challenge the outcome of a contest only if it is alleged that:

52.23 (1) the referee made an incorrect call or missed a rule violation that directly affected the
52.24 outcome of the contest;

52.25 (2) there was collusion amongst officials to affect the outcome of the contest; or

52.26 (3) scores were miscalculated.

52.27 Subd. 3. **Timing.** (a) A challenge must be submitted within ten days of the contest.

52.28 (b) For purposes of this subdivision, the day of the contest shall not count toward the
52.29 ten-day period. If the tenth day falls on a Saturday, Sunday, or legal holiday, then a combatant
52.30 shall have until the next day that is not a Saturday, Sunday, or legal holiday to submit a
52.31 challenge.

53.1 (c) The challenge must be submitted to the commissioner at the address, fax number, or
53.2 e-mail address designated on the commissioner's website. The date on which a challenge
53.3 is submitted by mail shall be the postmark date on the envelope in which the challenge is
53.4 mailed. If the challenge is faxed or e-mailed, it must be received by the commissioner by
53.5 4:30 p.m. central time on the day the challenge is due.

53.6 Subd. 4. **Opponent's response.** If the requirements of subdivisions 1 to 3 are met, the
53.7 commissioner shall send a complete copy of the challenge documents, along with any
53.8 supporting materials submitted, to the opposing combatant by mail, fax, or e-mail. The
53.9 opposing combatant shall have 14 days from the date the commissioner sends the challenge
53.10 and supporting materials to submit a response to the commissioner. Additional response
53.11 time is not added when the commissioner sends the challenge to the opposing combatant
53.12 by mail. The opposing combatant may submit photos, videos, documents, or any other
53.13 evidence the opposing combatant would like the commissioner to consider in connection
53.14 to the challenge. The response must be submitted to the commissioner at the address, fax
53.15 number, or e-mail address designated on the commissioner's website. The date on which a
53.16 response is submitted by mail shall be the postmark date on the envelope in which the
53.17 response is mailed. If the response is faxed or e-mailed, it must be received by the
53.18 commissioner by 4:30 p.m. central time on the day the response is due.

53.19 Subd. 5. **Licensed official review.** The commissioner may, if the commissioner
53.20 determines it would be helpful in resolving the issues raised in the challenge, send a complete
53.21 copy of the challenge or response, along with any supporting materials submitted, to any
53.22 licensed official involved in the combative sport contest at issue by mail, fax, or e-mail and
53.23 request their views on the issues raised in the challenge.

53.24 Subd. 6. **Order.** The commissioner shall issue an order on the challenge within 60 days
53.25 after receiving the opposing combatant's response. If the opposing combatant does not
53.26 submit a response, the commissioner shall issue an order on the challenge within 75 days
53.27 after receiving the challenge.

53.28 Subd. 7. **Nonacceptance.** If the requirements of subdivisions 1 to 3 are not met, the
53.29 commissioner must not accept the challenge and may send correspondence to the person
53.30 who submitted the challenge stating the reasons for nonacceptance of the challenge. A
53.31 combatant has no further appeal rights if the combatant's challenge is not accepted by the
53.32 commissioner.

54.1 Subd. 8. **Administrative hearing.** After the commissioner issues an order under
54.2 subdivision 6, each combatant, under section 326B.082, subdivision 8, has 30 days after
54.3 service of the order to submit a request for hearing before an administrative law judge.

54.4 Sec. 15. Minnesota Statutes 2020, section 341.355, is amended to read:

54.5 **341.355 CIVIL PENALTIES.**

54.6 When the commissioner finds that a person has violated one or more provisions of any
54.7 statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the
54.8 commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each
54.9 violation, or a civil penalty that deprives the person of any economic advantage gained by
54.10 the violation, or both. The commissioner may also impose these penalties against a person
54.11 who has violated section 341.28, subdivision 4, paragraph (b) or (c).

54.12 **ARTICLE 5**

54.13 **LABOR AND INDUSTRY POLICY AND TECHNICAL**

54.14 Section 1. Minnesota Statutes 2020, section 178.11, is amended to read:

54.15 **178.11 LABOR EDUCATION ADVANCEMENT GRANT PROGRAM.**

54.16 The commissioner shall establish the labor education advancement grant program for
54.17 the purpose of facilitating the participation or retention of ~~minorities~~ people of color,
54.18 Indigenous people, and women in apprenticeable trades and occupations. The commissioner
54.19 shall award grants to community-based and nonprofit organizations and Minnesota Tribal
54.20 governments as defined in section 10.65, serving the targeted populations on a competitive
54.21 request-for-proposal basis. Interested organizations shall apply for the grants in a form
54.22 prescribed by the commissioner. As part of the application process, applicants must provide
54.23 a statement of need for the grant, a description of the targeted population and apprenticeship
54.24 opportunities, a description of activities to be funded by the grant, evidence supporting the
54.25 ability to deliver services, information related to coordinating grant activities with other
54.26 employment and learning programs, identification of matching funds, a budget, and
54.27 performance objectives. Each submitted application shall be evaluated for completeness
54.28 and effectiveness of the proposed grant activity.

54.29 Sec. 2. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

54.30 Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must require
54.31 that any parking ramp or other parking facility constructed in accordance with the code
54.32 include an appropriate number of spaces suitable for the parking of motor vehicles having

55.1 a capacity of seven to 16 persons and which are principally used to provide prearranged
55.2 commuter transportation of employees to or from their place of employment or to or from
55.3 a transit stop authorized by a local transit authority.

55.4 (b) **Smoke detection devices.** The code must require that all dwellings, lodging houses,
55.5 apartment houses, and hotels as defined in section 299F.362 comply with the provisions of
55.6 section 299F.362.

55.7 (c) **Doors in nursing homes and hospitals.** The State Building Code may not require
55.8 that each door entering a sleeping or patient's room from a corridor in a nursing home or
55.9 hospital with an approved complete standard automatic fire extinguishing system be
55.10 constructed or maintained as self-closing or automatically closing.

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

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

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

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

55.28 (h) **Relocated residential buildings.** A residential building relocated within or into a
55.29 political subdivision of the state need not comply with the State Energy Code or section
55.30 326B.439 provided that, where available, an energy audit is conducted on the relocated
55.31 building.

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

56.4 (j) **Exterior wood decks, patios, and balconies.** The code must permit the decking
56.5 surface and upper portions of exterior wood decks, patios, and balconies to be constructed
56.6 of (1) heartwood from species of wood having natural resistance to decay or termites,
56.7 including redwood and cedars, (2) grades of lumber which contain sapwood from species
56.8 of wood having natural resistance to decay or termites, including redwood and cedars, or
56.9 (3) treated wood. The species and grades of wood products used to construct the decking
56.10 surface and upper portions of exterior decks, patios, and balconies must be made available
56.11 to the building official on request before final construction approval.

56.12 (k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be
56.13 imposed by municipalities under the State Building Code, except as required under section
56.14 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92
56.15 administered by the Department of Labor and Industry. All data regarding the material
56.16 production processes, including the bioprocess system's structural design and layout, are
56.17 nonpublic data as provided by section 13.7911.

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

56.21 (m) **Window cleaning safety.** ~~The code must require the installation of dedicated~~
56.22 ~~anchorages for the purpose of suspended window cleaning on (1) new buildings four stories~~
56.23 ~~or greater; and (2) buildings four stories or greater, only on those areas undergoing~~
56.24 ~~reconstruction, alteration, or repair that includes the exposure of primary structural~~
56.25 ~~components of the roof. The commissioner shall adopt rules, using the expedited rulemaking~~
56.26 process in section 14.389 requiring window cleaning safety features that comply with a
56.27 nationally recognized standard as part of the State Building Code. Window cleaning safety
56.28 features shall be provided for all windows on:

56.29 (1) new buildings where determined by the code; and

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

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

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

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

57.5 Sec. 3. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended
57.6 to read:

57.7 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required
57.8 in section 326B.107 include:

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

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

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

57.13 (1) \$1 to \$500, ~~\$29.50~~ \$21;

57.14 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
57.15 or fraction thereof, to and including \$2,000;

57.16 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
57.17 additional \$1,000 or fraction thereof, to and including \$25,000;

57.18 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
57.19 additional \$1,000 or fraction thereof, to and including \$50,000;

57.20 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
57.21 each additional \$1,000 or fraction thereof, to and including \$100,000;

57.22 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
57.23 each additional \$1,000 or fraction thereof, to and including \$500,000;

57.24 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
57.25 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

57.26 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
57.27 for each additional \$1,000 or fraction thereof.

57.28 (c) Other inspections and fees are:

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

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

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

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

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

58.9 **EFFECTIVE DATE.** This section is effective retroactively from October 1, 2021, and
58.10 the amendments to it expire October 1, 2023.

58.11 Sec. 4. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

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

58.17 Sec. 5. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision
58.18 to read:

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

58.21 Sec. 6. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

58.22 Subd. 13. **Exemption from licensing.** (a) Employees of a licensed elevator contractor
58.23 or licensed limited elevator contractor are not required to hold or obtain a license under this
58.24 section or be provided with direct supervision by a licensed master elevator constructor,
58.25 licensed limited master elevator constructor, licensed elevator constructor, or licensed limited
58.26 elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts.
58.27 Unlicensed employees performing elevator work under this exemption must comply with
58.28 subdivision 5. This exemption does not include the installation, maintenance, repair, or
58.29 replacement of electrical wiring for elevator equipment.

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

59.1 (1) conveyors, including vertical reciprocating conveyors;

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

59.3 (3) dock levelers.

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

59.5 Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not
59.6 be subject to inspection under sections 326B.31 to 326B.399:

59.7 (1) when owned or leased, operated and maintained by any employer whose maintenance
59.8 electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing
59.9 electrical maintenance work only as defined by rule;

59.10 (2) when owned or leased, and operated and maintained by any electrical,
59.11 communications, or railway utility, cable communications company as defined in section
59.12 238.02, or telephone company as defined under section 237.01, in the exercise of its utility,
59.13 antenna, or telephone function; and

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

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

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

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

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

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

59.30 (6) when the installation, material, and equipment is part of an elevator installation for
59.31 which the elevator contractor, licensed under section 326B.164, is required to obtain a permit

60.1 from the authority having jurisdiction as provided by section 326B.184, and the inspection
60.2 has been or will be performed by an elevator inspector certified and licensed by the
60.3 department. This exemption shall apply only to installations, material, and equipment
60.4 permitted or required to be connected on the load side of the disconnecting means required
60.5 for elevator equipment under National Electrical Code Article 620, and elevator
60.6 communications and alarm systems within the machine room, car, hoistway, or elevator
60.7 lobby.

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

60.9 Sec. 8. Minnesota Statutes 2020, section 326B.36, is amended by adding a subdivision to
60.10 read:

60.11 **Subd. 8. Electric utility exemptions; additional requirements.** For exemptions to
60.12 inspections exclusively for load control allowed for electrical utilities under subdivision 7,
60.13 clause (2), item (i), the exempted work must be:

60.14 (1) performed by a class A electrical contractor licensed under section 326B.33;

60.15 (2) for replacement or repair of existing equipment for an electric utility other than a
60.16 public utility as defined in section 216B.02, subdivision 4, only; and

60.17 (3) completed on or before December 31, 2030.

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

60.19 Sec. 9. **LAWS CHAPTER 32 EFFECTIVE DATE.**

60.20 Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2,
60.21 sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter
60.22 32, article 1, section 1, applies to appointments made on or after that date.

60.23 **ARTICLE 6**

60.24 **COMMERCE POLICY**

60.25 Section 1. Minnesota Statutes 2021 Supplement, section 62J.26, subdivision 2, is amended
60.26 to read:

60.27 Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with
60.28 the commissioners of health and management and budget, must evaluate all mandated health
60.29 benefit proposals as provided under subdivision 3.

61.1 (b) The purpose of the evaluation is to provide the legislature with a complete and timely
61.2 analysis of all ramifications of any mandated health benefit proposal. The evaluation must
61.3 include, in addition to other relevant information, the following to the extent applicable:

61.4 (1) scientific and medical information on the mandated health benefit proposal, on the
61.5 potential for harm or benefit to the patient, and on the comparative benefit or harm from
61.6 alternative forms of treatment, and must include the results of at least one professionally
61.7 accepted and controlled trial comparing the medical consequences of the proposed therapy,
61.8 alternative therapy, and no therapy;

61.9 (2) public health, economic, and fiscal impacts of the mandated health benefit proposal
61.10 on persons receiving health services in Minnesota, on the relative cost-effectiveness of the
61.11 proposal, and on the health care system in general;

61.12 (3) the extent to which the treatment, service, equipment, or drug is generally utilized
61.13 by a significant portion of the population;

61.14 (4) the extent to which insurance coverage for the mandated health benefit proposal is
61.15 already generally available;

61.16 (5) the extent to which the mandated health benefit proposal, by health plan category,
61.17 would apply to the benefits offered to the health plan's enrollees;

61.18 (6) the extent to which the mandated health benefit proposal will increase or decrease
61.19 the cost of the treatment, service, equipment, or drug;

61.20 (7) the extent to which the mandated health benefit proposal may increase enrollee
61.21 premiums; and

61.22 (8) if the proposal applies to a qualified health plan as defined in section 62A.011,
61.23 subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal
61.24 using commercial market reimbursement rates in accordance with Code of Federal
61.25 Regulations, title 45, section 155.70.

61.26 (c) The commissioner shall consider actuarial analysis done by health plan companies
61.27 and any other proponent or opponent of the mandated health benefit proposal in determining
61.28 the cost of the proposal.

61.29 (d) The commissioner must summarize the nature and quality of available information
61.30 on these issues, and, if possible, must provide preliminary information to the public. The
61.31 commissioner may conduct research on these issues or may determine that existing research
61.32 is sufficient to meet the informational needs of the legislature. The commissioner may seek
61.33 the assistance and advice of researchers, community leaders, or other persons or organizations

62.1 with relevant expertise. The commissioner must provide the public with at least 45 days'
62.2 notice when requesting information pursuant to this section. The commissioner must notify
62.3 the prospective authors or chief authors of a bill or amendment when a request for information
62.4 is issued.

62.5 (e) Information submitted to the commissioner pursuant to this section that meets the
62.6 definition of trade secret information, as defined under section 13.37, subdivision 1, paragraph
62.7 (b), is nonpublic data.

62.8 Sec. 2. Minnesota Statutes 2020, section 62Q.735, subdivision 1, is amended to read:

62.9 Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign
62.10 a contract, a health plan company shall give to the provider a complete copy of the proposed
62.11 contract, including:

62.12 (1) all attachments and exhibits;

62.13 (2) operating manuals;

62.14 (3) a general description of the health plan company's health service coding guidelines
62.15 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

62.16 (4) all guidelines and treatment parameters incorporated or referenced in the contract.

62.17 (b) The health plan company shall make available to the provider the fee schedule or a
62.18 method or process that allows the provider to determine the fee schedule for each health
62.19 care service to be provided under the contract.

62.20 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan~~
62.21 ~~organization, as defined in section 62Q.76, shall disclose information related to the individual~~
62.22 ~~contracted provider's expected reimbursement from the dental plan organization.~~ Nothing
62.23 in this section requires a dental plan organization to disclose the plan's aggregate maximum
62.24 allowable fee table used to determine other providers' fees. The contracted provider must
62.25 not release this information in any way that would violate any state or federal antitrust law.

62.26 Sec. 3. Minnesota Statutes 2020, section 62Q.735, subdivision 5, is amended to read:

62.27 Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any
62.28 additional fees or fee schedules relevant to the particular provider's practice beyond those
62.29 provided with the renewal documents for the next contract year to all participating providers,
62.30 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the

63.1 requirements of this section by making the full fee schedules available through a secure
63.2 web portal for contracted providers.

63.3 ~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,~~
63.4 ~~subdivision 1, paragraph (e).~~

63.5 Sec. 4. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to
63.6 read:

63.7 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract
63.8 with a dental organization or with another third party to gain access to the dental care services
63.9 or contractual discounts under a dental provider contract. Third party does not include an
63.10 enrollee of a dental organization or an employer or other group for whom the dental
63.11 organization provides administrative services.

63.12 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
63.13 plans and dental provider agreements offered, issued, or renewed on or after that date.

63.14 Sec. 5. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to
63.15 read:

63.16 Subd. 7. **Network leasing.** (a) A dental organization may grant a third party access to
63.17 a dental provider contract, or a provider's dental care services or contractual discounts
63.18 provided pursuant to a dental provider contract, if at the time the dental provider contract
63.19 is entered into or renewed the dental organization allows a dentist to choose not to participate
63.20 in third-party access to the dental provider contract, without any penalty to the dentist. The
63.21 third-party access provision of the dental provider contract must be clearly identified. A
63.22 dental organization must not grant a third party access to the dental provider contract of any
63.23 dentist who does not participate in third-party access to the dental provider contract.

63.24 (b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose
63.25 of recruiting dentists for dental provider contracts that establish a network to be leased to
63.26 third parties, the dentist waives the right to choose whether to participate in third-party
63.27 access.

63.28 (c) A dental organization may grant a third party access to a dental provider contract,
63.29 or a dentist's dental care services or contractual discounts under a dental provider contract,
63.30 if the following requirements are met:

64.1 (1) the dental organization lists all third parties that may have access to the dental provider
64.2 contract on the dental organization's website, which must be updated at least once every 90
64.3 days;

64.4 (2) the dental provider contract states that the dental organization may enter into an
64.5 agreement with a third party that would allow the third party to obtain the dental
64.6 organization's rights and responsibilities as if the third party were the dental organization,
64.7 and the dentist chose to participate in third-party access at the time the dental provider
64.8 contract was entered into; and

64.9 (3) the third party accessing the dental provider contract agrees to comply with all
64.10 applicable terms of the dental provider contract.

64.11 (d) A dentist is not bound by and is not required to perform dental care services under
64.12 a dental provider contract granted to a third party in violation of this section.

64.13 (e) This subdivision does not apply when:

64.14 (1) the dental provider contract is for dental services provided under a public health plan
64.15 program, including but not limited to medical assistance, MinnesotaCare, Medicaid, or
64.16 Medicare Advantage; or

64.17 (2) access to a dental provider contract is granted to a dental organization, an entity
64.18 operating in accordance with the same brand licensee program as the dental organization
64.19 or other entity, or to an entity that is an affiliate of the dental organization, provided the
64.20 entity agrees to substantially similar terms and conditions of the originating dental provider
64.21 contract between the dental organization and the dentist or dental clinic. A list of the dental
64.22 organization's affiliates must be posted on the dental organization's website.

64.23 Sec. 6. Minnesota Statutes 2020, section 62Q.79, is amended by adding a subdivision to
64.24 read:

64.25 Subd. 7. **Method of payments.** A dental provider contract must include a method of
64.26 payment for dental care services in which no fees associated with the method of payment,
64.27 including credit card fees and fees related to payment in the form of digital or virtual
64.28 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a
64.29 payment must be disclosed to a dentist prior to entering into or renewing a dental provider
64.30 contract. For purposes of this section, fees related to a provider's electronic claims processing
64.31 vendor, financial institution, or other vendor used by a provider to facilitate the submission
64.32 of claims are excluded.

65.1 Sec. 7. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

65.2 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

65.3 (a) Except as provided in subsections (b), (c), (d), ~~and (e)~~, (f), and (g), and subject to
65.4 the provisions of the declaration or bylaws, the association shall have the power to:

65.5 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
65.6 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
65.7 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
65.8 jeopardize the health, safety or welfare of other occupants, which involves noise or other
65.9 disturbing activity, or which may damage the common elements or other units; (iii) regulating
65.10 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
65.11 and conduct which may damage the common interest community; (v) regulating the exterior
65.12 appearance of the common interest community, including, for example, balconies and patios,
65.13 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
65.14 implementing the articles of incorporation, declaration and bylaws, and exercising the
65.15 powers granted by this section; and (vii) otherwise facilitating the operation of the common
65.16 interest community;

65.17 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
65.18 collect assessments for common expenses from unit owners;

65.19 (3) hire and discharge managing agents and other employees, agents, and independent
65.20 contractors;

65.21 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
65.22 own name on behalf of itself or two or more unit owners on matters affecting the common
65.23 elements or other matters affecting the common interest community or, (ii) with the consent
65.24 of the owners of the affected units on matters affecting only those units;

65.25 (5) make contracts and incur liabilities;

65.26 (6) regulate the use, maintenance, repair, replacement, and modification of the common
65.27 elements and the units;

65.28 (7) cause improvements to be made as a part of the common elements, and, in the case
65.29 of a cooperative, the units;

65.30 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
65.31 real estate or personal property, but (i) common elements in a condominium or planned
65.32 community may be conveyed or subjected to a security interest only pursuant to section

66.1 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
66.2 may be subjected to a security interest, only pursuant to section 515B.3-112;

66.3 (9) grant or amend easements for public utilities, public rights-of-way or other public
66.4 purposes, and cable television or other communications, through, over or under the common
66.5 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
66.6 by the declaration; and, subject to approval by a vote of unit owners other than declarant
66.7 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
66.8 the common elements;

66.9 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
66.10 of the common elements, other than limited common elements, and for services provided
66.11 to unit owners;

66.12 (11) impose interest and late charges for late payment of assessments and, after notice
66.13 and an opportunity to be heard before the board or a committee appointed by it, levy
66.14 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
66.15 association;

66.16 (12) impose reasonable charges for the review, preparation and recordation of
66.17 amendments to the declaration, resale certificates required by section 515B.4-107, statements
66.18 of unpaid assessments, or furnishing copies of association records;

66.19 (13) provide for the indemnification of its officers and directors, and maintain directors'
66.20 and officers' liability insurance;

66.21 (14) provide for reasonable procedures governing the conduct of meetings and election
66.22 of directors;

66.23 (15) exercise any other powers conferred by law, or by the declaration, articles of
66.24 incorporation or bylaws; and

66.25 (16) exercise any other powers necessary and proper for the governance and operation
66.26 of the association.

66.27 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
66.28 on the power of the association to deal with the declarant which are more restrictive than
66.29 the limitations imposed on the power of the association to deal with other persons.

66.30 (c) An association levying a fine pursuant to subsection (a)(11), or an assessment pursuant
66.31 to section 515B.3-115(g) or 515B.3-1151(g), must provide written notice to a unit owner
66.32 that:

- 67.1 (1) indicates the amount, date, and reason for the levy;
- 67.2 (2) identifies the violation for which a fine is being levied and the specific section of
67.3 the declaration, bylaws, or rules and regulations allegedly violated;
- 67.4 (3) states that all unpaid fines and assessments are liens which, if not satisfied, could
67.5 lead to foreclosure of the unit;
- 67.6 (4) describes the right of the unit owner to be heard by the board or a committee appointed
67.7 by the board;
- 67.8 (5) states that if the assessment or fine is not paid, the amount owed may increase as a
67.9 result of the imposition of attorney fees and other costs of collection; and
- 67.10 (6) informs the unit owner that homeownership assistance is available from, and includes
67.11 the contact information for, the Minnesota Homeownership Center.
- 67.12 (d) No attorney fees are chargeable or may be collected from a unit owner who disputes
67.13 the levy or assessment and prevails at a hearing held by the board or a committee appointed
67.14 by the board.
- 67.15 ~~(e)~~(e) Notwithstanding subsection (a), powers exercised under this section must comply
67.16 with section 500.215.
- 67.17 ~~(d)~~(f) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
67.18 association, before instituting litigation or arbitration involving construction defect claims
67.19 against a development party, shall:
- 67.20 (1) mail or deliver written notice of the anticipated commencement of the action to each
67.21 unit owner at the addresses, if any, established for notices to owners in the declaration and,
67.22 if the declaration does not state how notices are to be given to owners, to the owner's last
67.23 known address. The notice shall specify the nature of the construction defect claims to be
67.24 alleged, the relief sought, and the manner in which the association proposes to fund the cost
67.25 of pursuing the construction defect claims; and
- 67.26 (2) obtain the approval of owners of units to which a majority of the total votes in the
67.27 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
67.28 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
67.29 are excluded. The association may obtain the required approval by a vote at an annual or
67.30 special meeting of the members or, if authorized by the statute under which the association
67.31 is created and taken in compliance with that statute, by a vote of the members taken by
67.32 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
67.33 means or mailed ballots is authorized by that statute, the association shall also provide for

68.1 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
68.2 or mailed ballots, except that the votes must be used in combination with the vote taken at
68.3 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
68.4 for purposes of determining whether a quorum was present. Proxies may not be used for a
68.5 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
68.6 the notice required under subsection ~~(d)~~ (f)(1) and the proxy expressly references this notice.

68.7 ~~(e)~~ (g) The association may intervene in a litigation or arbitration involving a construction
68.8 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
68.9 claim before complying with subsections ~~(d)~~ (f)(1) and ~~(d)~~ (f)(2) but the association's
68.10 complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed
68.11 without prejudice unless the association has complied with the requirements of subsection
68.12 ~~(d)~~ (f) within 90 days of the association's commencement of the complaint in an intervention
68.13 or the assertion of the counterclaim, crossclaim, or third-party claim.

68.14 **EFFECTIVE DATE.** This section is effective January 1, 2023.

68.15 ARTICLE 7

68.16 ENERGY POLICY AND FINANCE

68.17 Section 1. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

68.18 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

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

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

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

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

69.1 (1) \$10,000,000 in 2021;

69.2 (2) \$10,000,000 in 2022;

69.3 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~

69.4 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; and

69.5 (5) \$10,000,000 in 2025.

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

69.9 (f) Any unspent amount remaining on January 1, ~~2025~~ 2027, must be transferred to the
69.10 renewable development account.

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

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

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

69.24 **Sec. 2. [116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

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

69.27 (b) "Agency" means the Pollution Control Agency.

69.28 (c) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that
69.29 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

69.30 (d) "Commissioner" means the commissioner of commerce.

70.1 (e) "Corrective action determination" means a decision by the agency regarding actions
70.2 to be taken to remediate contaminated soil and groundwater at Area C.

70.3 (f) "Owner" means the owner of a solar energy generating system planned to be deployed
70.4 at Area C.

70.5 (g) "Solar energy generating system" has the meaning given in section 216E.01,
70.6 subdivision 9a.

70.7 Subd. 2. **Account established.** The Area C contingency account is established as a
70.8 separate account in the special revenue fund in the state treasury. Transfers and appropriations
70.9 to the account, and any earnings or dividends accruing to assets in the account, must be
70.10 credited to the account. The commissioner must serve as fiscal agent and must manage the
70.11 account.

70.12 Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed
70.13 by the commissioner to the owner of a solar energy generating system planned to be deployed
70.14 on Area C under the following conditions:

70.15 (1) the agency issues a corrective action determination after the owner has begun to
70.16 design or construct the project, and the commissioner determines that implementation of
70.17 the corrective action results in a need for the project to be redesigned or construction to be
70.18 interrupted or altered; or

70.19 (2) the agency issues a corrective action determination whose work plan results in the
70.20 temporary cessation or the partial or complete removal of the solar energy generating system
70.21 after the solar energy generating system has become operational.

70.22 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution
70.23 of money from the commissioner if either condition in subdivision 3 occurs. The filing must
70.24 describe (1) the nature of the impact of the agency's work plan that results in economic
70.25 losses to the owner, and (2) a reasonable estimate of the amount of the economic losses.

70.26 (b) The owner must provide the commissioner with information the commissioner
70.27 determines is necessary to assist in reviewing the filing required under this subdivision.

70.28 (c) The commissioner must review the owner's filing within 60 days of submission and
70.29 must approve a request the commissioner determines is reasonable.

70.30 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this
70.31 section may be used by the owner only to pay for:

71.1 (1) removal, storage, and transportation costs incurred for equipment removed, and any
71.2 costs to reinstall equipment;

71.3 (2) costs of redesign or new equipment made necessary by the activities under the
71.4 agency's work plan;

71.5 (3) lost revenues resulting from the inability of the solar energy generating system to
71.6 generate sufficient electricity to fulfill the terms of the power purchase agreement between
71.7 the owner and the purchaser of electricity generated by the solar energy generating system;

71.8 (4) other damages incurred under the power purchase agreement resulting from the
71.9 cessation of operations made necessary by the activities of the agency's work plan; and

71.10 (5) the cost of energy required to replace the energy that would have been generated by
71.11 the solar energy generating system and purchased under the power purchase agreement.

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

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

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

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

71.22 (2) ceased operations or was removed from the local property tax base no earlier than
71.23 five years before the date an application is made for a grant under this section.

71.24 Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

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

71.27 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
71.28 \$500,000 in any calendar year. The commissioner may accept grant applications on an
71.29 ongoing or rolling basis.

71.30 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established
71.31 in section 116C.779 must be awarded to an eligible community located within the retail

72.1 electric service territory of the public utility that is subject to section 116C.779 or to an
72.2 eligible community in which an electric generating plant owned by that public utility is
72.3 located.

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

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

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

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

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

72.19 Sec. 6. **[216B.491] DEFINITIONS.**

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

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

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

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

73.1 Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a
73.2 natural gas utility in Minnesota to consume the natural gas in Minnesota. Customer does
73.3 not include a person who: (1) is a customer of a utility in Minnesota that serves fewer than
73.4 350,000 customers in Minnesota; and (2) does not purchase natural gas from a utility in
73.5 Minnesota.

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

73.8 (1) to impose significant costs on customers; and

73.9 (2) for which the issuance of extraordinary event bonds in response to the event meets
73.10 the conditions of section 216B.492, subdivision 2, as determined by the commission.

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

73.14 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity
73.15 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide
73.16 natural gas service following one or more extraordinary events, including but not limited
73.17 to (1) activities related to the mobilization, staging, construction, reconstruction, replacement,
73.18 or repair of natural gas transmission, distribution, storage, or general facilities, or (2) the
73.19 purchase, transportation, and storage of natural gas supplies.

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

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

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

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

73.32 (3) provides a source of revenue solely to repay, finance, or refinance financing costs
73.33 resulting from an extraordinary event.

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

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

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

74.6 (ii) prudent and reasonable;

74.7 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary
74.8 event activities;

74.9 (3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts
74.10 intended to reimburse the utility for extraordinary event activities, including government
74.11 grants or aid of any kind;

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

74.15 (5) must be adjusted to reflect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

75.28 (3) create extraordinary event property.

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

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

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

76.8 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved
76.9 by the commission, including but not limited to:

76.10 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed
76.11 by a storm event;

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

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

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

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

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

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

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

76.29 Sec. 7. **[216B.492] FINANCING ORDER.**

76.30 Subdivision 1. **Application.** (a) A utility, at its sole discretion, may file an application
76.31 with the commission for the issuance of a financing order to enable the utility to recover

77.1 extraordinary event costs through the issuance of extraordinary event bonds under this
77.2 section.

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

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

77.5 (2) the undepreciated value remaining in the natural gas facility whose repair or
77.6 replacement is proposed to be financed through the issuance of bonds under sections
77.7 216B.491 to 216B.499, and the method used to calculate the amount;

77.8 (3) the estimated amount of costs imposed on customers resulting from an extraordinary
77.9 event that involves no physical damage to natural gas facilities;

77.10 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if
77.11 the financing order is issued as requested in the application, calculated, as appropriate, by:

77.12 (i) comparing the costs to customers that are expected to result from implementing the
77.13 financing order and the estimated costs associated with implementing traditional utility
77.14 financing mechanisms with respect to the same undepreciated balance, expressed in net
77.15 present value terms; or

77.16 (ii) when the extraordinary event is a temporary significant increase in the wholesale
77.17 price of natural gas:

77.18 (A) estimating the mitigation of rate impacts to customers realized by extending the
77.19 period over which financing costs are to be amortized beyond the period that would otherwise
77.20 be practical or feasible for the utility; or

77.21 (B) calculating savings to customers realized by implementing the financing order
77.22 compared with financing the same costs at the utility's weighted average cost of capital as
77.23 determined by the commission in the utility's most recent general rate case, expressed in
77.24 net present value terms;

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

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

77.30 (7) a description of a proposed adjustment mechanism to be implemented when necessary
77.31 to correct any overcollection or undercollection of extraordinary event charges, in order to

78.1 complete payment of scheduled principal and interest on extraordinary event bonds and
78.2 other financing costs in a timely fashion;

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

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

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

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

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

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

78.20 (14) a schedule of the proposed repairs to and replacement of damaged infrastructure;

78.21 (15) a description of the steps taken to provide customers interim natural gas service
78.22 while the damaged infrastructure is being repaired or replaced; and

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

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

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

78.29 (2) the proposed issuance of extraordinary event bonds and the imposition and collection
78.30 of extraordinary event charges:

78.31 (i) are just and reasonable;

- 79.1 (ii) are consistent with the public interest;
- 79.2 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event
79.3 costs; and
- 79.4 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that
79.5 would have been achieved absent the issuance of extraordinary event bonds; and
- 79.6 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:
- 79.7 (i) significantly lower overall costs to customers or significantly mitigate rate impacts
79.8 to customers relative to traditional methods of financing; and
- 79.9 (ii) achieve significant customer savings or significant mitigation of rate impacts to
79.10 customers, as determined by the commission in a financing order, consistent with market
79.11 conditions at the time of sale and the terms of the financing order.
- 79.12 Subd. 3. Contents. (a) A financing order issued under this section must:
- 79.13 (1) determine the maximum amount of extraordinary event costs that may be financed
79.14 from proceeds of extraordinary event bonds issued pursuant to the financing order;
- 79.15 (2) describe the proposed customer billing mechanism for extraordinary event charges
79.16 and include a finding that the mechanism is just and reasonable;
- 79.17 (3) describe the financing costs that may be recovered through extraordinary event
79.18 charges and the period over which the costs may be recovered, which must end no earlier
79.19 than the date of final legal maturity of the extraordinary event bonds;
- 79.20 (4) describe the extraordinary event property that is created and that may be used to pay,
79.21 and secure the payment of, the extraordinary event bonds and financing costs authorized in
79.22 the financing order;
- 79.23 (5) authorize the utility to finance extraordinary event costs through the issuance of one
79.24 or more series of extraordinary event bonds. A utility is not required to secure a separate
79.25 financing order for each issuance of extraordinary event bonds or for each scheduled phase
79.26 of the replacement of natural gas facilities approved in the financing order;
- 79.27 (6) include a formula-based mechanism that must be used to make expeditious periodic
79.28 adjustments to the extraordinary event charge authorized by the financing order that are
79.29 necessary to correct for any overcollection or undercollection, or to otherwise guarantee
79.30 the timely payment of extraordinary event bonds, financing costs, and other required amounts
79.31 and charges payable in connection with extraordinary event bonds;

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

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

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

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

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

80.17 (12) allow and may require the creation of a utility's extraordinary event property to be
80.18 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary
80.19 event property to an assignee and the pledge of the extraordinary event property to secure
80.20 the extraordinary event bonds;

80.21 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds
80.22 result in reasonable securitization bond charges and significant customer savings or rate
80.23 impact mitigation, consistent with market conditions and the terms of the financing order;

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

80.27 (i) operating the natural gas facilities; or

80.28 (ii) selling the natural gas facilities to another entity to be operated as natural gas facilities;
80.29 and

80.30 (15) permit a utility to file with the commission, at least annually, proposed adjustments
80.31 to the extraordinary event charges approved in the financing order that are based on estimates
80.32 of natural gas consumption by rate class and other quantitative factors contained in the
80.33 financing order.

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

81.2 (1) include conditions different from those requested in the application, including but
81.3 not limited to establishing a minimum securities rating for extraordinary event bonds, that
81.4 the commission determines are necessary to:

81.5 (i) promote the public interest; and

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

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

81.9 (3) require a utility to file with the commission the final terms of the extraordinary event
81.10 bond issuance, including the pricing of the extraordinary event bonds, at a specified period
81.11 of time prior to closing the bond issuance; and

81.12 (4) specify that the commission may, after reviewing the filing made under clause (3),
81.13 prohibit the utility from issuing the extraordinary event bonds under the proposed terms.

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

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

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

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

81.28 (1) the commission makes all of the findings specified in subdivision 2 with respect to
81.29 the subsequent financing order; and

81.30 (2) the modification contained in the subsequent financing order does not in any way
81.31 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,
81.32 or refunded.

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

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

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

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

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

82.14 (5) adjusting the extraordinary event charge based on a utility's submission under
82.15 subdivision 3, paragraph (a), clause (15), for any reason other than a computational or
82.16 clerical error.

82.17 (b) Nothing in this subdivision:

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

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

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

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

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

83.1 Sec. 8. **[216B.493] POSTORDER COMMISSION DUTIES.**

83.2 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary
83.3 event bonds are issued, a utility subject to a financing order must file with the commission
83.4 the actual initial and ongoing financing costs, the final structure and pricing of the
83.5 extraordinary event bonds, and the actual extraordinary event charge.

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

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

83.11 Sec. 9. **[216B.494] USE OF OUTSIDE EXPERTS.**

83.12 (a) In carrying out the duties under sections 216B.492 to 216B.499, the commission
83.13 may:

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

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

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

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

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

83.28 (d) To facilitate participation in a commission proceeding associated with a utility filing
83.29 made under section 216B.492, the department and the commission may contract with outside
83.30 consultants and counsel experienced in securitized utility customer-backed bond financing
83.31 similar to extraordinary event bonds. Expenses incurred by the department and the
83.32 commission under this paragraph may be assessed under section 216B.62, subdivision 8.

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

84.2 Sec. 10. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING**
84.3 **TREATMENT.**

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

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

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

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

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

84.14 (2) file annually with the commission:

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

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

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

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

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

84.27 Sec. 11. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**

84.28 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property
84.29 right or interest in a property right, even though the imposition and collection of extraordinary
84.30 event charges depend on the utility collecting extraordinary event charges and on future

85.1 natural gas consumption. The property right or interest exists regardless of whether the
85.2 revenues or proceeds arising from the extraordinary event property have been billed, have
85.3 accrued, or have been collected.

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

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

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

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

85.27 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other
85.28 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by
85.29 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations
85.30 of, and has the same duties and rights under, a financing order as the utility to which the
85.31 financing order applies. A successor to a utility must perform the duties and exercise the
85.32 rights in the same manner and to the same extent as the utility, including collecting and
85.33 paying to any person entitled to receive revenues, collections, payments, or proceeds of
85.34 extraordinary event property.

86.1 Subd. 2. Security interests in extraordinary event property. (a) The creation,
86.2 perfection, and enforcement of any security interest in extraordinary event property to secure
86.3 the repayment of the principal and interest on extraordinary event bonds, amounts payable
86.4 under any ancillary agreement, and other financing costs are governed solely by this section.

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

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

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

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

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

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

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

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

86.31 (g) Neither a subsequent commission order amending a financing order under section
86.32 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a

87.1 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or
87.2 priority of a security interest in or transfer of extraordinary event property.

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

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

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

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

87.18 (3) value is received.

87.19 (b) A transfer of an interest in extraordinary event property must be filed with the
87.20 secretary of state against all third persons and perfected under sections 336.3-301 to
87.21 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or
87.22 creditors of the seller, other than creditors holding a prior security interest, ownership
87.23 interest, or assignment in the extraordinary event property previously perfected under this
87.24 subdivision or subdivision 2.

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

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

87.29 (2) the retention by the seller of:

87.30 (i) a partial or residual interest, including an equity interest, in the extraordinary event
87.31 property, whether direct or indirect, or whether subordinate or otherwise; or

88.1 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed
88.2 on the collection of extraordinary event revenue;

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

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

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

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

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

88.12 (8) any application of an adjustment mechanism under section 216B.492, subdivision
88.13 3, paragraph (a), clause (6).

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

88.15 **Sec. 12. [216B.497] EXTRAORDINARY EVENT BONDS.**

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

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

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

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

88.29 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and
88.30 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any
88.31 financing parties until any principal, interest, and redemption premium payable on

89.1 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or
89.2 financing party under an ancillary agreement are paid in full.

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

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

89.7 Sec. 13. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**
89.8 **COMMISSION REGULATION.**

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

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

89.13 Sec. 14. **[216B.499] EFFECT ON OTHER LAWS.**

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

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

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

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

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

89.25 Sec. 15. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

89.26 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,
89.27 lease, or rent any plant as an operating unit or system in this state for a total consideration
89.28 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or
89.29 transmission company operating in this state, without first being authorized so to do by the
89.30 commission. Upon the filing of an application for the approval and consent of the

90.1 commission, the commission shall investigate, with or without public hearing. The
90.2 commission shall hold a public hearing, upon such notice as the commission may require.
90.3 If the commission finds that the proposed action is consistent with the public interest, it
90.4 shall give its consent and approval by order in writing. In reaching its determination, the
90.5 commission shall take into consideration the reasonable value of the property, plant, or
90.6 securities to be acquired or disposed of, or merged and consolidated.

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

90.9 Sec. 16. Minnesota Statutes 2020, section 216B.62, subdivision 8, is amended to read:

90.10 Subd. 8. **Audit investigation costs; account, appropriation.** The audit investigation
90.11 account is created as a separate account in the special revenue fund in the state treasury. If
90.12 the commission, in a proceeding upon its own motion, on complaint, or upon an application
90.13 to it, determines that it is necessary, in order to carry out its duties imposed under this chapter
90.14 or chapter 216, 216A, 216E, 216F, or 216G, to conduct an investigation or audit of any
90.15 public utility operations, practices, or policies requiring specialized technical professional
90.16 investigative services for the inquiry, the commission may seek or request the commissioner
90.17 of commerce to seek authority from the commissioner of management and budget to incur
90.18 costs reasonably attributable to the specialized services. If funding for the investigation or
90.19 audit is approved by the commissioner of management and budget, the commission shall
90.20 carry out the investigation or the commissioner of commerce shall carry out the investigation
90.21 in the manner directed by the commission, and the commission or commissioner, as
90.22 applicable, shall render separate bills to the public utility for the costs incurred for such
90.23 technical professional investigative services. The bill constitutes notice of the assessment
90.24 and demand for payment. The amount assessed must be paid by the public utility to the
90.25 commissioner of commerce within 30 days after the date of assessment. Money received
90.26 under this subdivision must be deposited in the state treasury and credited to the audit
90.27 investigation account, and is appropriated to the commissioner of commerce or the
90.28 commission, as applicable, for the purposes of this subdivision. An assessment made under
90.29 this subdivision for activities conducted under section 216B.494 does not count toward the
90.30 cap on assessments under this section.

91.1 Sec. 17. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision
91.2 to read:

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

91.5 (b) "Low-income conservation program" means a utility program that offers energy
91.6 conservation services to low-income households under sections 216B.2403, subdivision 5,
91.7 and 216B.241, subdivision 7.

91.8 (c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision
91.9 20.

91.10 (d) "Weatherization assistance program" means the federal program described in Code
91.11 of Federal Regulations, title 10, part 440 et seq., designed to assist low-income households
91.12 reduce energy use in a cost-effective manner.

91.13 (e) "Weatherization assistance services" means the energy conservation measures installed
91.14 in households under the weatherization assistance program.

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

91.16 Sec. 18. Minnesota Statutes 2020, section 216C.264, subdivision 5, is amended to read:

91.17 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state
91.18 grants in a manner consistent with the goal of producing the maximum number of weatherized
91.19 units. Supplementary state grants ~~are provided primarily for the payment of~~ may be used:

91.20 (1) to address physical deficiencies in a residence that increase heat loss, including
91.21 deficiencies that prohibit the residence from being eligible to receive federal weatherization
91.22 assistance;

91.23 (2) to install eligible preweatherization measures established by the commissioner, as
91.24 required under section 216B.241, subdivision 7, paragraph (g);

91.25 (3) to increase the number of weatherized residences;

91.26 (4) to conduct outreach activities to make income-eligible households aware of available
91.27 weatherization services, to assist applicants in filling out applications for weatherization
91.28 assistance, and to provide translation services where necessary;

91.29 (5) to enable projects in multifamily buildings to proceed even if the project cannot
91.30 comply with the federal requirement that projects must be completed within the same federal
91.31 fiscal year in which the project is begun;

92.1 (6) to expand weatherization training opportunities in existing and new training programs;
92.2 (7) to pay additional labor costs for the federal weatherization program; and
92.3 (8) as an incentive for the increased production of weatherized units.

92.4 (b) Criteria for the allocation of state grants to local agencies include existing local
92.5 agency production levels, emergency needs, and the potential for maintaining or increasing
92.6 acceptable levels of production in the area.

92.7 (c) An eligible local agency may receive advance funding for 90 days' production, but
92.8 thereafter must receive grants solely on the basis of program criteria.

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

92.10 Sec. 19. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision
92.11 to read:

92.12 Subd. 7. **Supplemental weatherization assistance grants.** The commissioner must
92.13 provide grants to weatherization service providers to address physical deficiencies and
92.14 install weatherization and preweatherization measures in residential buildings occupied by
92.15 eligible low-income households.

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

92.17 Sec. 20. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision
92.18 to read:

92.19 Subd. 8. **Training grants program.** (a) The commissioner must establish a
92.20 weatherization training grant program to award grants through a competitive process to
92.21 educational institutions, certified training centers, labor organizations, and nonprofits to
92.22 assist with the costs associated with training and developing programs for careers in the
92.23 weatherization industry.

92.24 (b) In order to receive grant funds, a written application must be submitted to the
92.25 commissioner on a form developed by the commissioner.

92.26 (c) When awarding grants under this subdivision, the commissioner must prioritize
92.27 applications that:

92.28 (1) provide the highest quality training to prepare for in-demand careers;

93.1 (2) train workers to provide weatherization services that meet federal Building
93.2 Performance Institute certification requirements or Standard Work Specification
93.3 requirements, as required by the program; and

93.4 (3) leverage nonstate funds or in-kind contributions.

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

93.6 Sec. 21. Minnesota Statutes 2021 Supplement, section 216C.375, subdivision 1, is amended
93.7 to read:

93.8 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,
93.9 the following terms have the meanings given them.

93.10 (b) "Developer" means an entity that installs a solar energy system on a school building
93.11 that has been awarded a grant under this section.

93.12 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

93.13 (d) "School" means: (1) a school that operates as part of an independent or special school
93.14 district; ~~(2) a Tribal contract school;~~ or ~~(2)~~ (3) a state college or university that is under the
93.15 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

93.16 (e) "School district" means an independent or special school district.

93.17 (f) "Solar energy system" means photovoltaic or solar thermal devices.

93.18 (g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section
93.19 216B.2411, subdivision 2, paragraph (d).

93.20 (h) "State colleges and universities" has the meaning given in section 136F.01, subdivision
93.21 4.

93.22 Sec. 22. Minnesota Statutes 2021 Supplement, section 216C.376, subdivision 5, is amended
93.23 to read:

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

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

94.5 Sec. 23. [216C.391] STATE ENERGY COMPETITIVENESS ACCOUNT.

94.6 Subdivision 1. State energy competitiveness account. The state energy competitiveness
94.7 account is created in the special revenue fund of the state treasury. Money in the account
94.8 is available until June 30, 2028, and is appropriated to the commissioner for the purposes
94.9 specified in this section. The commissioner is the fiscal agent and must manage the account.

94.10 Subd. 2. Use of funds; purpose. Money in the state energy competitiveness account
94.11 must be used only to:

94.12 (1) meet match requirements for federal funds provided to the state by the United States
94.13 Department of Energy or other federal entity;

94.14 (2) meet match requirements to increase competitiveness to capture federally designated,
94.15 energy-related formula or competitive funds; and

94.16 (3) award grants to eligible entities under subdivision 3.

94.17 Subd. 3. Grants to eligible entities. The commissioner may award state grants to eligible
94.18 entities, as defined by the federal funding source, with priority given in the following order:

94.19 (1) federal formula funds directed to the state that require a match;

94.20 (2) federal formula funds directed to local units of government and Tribal governments
94.21 that require a match;

94.22 (3) federal formula funds directed to institutions of higher education that require a match;

94.23 (4) federal formula or competitive funds for which state funds allow utilities or businesses
94.24 to competitively pursue funding; and

94.25 (5) all other competitive or formula grant opportunities for which state funds enhance
94.26 or enable leveraging federal funds.

94.27 Subd. 4. Administration. The commissioner must develop applications and procedures
94.28 to implement this section.

94.29 Subd. 5. Legislative oversight. (a) Within ten days after the commissioner begins a
94.30 process to allocate funds for a grant application from the state energy competitiveness
94.31 account under this section, the commissioner must notify the Legislative Advisory

95.1 Commission established under section 3.30 that money has been allocated to a grant
95.2 application. The notification must include the total amount of the allocation, the purpose
95.3 of the proposed expenditure, the time period of the proposed expenditure, and the balance
95.4 of unallocated money under this section remaining after the allocation specified in the
95.5 notification.

95.6 (b) Once the commissioner of commerce has submitted the notification required under
95.7 paragraph (a), the commissioner may allocate funds in the state energy competitiveness
95.8 account for a grant application submitted under this section. For the purposes of federal
95.9 review and evaluation criteria, allocated money is appropriated and committed to the uses
95.10 specified in the notification submitted under paragraph (a). Once allocated, money under
95.11 this section is unavailable for reallocation to other application match requirements unless
95.12 the commissioner receives formal notice that an application is no longer under consideration
95.13 or withdraws an application.

95.14 (c) Money in the state energy competitiveness account is only available to meet federal
95.15 match requirements under subdivision 2 or 3 once the notice of allocation is submitted for
95.16 review by the Legislative Advisory Commission and the provisions of section 3.3005,
95.17 subdivision 2 or 6, have been satisfied.

95.18 (d) The requirements of paragraph (c) do not apply to federal funds that do not pass
95.19 through the state treasury.

95.20 Subd. 6. **Report.** By February 15, beginning in 2023 and each year thereafter until 2028
95.21 or until all money in the state energy competitiveness account has been expended, the
95.22 commissioner must submit a report to the chairs and ranking minority members of the
95.23 legislative committees with jurisdiction over energy. The report must identify:

95.24 (1) the number of grants and amounts awarded under this section during the previous
95.25 year;

95.26 (2) the unobligated balance of the state energy competitiveness account;

95.27 (3) programmatic changes recommended to enhance Minnesota's competitiveness in
95.28 ying for federal funds;

95.29 (4) anticipated expenditures on additional funding opportunities or activities; and

95.30 (5) the amount and purpose of federal money received pursuant to the availability of
95.31 matching money under this section.

95.32 **EFFECTIVE DATE.** This section is effective the day following final enactment and
95.33 expires October 1, 2028.

96.1 Sec. 24. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

96.2 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
96.3 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland,
96.4 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,
96.5 after review of an energy audit ~~or,~~ renewable energy system feasibility study, or agronomic
96.6 assessment, as defined in section 216C.436, subdivision 1b, can ~~be benefited by~~ benefit
96.7 from the installation of cost-effective energy improvements or land and water improvements,
96.8 as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes
96.9 new construction.

96.10 Sec. 25. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision
96.11 to read:

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

96.14 (b) "Agronomic assessment" means a study by an independent third party that assesses
96.15 the environmental impacts of proposed land and water improvements on farmland.

96.16 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under
96.17 section 273.13, subdivision 23.

96.18 (d) "Land and water improvement" means:

96.19 (1) an improvement to farmland that:

96.20 (i) is permanent;

96.21 (ii) results in improved agricultural profitability or resiliency;

96.22 (iii) reduces the environmental impact of agricultural production; and

96.23 (iv) if the improvement affects drainage, complies with the most recent versions of the
96.24 applicable following conservation practice standards issued by the United States Department
96.25 of Agriculture's Natural Resources Conservation Service: Drainage Water Management
96.26 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and
96.27 Constructed Wetland (Code 656); or

96.28 (2) water conservation and quality measures, which include permanently affixed
96.29 equipment, appliances, or improvements that reduce a property's water consumption or that
96.30 enable water to be managed more efficiently.

97.1 (e) "Resiliency" means the ability of farmland to maintain and enhance profitability,
97.2 soil health, and water quality.

97.3 Sec. 26. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

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

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

97.7 (2) require an energy audit ~~or~~, renewable energy system feasibility study, or agronomic
97.8 or soil health assessment to be conducted on the qualifying commercial real property and
97.9 reviewed by the implementing entity prior to approval of the financing;

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

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

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

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

97.22 (7) require disclosures in the loan document to borrowers by the implementing entity
97.23 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency
97.24 results from a default; and (ii) all the terms and conditions of the commercial PACE loan
97.25 and the installation of cost-effective energy improvements or land and water improvements,
97.26 including the interest rate being charged on the loan;

97.27 (8) provide financing only to those who demonstrate an ability to repay;

97.28 (9) not provide financing for a qualifying commercial real property in which the owner
97.29 is not current on mortgage or real property tax payments;

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

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

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

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

98.9 Sec. 27. Minnesota Statutes 2020, section 237.55, is amended to read:

98.10 **237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.**

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

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

98.18 (a) As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,
98.19 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric
98.20 generation facility that is powered by coal, scheduled for retirement in 2028, and located
98.21 within the St. Croix National Scenic Riverway must provide, to the extent known, the public
98.22 utility's plan and a detailed timeline to decommission and demolish the electric generation
98.23 facility and remediate pollution at the electric generation facility site.

98.24 (b) The public utility must also provide a copy of the plan and timeline to the governing
98.25 body of the municipality where the electric generation facility is located on the same date
98.26 the plan and timeline are submitted to the Public Utilities Commission.

98.27 (c) If a resource plan is not filed or required before December 31, 2025, the plan and
98.28 timeline must be submitted to the Public Utilities Commission and the municipality as a
98.29 separate filing by December 31, 2025.

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

99.1 Sec. 29. TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF
99.2 COMMERCE SUPPORT.

99.3 (a) The Department of Commerce may provide technical support and subject matter
99.4 expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian
99.5 tribes in Minnesota to establish a tribal advocacy council on energy.

99.6 (b) When providing support to a tribal advocacy council on energy, the Department of
99.7 Commerce may assist the council to:

99.8 (1) assess and evaluate common tribal energy issues, including (i) identifying and
99.9 prioritizing energy issues, (ii) facilitating idea sharing between the tribes to generate solutions
99.10 to energy issues, and (iii) assisting decision making with respect to resolving energy issues;

99.11 (2) develop new statewide energy policies or proposed legislation, including (i) organizing
99.12 stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with
99.13 policy proposal development, evaluation, and decision making, and (iv) helping facilitate
99.14 actions taken to submit, and obtain approval for or have enacted, policies or legislation
99.15 approved by the council;

99.16 (3) make efforts to raise awareness and provide educational opportunities with respect
99.17 to tribal energy issues by (i) identifying information resources, (ii) gathering feedback on
99.18 issues and topics the council identifies as areas of interest, and (iii) identifying topics for
99.19 educational forums and helping facilitate the forum process; and

99.20 (4) identify, evaluate, and disseminate successful energy-related practices, and develop
99.21 mechanisms or opportunities to implement the successful practices.

99.22 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized
99.23 Indian tribes in Minnesota to establish a tribal advocacy council on energy, nor does it
99.24 require or obligate any one of the 11 federally recognized Indian tribes in Minnesota to
99.25 participate in or implement a decision or support an effort made by an established tribal
99.26 advocacy council on energy.

99.27 (d) Any support provided by the Department of Commerce to a tribal advocacy council
99.28 on energy under this section may be provided only upon request of the council and is limited
99.29 to issues and areas where the Department of Commerce's expertise and assistance is
99.30 requested.

100.1 **Sec. 30. ENERGY APPROPRIATIONS; GENERAL FUND.**

100.2 Subdivision 1. **Solar for schools.** \$4,150,000 in fiscal year 2023 is appropriated from
100.3 the general fund to the commissioner of commerce for grants under the solar for schools
100.4 program established under Minnesota Statutes, section 216C.375. This appropriation must
100.5 be expended on schools located outside the electric service territory of the public utility that
100.6 is subject to Minnesota Statutes, section 116C.779. This appropriation is available until
100.7 June 30, 2025. The base amount for the appropriation under this subdivision in fiscal year
100.8 2024 is \$3,800,000. The base amount for the appropriation under this subdivision in fiscal
100.9 year 2025 is \$0.

100.10 Subd. 2. **Supplemental state weatherization grants.** (a) \$2,350,000 in fiscal year 2023
100.11 is appropriated from the general fund to the commissioner of commerce for supplemental
100.12 state weatherization assistance grants under Minnesota Statutes, section 216C.264,
100.13 subdivision 7. This appropriation is available until June 30, 2027. This is a onetime
100.14 appropriation. The base for the appropriation under this subdivision in fiscal year 2024 is
100.15 \$5,000,000. The base for the appropriation under this subdivision in fiscal year 2025 is
100.16 \$9,000,000.

100.17 (b) Ten percent of the appropriation under paragraph (a) is allocated to training grants
100.18 under Minnesota Statutes, section 216C.264, subdivision 8. Up to ten percent of the
100.19 appropriation under paragraph (a) may be used to supplement utility spending on
100.20 preweatherization measures as part of a low-income conservation program, as defined under
100.21 Minnesota Statutes, section 216C.264, subdivision 1a. No more than one percent of the
100.22 appropriation under paragraph (a) may be used for weatherization course development.

100.23 Subd. 3. **Infrastructure Investment and Jobs Act.** \$1,370,000 in fiscal year 2023 is
100.24 appropriated from the general fund to the commissioner of commerce for the following
100.25 activities related to the state energy competitiveness account under Minnesota Statutes,
100.26 section 216C.391, and Public Law 117-58, the Infrastructure Investment and Jobs Act (IIJA):
100.27 (1) for reasonable costs incurred by the department of commerce to pursue and administer
100.28 energy-related IIJA federal funds; (2) to assist eligible entities, as defined under Minnesota
100.29 Statutes, section 216C.391, subdivision 3, to access competitive IIJA energy-related federal
100.30 funds; and (3) to assist eligible grantees to pursue and manage energy-related IIJA federal
100.31 funds. This is a onetime appropriation.

100.32 Subd. 4. **State energy competitiveness account.** \$14,880,000 in fiscal year 2023 is
100.33 appropriated from the general fund to the commissioner of commerce for deposit in the
100.34 state energy competitiveness account established under Minnesota Statutes, section 216C.391,

101.1 subdivision 1. This appropriation is available until June 30, 2028. The base for the
101.2 appropriation under this subdivision in fiscal year 2024 is \$4,500,000. The base for the
101.3 appropriation under this subdivision in fiscal year 2025 is \$0.

101.4 **Sec. 31. ENERGY APPROPRIATIONS; RENEWABLE DEVELOPMENT**
101.5 **ACCOUNT.**

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

101.14 Subd. 2. **Community energy transition grants.** (a) Notwithstanding Minnesota Statutes,
101.15 section 116C.779, subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2023 is appropriated
101.16 from the renewable development account established under Minnesota Statutes, section
101.17 116C.779, subdivision 1, to the commissioner of employment and economic development
101.18 for community energy transition grants under Minnesota Statutes, section 116J.55. This
101.19 appropriation is available only for grants to eligible communities located within the electric
101.20 service territory of the public utility subject to Minnesota Statutes, section 116C.779. This
101.21 is a onetime appropriation and is available until June 30, 2029.

101.22 (b) The base for the appropriation under this subdivision in fiscal year 2024 is \$1,500,000
101.23 from the general fund and is available only for grants to eligible communities located outside
101.24 the electric service territory of the public utility subject to Minnesota Statutes, section
101.25 116C.779. The base for the appropriation under this subdivision in fiscal year 2025 is \$0.

101.26 Subd. 3. **Area C Contingency account.** Notwithstanding Minnesota Statutes, section
101.27 116C.779, subdivision 1, paragraph (j), \$3,000,000 in fiscal year 2023 is appropriated from
101.28 the renewable development account established under Minnesota Statutes, section 116C.779,
101.29 subdivision 1, for deposit in the Area C contingency account under Minnesota Statutes,
101.30 section 116C.7793, subdivision 2, to disburse to the owner of a solar energy generating
101.31 system installed on land on the former Ford Motor Company in St. Paul known as Area C
101.32 for the uses identified under Minnesota Statutes, section 116C.7793. This is a onetime
101.33 appropriation. This appropriation is available until five years after the Pollution Control
101.34 Agency issues a corrective action determination regarding the remediation of Area C. Any

102.1 unexpended money remaining in the account at the conclusion of the five-year period cancels
102.2 to the renewable development account.

102.3 Subd. 4. **National Sports Center solar array.** Notwithstanding Minnesota Statutes,
102.4 section 116C.779, subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2023 is appropriated
102.5 from the renewable development account established under Minnesota Statutes, section
102.6 116C.779, subdivision 1, to the Minnesota Amateur Sports Commission to install solar
102.7 arrays. This appropriation may be used to install solar arrays on an ice rink and a maintenance
102.8 facility at the National Sports Center in Blaine. This is a onetime appropriation.

102.9 Subd. 5. **State energy competitiveness account.** Notwithstanding Minnesota Statutes,
102.10 section 116C.779, subdivision 1, paragraph (j), \$5,750,000 in fiscal year 2023 is appropriated
102.11 from the renewable development account established under Minnesota Statutes, section
102.12 116C.779, subdivision 1, to the commissioner of commerce for deposit in the state energy
102.13 competitiveness account established under Minnesota Statutes, section 216C.391, subdivision
102.14 1. This appropriation is available until June 30, 2028. The appropriation under this
102.15 subdivision must be used to obtain federal funds that benefit Minnesota ratepayers receiving
102.16 electric service from the utility that owns a nuclear-powered electric generating plant in this
102.17 state, the Prairie Island Indian community, of Prairie Island Indian community members.
102.18 The base for the appropriation under this subdivision in fiscal year 2024 is \$0."

102.19 Delete the title and insert:

102.20 "A bill for an act

102.21 relating to state government; adopting supplemental appropriations for labor and
102.22 industry, combative sports, workers' compensation court of appeals, economic
102.23 development, and energy; adopting policy and technical provisions relating to
102.24 economic development, labor and industry, combative sports, commerce, and
102.25 energy; authorizing rulemaking; modifying fees and penalties; requiring reports;
102.26 amending Minnesota Statutes 2020, sections 62Q.735, subdivisions 1, 5; 62Q.76,
102.27 by adding a subdivision; 62Q.78, by adding a subdivision; 62Q.79, by adding a
102.28 subdivision; 116J.035, by adding a subdivision; 116J.55, subdivisions 1, 5, 6;
102.29 116J.552, subdivision 6; 116J.8747, subdivisions 2, 3, 4; 116J.993, subdivision
102.30 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3;
102.31 178.11; 216B.096, subdivision 11; 216B.50, subdivision 1; 216B.62, subdivision
102.32 8; 216C.264, subdivision 5, by adding subdivisions; 216C.435, subdivision 8;
102.33 216C.436, subdivision 2, by adding a subdivision; 237.55; 268.18, by adding a
102.34 subdivision; 326B.106, subdivision 4; 326B.163, subdivision 5, by adding a
102.35 subdivision; 326B.164, subdivision 13; 326B.36, subdivision 7, by adding a
102.36 subdivision; 341.21, subdivisions 2a, 2c, 7; 341.221; 341.25; 341.28; 341.30,
102.37 subdivision 4; 341.32, subdivision 2; 341.321; 341.33; 341.355; 515B.3-102;
102.38 Minnesota Statutes 2021 Supplement, sections 62J.26, subdivision 2; 116C.7792;
102.39 116J.8749, subdivisions 1, 3; 216C.375, subdivision 1; 216C.376, subdivision 5;
102.40 326B.153, subdivision 1; Laws 2019, First Special Session chapter 7, article 2,
102.41 section 8, subdivision 8, as amended; Laws 2021, First Special Session chapter
102.42 10, article 1, sections 2, subdivision 2; 5; article 2, section 24, subdivisions 1, 3,
102.43 4, 5, 7; Laws 2021, First Special Session chapter 14, article 11, section 42; Laws
102.44 2022, chapter 50, article 1, section 1; article 2, section 2, by adding a subdivision;

- 103.1 proposing coding for new law in Minnesota Statutes, chapters 116C; 116J; 216B;
- 103.2 216C; 341."

104.1 We request the adoption of this report and repassage of the bill.

104.2 Senate Conferees:

104.3

104.4 Eric Pratt Jason Rarick

104.5

104.6 Gary Dahms David Senjem

104.7

104.8 Nick Frenz

104.9 House Conferees:

104.10

104.11 Mohamud Noor Rob Ecklund

104.12

104.13 Jamie Long Zack Stephenson

104.14

104.15 Chris Swedzinski