# A bill for an act

relating to jobs; appropriating money for the Department of Employment and Economic Development, Department of Labor and Industry, Department of Commerce, Public Utilities Commission, the Bureau of Mediation Services, and Workers' Compensation Court of Appeals; modifying use of Minnesota investment fund; establishing an airport infrastructure renewal (AIR) grant program; modifying the youth skills training program; modifying retainage requirements for certain public contracts and building and construction contracts; providing uniformity for employment mandates on private employers; prohibiting wage theft; adopting recommendations from the Workers' Compensation Advisory Council; modifying the regulation of real estate appraisers; modifying the solar energy incentive program; modifying the community solar garden program; eliminating the size limitation on hydropower sources that may satisfy the renewable energy standard; abolishing the nuclear power plant certificate of need prohibition; modifying the commercial PACE program; prohibiting use of funds for certain legal proceedings; modifying conservation improvement program requirements; amending the renewable development account public utility annual contribution; establishing criteria for utility cost recovery of energy storage system pilot projects; establishing a grant program to assist public school districts to install solar energy systems; establishing an electric vehicle charging station revolving loan program; establishing a net zero emissions project; establishing a process to compensate businesses for loss of business opportunity; establishing an advisory task force on green roofs; requiring a cost-benefit analysis; requiring certain employment information translated to an employee; prohibiting a nuclear plant from recovering certain expenses; requiring an energy goals analysis; requiring solar site management reporting; modifying crime of damage to property of public service facilities, utilities, and pipelines; making policy and technical changes; appropriating money; modifying fees; establishing criminal penalties; requiring reports; amending Minnesota Statutes 2018, sections 15.72, subdivision 2; 46.131, subdivision 11, by adding a subdivision; 82B.021, subdivisions 14, 15; 82B.073, by adding a subdivision; 82B.09, subdivision 3; 82B.095, by adding a subdivision; 82B.11, subdivision 6, by adding a subdivision; 82B.13, subdivision 1; 82B.195, subdivision 2; 82B.21; 116C.779, subdivision 1; 116C.7792; 116J.035, subdivision 7; 175.46, subdivisions 3, 13; 176.1812, subdivision 2; 176.231, subdivision 1; 177.23, subdivision 7; 177.27, subdivision 1; 177.32, subdivision 1; 179.86, subdivision 3; 181.03, subdivision 1, by adding subdivisions; 181.635, subdivision 2; 216B.16, subdivision 6a, by adding a subdivision; 216B.1641; 216B.1642, subdivision 2; 216B.1691, subdivision 1; 216B.241, subdivisions 1c, 1d, 2, 2b, 3, 7; 216B.2422, subdivision 1, by adding a subdivision; 216B.243, subdivision 3b; 216C.435, subdivisions 3a, 8; 216C.436, subdivision 4, by adding a subdivision; 326B.821, subdivision 21; 337.10, subdivision 4; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 469.055, by adding a subdivision; 609.594; 609.6055; Laws 2017, chapter 94, article 1, section 2, subdivision 3; article 10, sections 28; 29; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 181; 216B; 216C; repealing Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, 9; 82B.11, subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, 8; 82B.14; 216B.241, subdivision 1b; 469.084, subdivision 1a.

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

## ARTICLE 1

## APPROPRIATIONS

Section 1. **JOBS AND ECONOMIC DEVELOPMENT, ENERGY AND UTILITIES, AND COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

| | | APPROPRIATIONS Available for the Year Ending June 30 | |
|---|---|---|---|
| | | **2020** | **2021** |

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

| | | | |
|---|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **119,123,000** | **$ 114,647,000** |

| Appropriations by Fund | 2020 | 2021 |
|---|---|---|
| General | 87,286,000 | 82,810,000 |
| Remediation | 700,000 | 700,000 |
| Workforce Development | 31,137,000 | 31,137,000 |

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

Subd. 2. **Business and Community Development** 40,762,000 38,286,000

| Appropriations by Fund | | |
|---|---|---|
| General | 38,587,000 | 36,111,000 |
| Remediation | 700,000 | 700,000 |
| Workforce Development | 1,475,000 | 1,475,000 |

(a)(1) $11,500,000 the first year and $12,500,000 the second year are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, up to $250,000 is for administration and monitoring of the program. This appropriation is available until June 30, 2023. Notwithstanding Minnesota Statutes, section 116J.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731;

(2) of the amount appropriated in fiscal year 2020, $2,000,000 is for a loan to a paper mill in Duluth to support the operation and manufacture of packaging paper grades. The company that owns the paper mill must spend $25,000,000 on expansion activities by December 31, 2020, in order to be eligible to receive funds in this appropriation. This appropriation is onetime and may be used for the mill's equipment, materials, supplies, and other operating expenses. The commissioner of employment and economic development shall forgive a portion of the loan each year after verification that the mill has retained 200

full-time jobs over a period of five years and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731;

(3) of the amount appropriated in fiscal year 2020, $1,000,000 is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439; and

(4) of the amount appropriated in fiscal year 2020, $100,000 is for a grant to FIRST in Upper Midwest to support competitive robotics teams. Funds must be used to make up to five awards of no more than $20,000 each to Minnesota-based public entities or private nonprofit organizations for the creation of competitive robotics hubs. Awards may be used for tools, equipment, and physical space to be utilized by robotics teams. At least 50 percent of grant funds must be used outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. The grant recipient shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic growth by February 1, 2021, on the status of awards and include information on the number and amount of awards made, the number of customers served, and any outcomes resulting from the grant. The grant requires a 50 percent match from nonstate sources.

(b) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, up to

$160,000 is for administration and monitoring of the program. This appropriation is available until June 30, 2023.

(c) $1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until June 30, 2023.

(d) $1,350,000 each year from the workforce development fund is for job training costs under Minnesota Statutes, section 116L.42.

(e) $1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2023.

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

(g) $1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(h) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(i) $1,425,000 each year is for the business development competitive grant program. Of this amount, up to $29,000 is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(j) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until June 30, 2023.

(k) $875,000 each year is from the general fund for the host community economic development program established in Minnesota Statutes, section 116J.548.

(l) $25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(m) $125,000 each year from the workforce development fund is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(n) $12,000 each year is from the general fund for a grant to the Upper Minnesota Film Office.

(o) $163,000 each year is from the general fund for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(p) $500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2023.

(q) $649,000 in fiscal year 2020 is for grants to local communities to increase the supply of quality child care providers to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this section must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers in the area. This is a onetime appropriation. Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested.

(r) $1,827,000 in fiscal year 2020 is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2023. The Minnesota Initiative Foundations must use grant funds under this section to:

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

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

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

and afford the cost of providing quality child care; or

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

(s) $1,000,000 in fiscal year 2020 is for a grant to the city of Minnetonka for a high-risk, high-return jobs retention and creation initiative to be conducted by a local organization that produces lactic acid/lactate to help grow and expand the bioeconomy in Minnesota. This is a onetime appropriation and is available until June 30, 2022. The commissioner of employment and economic development and the local organization receiving the grant shall enter into an agreement which includes, but is not limited to, the following provisions:

(1) a minimum Minnesota job retention requirement for the local organization for the term of the grant agreement;

(2) commitment to continue operations in Minnesota for a minimum of five years after receiving the grant; and

(3) agreement to pay back the full amount of the grant if the local organization relocates Minnesota operations to another state.

| | | |
|---|---|---|
| Subd. 3. **Minnesota Trade Office** | 2,292,000 | 2,292,000 |

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

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

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

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

| | | |
|---|---|---|
| Subd. 4. **Workforce Development** | 26,227,000 | 26,227,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 4,450,000 | 4,450,000 |
| Workforce Development | 21,777,000 | 21,777,000 |

(a) $4,604,000 each year from the workforce development fund is for the pathways to prosperity competitive grant program. Of this amount, up to $92,000 is for administration and monitoring of the program.

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

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

(d) $750,000 each year is from the general fund and $3,348,000 each year is from the workforce development fund for the youth at work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to $82,000 is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(e) $500,000 each year from the general fund and $500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(f) $250,000 each year is for the higher education career advising program.

(g) $1,000,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to $20,000 is for administration and monitoring of the program.

(h) $1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to $20,000 is for administration and monitoring of the program.

(i) $750,000 each year is for the high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to $15,000 is for administration and monitoring of the program.

(j) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. This appropriation shall be divided equally among the eligible centers.

(k) $250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(l) $750,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(m) $800,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. This is a onetime appropriation.

(n) $600,000 each year from the workforce development fund is for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity-building. This is a onetime appropriation.

(o) $200,000 each year is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. AccessAbility Incorporated shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants. This is a onetime appropriation.

(p) $450,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(q) $750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(r) $500,000 each year is from the workforce development fund for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. This is a onetime appropriation.

(s) $1,500,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 350 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at $3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(t) $250,000 each year is from the workforce development fund for a grant to Big Brothers Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(u) $200,000 each year is from the workforce development fund for a grant to 180 Degrees to expand their job readiness training program to: young adults in group homes; sexually exploited girls at Brittany's Place; and men who have recently been released from prison at the Clifton Residence. This is a onetime appropriation.

(v) $150,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(w) $500,000 each year is from the workforce development fund for a grant to Goodwill Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER

Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(x) $500,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand their contextualized GED and employment placement program and STEM program. This is a onetime appropriation.

(y) $250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(z) $75,000 each year is from the workforce development fund for grants to the Minnesota Grocers Association Foundation for Carts to

Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and grant scholarships for careers in the retail food industry. This is a onetime appropriation.

(aa) $250,000 each year is from the workforce development fund for grants to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training and employment placement in information technology;

(3) training and employment placement within trades;

(4) assistance in obtaining a GED;

(5) remedial training leading to enrollment or to sustain enrollment in a postsecondary higher education institution;

(6) real-time work experience in information technology fields and in the trades;

(7) contextualized adult basic education;

(8) career and educational counseling for clients with significant and multiple barriers; and

(9) reentry services and counseling for adults and youth.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

| | | | | |
|---|---|---|---|---|
| Subd. 5. **Vocational Rehabilitation** | | | 38,691,000 | 36,961,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 30,861,000 | 28,861,000 |
| Workforce Development | 7,830,000 | 7,830,000 |

(a) $14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) $3,011,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(c) $8,995,000 each year from the general fund and $6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, $2,000,000 each year is for rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(d) $1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-aged youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year. Of this amount, up to $20,000 is for administration and monitoring of the program.

(e) $4,555,000 in the first year and $2,555,000 in the second year are for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Of the amount appropriated in the first year, $2,000,000 is available until June 30, 2023, and must first be used to expand programs to areas of the state without an existing employment support program, and secondly to expand existing programs.

| | | |
|---|---|---|
| Subd. 6. **Services for the Blind** | 6,425,000 | 6,425,000 |

$500,000 each year is to provide services for senior citizens who are becoming blind. At least half of the funds appropriated must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.

| | | |
|---|---|---|
| Subd. 7. **General Support Services** | 4,726,000 | 4,726,000 |

(a) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.4011.

(b) $1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Implementation Office.

(c) $500,000 each year is for the capacity-building grant program to assist nonprofit organizations offering or seeking to offer workforce development and economic development programming.

(d) $55,000 each year is from the workforce development fund.

Subd. 8. **Competitive Grant Limitations**

An organization that receives a direct appropriation under this section is not eligible to participate in competitive grant programs under this section for substantially the same program or purpose as the direct appropriation received during the fiscal years in which the direct appropriations are received.

Sec. 3. **DEPARTMENT OF LABOR AND INDUSTRY**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$ 28,787,000** | **$ 25,787,000** |

Appropriations by Fund

| | 2020 | 2021 |
|---|---|---|
| General | 3,048,000 | 3,048,000 |
| Workers' Compensation | 23,005,000 | 20,005,000 |
| Workforce Development | 2,734,000 | 2,734,000 |

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

| | | |
|---|---|---|
| Subd. 2. **Workers' Compensation** | 14,882,000 | 11,882,000 |

This appropriation is from the workers' compensation fund.

$3,000,000 in fiscal year 2020 is for workers' compensation system upgrades. This amount is available until June 30, 2021. This is a onetime appropriation.

| | | |
|---|---|---|
| Subd. 3. **Labor Standards and Apprenticeship** | 4,732,000 | 4,732,000 |

Appropriations by Fund

| | | |
|---|---|---|
| General | 3,048,000 | 3,048,000 |
| Workforce Development | 1,684,000 | 1,684,000 |

(a) $1,500,000 each year is for wage theft prevention. Beginning in fiscal year 2022, the base amount for this appropriation is $1,000,000.

(b) $250,000 each year is to develop an open and competitive grant process in consultation with the Office of Justice Programs in the Department of Public Safety, law enforcement organizations, and the Minnesota County Attorneys Association to award a grant to a nonprofit organization identifying and serving victims of labor trafficking to: (1) develop a statewide model protocol for law enforcement, prosecutors, and other persons who in their professional capacity encounter labor trafficking to identify and intervene with victims of labor trafficking; (2) conduct statewide training for law enforcement and prosecutors including, at a minimum, methods under Minnesota Statutes, section 299A.79, subdivision 2; and (3) develop and disseminate investigative best practices to identify victims of labor trafficking and traffickers to law enforcement, prosecutors, and other persons who in their professional capacity encounter labor trafficking. The grant recipient may use the money appropriated in this paragraph to partner with other entities to implement clauses (1) to (3).

(c) By January 15, 2021, the grant recipient shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over criminal justice and labor and industry policy and funding on the grant process and how the grant money was spent and details and results of the implementation of paragraph (a), clauses (1) to (3). This appropriation is onetime.

(d) $1,133,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(e) $151,000 each year is from the workforce development fund for prevailing wage enforcement.

(f) $100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(g) $300,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hard Hats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

| | | | |
|---|---|---|---|
| Subd. 4. **Workplace Safety** | | 4,167,000 | 4,167,000 |

This appropriation is from the workers' compensation fund.

| | | | |
|---|---|---|---|
| Subd. 5. **General Support** | | 7,089,000 | 7,089,000 |

Appropriations by Fund

| | | |
|---|---|---|
| Workers' Compensation | 6,039,000 | 6,039,000 |
| Workforce Development | 1,050,000 | 1,050,000 |

(a) $300,000 each year is from the workforce development fund for the PIPELINE program.

(b) $750,000 each year is from the workforce development fund for youth skills training grants under Minnesota Statutes, section 175.46. The commissioner shall award grants not to exceed $100,000 per local partnership grant. $100,000 each year is from the workforce development fund for the administration of the grant program.

| | | | |
|---|---|---|---|
| Sec. 4. **BUREAU OF MEDIATION SERVICES** | **$** | **2,404,000** **$** | **2,404,000** |

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

(b) $394,000 each year is for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90. Of this amount, $160,000 each year is for grants under Minnesota Statutes, section 179.91.

| | | | | |
|---|---|---|---|---|
| Sec. 5. **WORKERS' COMPENSATION COURT OF APPEALS** | $ | **1,952,000** | $ | **1,952,000** |

This appropriation is from the workers' compensation fund.

Sec. 6. **DEPARTMENT OF COMMERCE**

| | | | | |
|---|---|---|---|---|
| Subdivision 1. **Total Appropriation** | $ | **26,607,000** | $ | **26,610,000** |

| Appropriations by Fund | | |
|---|---|---|
| | 2020 | 2021 |
| General | 22,733,000 | 22,735,000 |
| Special Revenue | 2,060,000 | 2,060,000 |
| Petroleum Tank | 1,056,000 | 1,056,000 |
| Workers' Compensation Fund | 758,000 | 758,000 |

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

| | | |
|---|---|---|
| Subd. 2. **Petroleum Tank Release Compensation Board** | 1,056,000 | 1,056,000 |

This appropriation is from the petroleum tank fund to account for base adjustments provided in Minnesota Statutes, section 115C.13, the base for the petroleum tank release cleanup fund in fiscal year 2023 is $0.

| | | |
|---|---|---|
| Subd. 3. **Telecommunications** | 3,069,000 | 3,069,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 1,009,000 | 1,009,000 |
| Special Revenue | 2,060,000 | 2,060,000 |

$2,060,000 each year is from the telecommunications access Minnesota fund account in the special revenue fund for the following transfers. This appropriation is added to the department's base.

(1) $1,620,000 each year is to the commissioner of human services to

supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This appropriation is available until June 30, 2021, and any unexpended amount on that date must be returned to the telecommunications access Minnesota fund;

(2) $290,000 each year is to the chief information officer for the purpose of coordinating technology accessibility and usability;

(3) $100,000 each year is to the Legislative Coordinating Commission for captioning of legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) $50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of their web-based services.

| | | |
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| Subd. 4. **Energy Resources** | 4,276,000 | 4,276,000 |

(a) $150,000 each year is to remediate vermiculate insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(b) $832,000 each year is for energy regulation and planning unit staff.

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|---|---|---|---|---|
| Subd. 5. **Administrative Services** | | | 7,397,000 | 7,399,000 |

(a) $100,000 each year is for the support of broadband development.

(b) $384,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

(c) $5,000 each year is for Real Estate Appraisal Advisory Board compensation pursuant to Minnesota Statutes, section 82B.073, subdivision 2a.

| | | | | |
|---|---|---|---|---|
| Subd. 6. **Enforcement** | | | 5,777,000 | 5,807,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 5,577,000 | 5,607,000 |
| Workers' Compensation | 200,000 | 200,000 |

(a) $547,000 in the first year and $577,000 in the second year are for health care enforcement.

(b) $200,000 in each year is from the workers' compensation fund. Beginning in fiscal year 2022, this amount is $201,000.

| | | | | |
|---|---|---|---|---|
| Subd. 7. **Insurance** | | | 5,032,000 | 5,003,000 |

| Appropriations by Fund | | |
|---|---|---|
| General | 4,474,000 | 4,444,000 |
| Workers' Compensation | 558,000 | 559,000 |

(a) $642,000 each year is for health insurance rate review staffing.

(b) $412,000 each year is for actuarial work to prepare for implementation of principle-based reserves.

(c) $30,000 in fiscal year 2020 is for payment of two years of membership dues for Minnesota to the National Conference of Insurance Legislators. This is a onetime appropriation.

(d) $558,000 in the first year and $559,000 in the second year are from the workers' compensation fund. Beginning in fiscal year 2022, this amount is $560,000.

| | | | | |
|---|---|---|---|---|
| Sec. 7. **PUBLIC UTILITIES COMMISSION** | **$** | **7,793,000** | **$** | **7,793,000** |

Sec. 8. **REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.**

Subdivision 1. **Reduction required.** The commissioner of management and budget must reduce general fund and nongeneral fund appropriations to the Department of Employment and Economic Development and the Department of Labor and Industry for agency operations for the biennium ending June 30, 2021, for salary and benefits savings that results from any positions that have not been filled within 180 days of the posting of the position. This section applies only to positions that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this paragraph must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023.

Subd. 2. **Reporting.** The commissioner of management and budget must report to the chairs and ranking minority members of the senate and the house of representatives jobs and economic development finance committees regarding the amount of reductions in spending by each agency under this section.

## ARTICLE 2
## JOBS POLICY

Section 1. Minnesota Statutes 2018, section 116J.035, subdivision 7, is amended to read:

Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis. Unless amounts are otherwise appropriated for administrative costs, the commissioner may retain up to ~~five~~ two percent of the amount appropriated to the department for grants to pass-through entities. Amounts retained are deposited to a special revenue account and are appropriated to the commissioner for costs incurred in administering and monitoring the pass-through grants.

Sec. 2. **[116J.439] AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT PROGRAM.**

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties, airport authorities, or cities to provide up to 50 percent of the capital costs of redevelopment of an existing facility or construction of a new facility; and for public or private infrastructure costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure renewal economic development project.

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

(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 5.

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

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

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

(d) "Airport authority" means an authority created pursuant to section 360.0426.

Subd. 3. **Eligible projects.** An economic development project for which a county, airport authority, or city may be eligible to receive a grant under this section includes: (1) manufacturing; (2) technology; (3) warehousing and distribution; or (4) research and development.

Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under this section: (1) retail development; or (2) office space development, except as incidental to an eligible purpose.

Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county, airport authority, or city must include in its application a resolution of the governing body of the county, airport authority, or city certifying that half of the cost of the project is committed from nonstate sources. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 3;

(2) the project is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county, airport authority, or city in which the project would be located; and

(3) the project is expected to or will create or retain full-time jobs.

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

Subd. 6. **Maximum grant amount.** A county, airport authority, or city may receive no more than $250,000 in two years for one or more projects.

Subd. 7. **Cancellation of grant; return of grant money.** If after five years the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project.

Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

Sec. 3. **[116L.35] INVENTORY OF ECONOMIC DEVELOPMENT PROGRAMS.**

(a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the commissioner of employment and economic development must submit a report to the chairs of the legislative committees with jurisdiction over economic development that provides an inventory of all economic development programs, including any workforce development programs, either provided by or overseen by any agency of the state of Minnesota.

(b) Programs related to economic development that must be included in the report include those that:

(1) receive federal funds or state funds;

(2) provide assistance to either businesses or individuals; or

(3) support internships, apprenticeships, career and technical education, or any form of employment training.

(c) For each economic development program, the report must include, at a minimum, the following information:

(1) details of program costs;

(2) the number of staff, both within the department and any outside organization;

(3) the number of program participants;

(4) the demographic information including, but not limited to, race, age, gender, and income of program participants;

(5) a list of any and all subgrantees receiving funds from the program, as well as the amount of funding received;

(6) information about other sources of funding including other public or private funding or in-kind donations;

(7) evidence that: (i) the organization administering a program; (ii) a business receiving a loan for a new or expanded business from a program; or (iii) a subgrantee of a program is in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue;

(8) a short description of what each program does; and

(9) to the extent practical, quantifiable measures of program success.

(d) In addition to the information required under paragraph (c), a program related to economic development under paragraph (b) that requests an increase in state funding over the previous biennium must provide the following:

(1) detailed information regarding the need for increased funds; and

(2) the planned uses of the increased funds.

(e) A program related to economic development under paragraph (b) is ineligible for state funding in the following biennium if it does not submit the information required under paragraph (c).

Sec. 4. Minnesota Statutes 2018, section 469.055, is amended by adding a subdivision to read:

Subd. 2a. **Meetings by telephone or other electronic means.** A port authority may conduct meetings as provided by section 13D.015.

Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

| | | | |
|---|---|---|---|
| Subd. 3. **Workforce Development** | $ | 31,498,000 $ | 30,231,000 |

Appropriations by Fund

| | | |
|---|---|---|
| General | $6,239,000 | $5,889,000 |
| Workforce Development | $25,259,000 | $24,342,000 |

(a) $500,000 each year is for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. In fiscal year 2020 and beyond, the base amount is $750,000.

(b) $250,000 each year is for pilot programs in the workforce service areas to combine career and higher education advising.

(c) $500,000 each year is for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(d) $1,000,000 each year is for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

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

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

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(e) $1,539,000 each year from the general fund and $4,604,000 each year from the workforce development fund are for the Pathways to Prosperity adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. When awarding grants under this paragraph, the commissioner of employment and economic development may give preference to any previous grantee with demonstrated success in job training and placement for hard-to-train individuals. In fiscal year 2020 and beyond, the general fund base amount for this program is $4,039,000.

(f) $750,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $1,000,000.

(g) $500,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $750,000.

(h) $500,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $1,000,000.

(i) $250,000 each year is for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training in information technology;

(3) assistance in obtaining a GED;

(4) remedial training leading to enrollment in a postsecondary higher education institution;

(5) real-time work experience in information technology fields; and

(6) contextualized adult basic education.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

(j) $100,000 each year is for the getting to work grant program. This is a onetime appropriation and is available until June 30, 2021.

(k) $525,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(l) $1,350,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota, having fewer than 250 employees worldwide. At least 300 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at $2,500 per intern. The program must work toward increasing the participation of women or other underserved populations. This is a onetime appropriation.

(m) $450,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(n) $500,000 each year is from the workforce development fund for a grant to Resource, Inc. to provide low-income individuals career education and job skills training that are fully integrated with chemical and mental health services. This is a onetime appropriation.

(o) $750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, is designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(p) $215,000 each year is from the workforce development fund for grants to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota, and Southern Minnesota Big Brothers, Big Sisters chapters. This is a onetime appropriation.

(q) $250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(r) $1,000,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(s) $1,000,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(t) $750,000 each year is from the workforce development fund for a grant to Latino

Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(u) $600,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity building. This is a onetime appropriation.

(v) $1,297,000 in the first year and $800,000 in the second year are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, $497,000 in fiscal year 2018 is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and funds are available until June 30, 2020.

(w) $230,000 in fiscal year 2018 is from the workforce development fund for a grant to the

Bois Forte Tribal Employment Rights Office (TERO) for an American Indian workforce development training pilot project. This is a onetime appropriation and is available until June 30, 2019. Funds appropriated the first year are available for use in the second year of the biennium.

(x) $40,000 in fiscal year 2018 is from the workforce development fund for a grant to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to other funds previously appropriated to the board.

(y) $250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including, but not limited to, hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs.

This is a onetime appropriation and is available until June 30, 2020.

(z) $500,000 each year is from the workforce development fund for a grant to the Nonprofits Assistance Fund to provide capacity-building grants to small, culturally specific organizations that primarily serve historically underserved cultural communities. Grants may only be awarded to nonprofit organizations that have an annual organizational budget of less than $500,000 and are culturally specific organizations that primarily serve historically underserved cultural communities. Grant funds awarded must be used for:

(1) organizational infrastructure improvement, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creation or expansion of partnerships with existing organizations that have specialized expertise in order to increase the capacity of the grantee organization to improve services for the community. Of this amount, up to five percent may be used by the Nonprofits Assistance Fund for administration costs and providing technical assistance to potential grantees. This is a onetime appropriation.

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

(bb) $1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(cc) $3,348,000 each year is from the workforce development fund for the "Youth at Work" youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(dd) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs.

(ee) $750,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand its contextualized GED and employment placement program. This is a onetime appropriation.

(ff) $500,000 each year is from the workforce development fund for a grant to Goodwill-Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(gg) $150,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(hh)(1) $150,000 in fiscal year 2018 is from the workforce development fund for a grant to Anoka County to develop and implement a pilot program to increase competitive employment opportunities for transition-age youth ages 18 to 21.

(2) The competitive employment for transition-age youth pilot program shall include career guidance components, including health and life skills, to encourage, train, and assist transition-age youth in job-seeking skills, workplace orientation, and job site knowledge.

(3) In operating the pilot program, Anoka County shall collaborate with schools, disability providers, jobs and training organizations, vocational rehabilitation providers, and employers to build upon opportunities and services, to prepare transition-age youth for competitive employment, and to enhance employer connections that lead to employment for the individuals served.

(4) Grant funds may be used to create an on-the-job training incentive to encourage

employers to hire and train qualifying individuals. A participating employer may receive up to 50 percent of the wages paid to the employee as a cost reimbursement for on-the-job training provided.

(ii) $500,000 each year is from the workforce development fund for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(jj) In calendar year 2017, the public utility subject to Minnesota Statutes, section 116C.779, must withhold $1,000,000 from the funds required to fulfill its financial commitments under Minnesota Statutes, section 116C.779, subdivision 1, and pay such amounts to the commissioner of employment and economic development for deposit in the Minnesota 21st century fund under Minnesota Statutes, section 116J.423.

(kk) $350,000 in fiscal year 2018 is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. AccessAbility Incorporated shall annually report to the commissioner on how the money was spent and the results achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants.

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

Sec. 6. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2020. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure.

(b) By February 15, 2021, a home rule charter or statutory city, county, or town that exercises the option under paragraph (a) shall submit to the chairs of the legislative committees with jurisdiction over economic development policy and finance an accounting and explanation of the use and distribution of the funds.

Sec. 7. **REPEALER.**

Minnesota Statutes 2018, section 469.084, subdivision 1a, is repealed.

## ARTICLE 3
## LABOR AND INDUSTRY POLICY

Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any progress payment on a public contract for a public improvement an amount not to exceed five percent of the payment. A public contracting agency may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if, in the agency's opinion, the work is progressing satisfactorily.

(b) The public contracting agency must release all retainage no later than 60 days after substantial completion, subject to the terms of this subdivision.

(c) A contractor on a public contract for a public improvement must pay out any remaining retainage to its subcontractors no later than ten days after receiving payment of retainage from the public contracting agency, unless there is a dispute about the work under a subcontract. If there is a dispute about the work under a subcontract, the contractor must pay out retainage to any subcontractor whose work is not involved in the dispute, and must provide a written statement detailing the amount and reason for the withholding to the affected subcontractor.

(d) Upon written request of a subcontractor who has not been paid for work in accordance with this section, section 16A.1245, or section 471.425, subdivision 4a, the public contracting agency shall notify the subcontractor of a progress payment, retainage payment, or final payment made to the contractor.

(e) After substantial completion, a public contracting agency may withhold no more than:

(1) 250 percent of the value of incomplete or defective work known at the time of substantial completion; and

(2) one percent of the value of the contract or $500, whichever is greater, pending completion and submission of all final paperwork by the contractor or subcontractor. For purposes of this subdivision, "final paperwork" means documents required to fulfill contractual obligations, including, but not limited to, as-built plans, operation manuals, payroll documents for projects subject to prevailing wage requirements, and the withholding exemption certificate required by section 270C.66.

If the public contracting agency withholds payment under this paragraph, the public contracting agency must promptly provide a written statement detailing the amount and basis of withholding to the contractor. The public contracting agency and contractor must provide a copy of this statement to any subcontractor that requests it. Any amounts withheld under clause (1) must be paid within 60 days after completion of the work. Any amounts withheld under clause (2) must be paid within 60 days after submission of all final paperwork.

(f) As used in this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or improvement of streets and highways, including bridges, substantial completion means the date when construction-related traffic devices and ongoing inspections are no longer required.

(g) Withholding retainage for warranty work not known at substantial completion is prohibited.

**EFFECTIVE DATE.** This section applies to agreements entered into on or after August 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The commissioner shall:

(1) approve youth skills training programs that train student learners for careers in high-growth, high-demand occupations that provide:

(i) that the work of the student learner in the occupations declared particularly hazardous shall be incidental to the training;

(ii) that the work shall be intermittent and for short periods of time, and under the direct and close supervision of a qualified and experienced person;

(iii) that safety instruction shall be provided to the student learner and may be given by the school and correlated by the employer with on-the-job training;

(iv) a schedule of organized and progressive work processes to be performed on the job;

(v) a schedule of wage rates in compliance with section 177.24; and

(vi) whether the student learner will obtain secondary school academic credit, postsecondary credit, or both, for the training program;

(2) approve occupations and maintain a list of approved occupations for programs under this section;

(3) issue requests for proposals for grants;

(4) work with individuals representing industry and labor to develop new youth skills training programs;

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

(8) work with providers to identify paths for receiving postsecondary credit for participation in the youth skills training program; and

(9) approve other activities as necessary to implement the program.

(b) The commissioner shall collaborate with stakeholders, including, but not limited to, representatives of secondary school institutions, career and technical education instructors, postsecondary institutions, businesses, and labor, in developing youth skills training programs, and identifying and approving occupations and competencies for youth skills training programs.

Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships for youth skills training programs that train student learners for careers in high-growth, high-demand occupations. Grant awards may not exceed $100,000 per local partnership grant.

(b) A local partnership awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) recruiting additional employers to provide on-the-job training and supervision for student learners and providing technical assistance to those employers;

(2) recruiting students to participate in the local youth skills training program, monitoring the progress of student learners participating in the program, and monitoring program outcomes;

(3) coordinating youth skills training activities within participating school districts and among participating school districts, postsecondary institutions, and employers;

(4) coordinating academic, vocational and occupational learning, school-based and work-based learning, and secondary and postsecondary education for participants in the local youth skills training program;

(5) coordinating transportation for student learners participating in the local youth skills training program; and

(6) any other implementation or coordination activity that the commissioner may direct or permit the local partnership to perform.

~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student learner.

Sec. 4. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each licensee must, during each continuing education reporting period, complete and report one hour of continuing education relating to energy codes or energy conservation measures applicable to residential buildings and one hour of business management strategies applicable to residential construction businesses.

(b) Immediately following the adoption date of a new residential code, the commissioner may prescribe that up to seven of the required 14 hours of continuing education credit per licensure period include education hours specifically designated to instruct licensees on new or existing State Building Code provisions.

Sec. 5. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction contract provides otherwise, the owner or other persons making payments under the contract must make progress payments monthly as the work progresses. Payments shall be based upon estimates of work completed as approved by the owner or the owner's agent. A progress payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

(b) Retainage on a building and construction contract may not exceed five percent. An owner or owner's agent may reduce the amount of retainage and may eliminate retainage on any monthly contract payment if, in the owner's opinion, the work is progressing satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld in any building or construction contract.

(c) The owner or the owner's agent must release all retainage no later than 60 days after substantial completion subject to the terms of this subdivision. For purposes of this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a).

~~(c)~~ (d) A contractor must pay out any remaining retainage no later than ten days after receiving payment of retainage, unless there is a dispute about the work under a subcontract, in which case the contractor must pay out retainage to any party whose work is not involved in the dispute.

(e) After substantial completion, an owner or owner's agent may withhold no more than:

(1) 250 percent of the value of incomplete or defective work known at the time of substantial completion; and

(2) one percent of the value of the contract or $500, whichever is greater, pending completion and submission of all final paperwork by the contractor or subcontractor. For purposes of this subdivision, "final paperwork" means documents required to fulfill contractual obligations, including, but not limited to, as-built plans, operation manuals, payroll documents for projects subject to prevailing wage requirements, and the withholding exemption certificate required by section 270C.66.

If the owner or the owner's agent withholds payment under this paragraph, the owner or the owner's agent must promptly provide a written statement detailing the amount and basis of withholding to the contractor. The owner or the owner's agent and the contractor must provide a copy of this statement to any subcontractor that requests it. Any amounts withheld under clause (1) must be paid within 60 days after completion of the work. Any amounts withheld under clause (2) must be paid within 60 days after submission of all final paperwork.

(f) Withholding retainage for warranty work not known at substantial completion is prohibited. This provision does not waive any rights for warranty claims arising after substantial completion.

(g) This subdivision does not apply to a public agency as defined in section 15.71, subdivision 3.

(h) This subdivision does not apply to contracts for professional services as defined in sections 326.02 to 326.15.

**EFFECTIVE DATE.** This section applies to agreements entered into on or after August 1, 2019.

Sec. 6. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring announcers,~~ timekeepers, ringside physicians, combatants, ~~managers,~~ and seconds are required to be licensed by the commissioner. The commissioner shall not permit any of these persons to participate in any matter with any combative sport contest unless the commissioner has first issued the person a license.

Sec. 7. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual licenses subject to the collection of advance fees by the commissioner for promoters, ~~managers,~~ judges, referees, ~~ring announcers,~~ ringside physicians, timekeepers, combatants, trainers, and seconds.

Sec. 8. Minnesota Statutes 2018, section 341.321, is amended to read:

**341.321 FEE SCHEDULE.**

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

(1) referees, ~~$80~~ $25;

(2) promoters, $700;

(3) judges and knockdown judges, ~~$80~~ $25;

(4) trainers and seconds, $80;

~~(5) ring announcers, $80;~~

~~(6)~~ (5) timekeepers, ~~$80~~ $25;

~~(7)~~ (6) professional combatants, $70;

~~(8)~~ (7) amateur combatants, $50;

~~(9) managers, $80;~~ and

~~(10)~~ (8) ringside physicians, ~~$80~~ $25.

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

(b) The commissioner shall establish a contest fee for each combative sport contest and shall consider the size and type of venue when establishing a contest fee. The combative sport contest fee is $1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commissioner when the combative sport contest is scheduled.

(c) A professional or amateur combative sport contest fee is nonrefundable and shall be paid as follows:

(1) $500 at the time the combative sport contest is scheduled; and

(2) $1,000 at the weigh-in prior to the contest.

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

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

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

Sec. 9. **CONTRACTOR RECOVERY FUND; CONSUMER AWARENESS CAMPAIGN.**

In fiscal years 2020 and 2021 the commissioner of labor and industry must conduct a statewide consumer awareness campaign highlighting the importance of hiring licensed contractors as well as the consequences of hiring unlicensed contractors, and may spend up to $500,000 each year from the contractor recovery fund to conduct the campaign.

## ARTICLE 4
## EMPLOYMENT POLICY

Section 1. Minnesota Statutes 2018, section 177.23, subdivision 7, is amended to read:

Subd. 7. **Employee.** "Employee" means any individual employed by an employer but does not include:

(1) two or fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid a salary;

(2) any individual employed in agriculture on a farming unit or operation who is paid a salary greater than the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week;

(3) an individual under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

(5) any staff member employed on a seasonal basis by an organization for work in an organized resident or day camp operating under a permit issued under section 144.72;

(6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesperson who conducts no more than 20 percent of sales on the premises of the employer;

(7) any individual who renders service gratuitously for a nonprofit organization;

(8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(9) any individual employed by a political subdivision to provide police or fire protection services or employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(10) any individual employed by a political subdivision who is ineligible for membership in the Public Employees Retirement Association under section 353.01, subdivision 2b, clause (1), (2), (4), or (9), item (i);

(11) any driver employed by an employer engaged in the business of operating taxicabs;

(12) any individual engaged in babysitting as a sole practitioner;

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, fair, or ski facility;

(14) any individual under 18 working less than 20 hours per workweek for a municipality as part of a recreational program;

(15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(16) any individual in a position for which the United States Department of Transportation has power to establish qualifications and maximum hours of service under United States Code, title 49, section 31502;

(17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited to pilots, sailors, engineers, radio operators, firefighters, security guards, pursers, surgeons, cooks, and stewards;

(18) any individual employed by a county in a single-family residence owned by a county home school as authorized under section 260B.060 if the residence is an extension facility of that county home school, and if the individual as part of the employment duties resides at the residence for the purpose of supervising children as defined by section 260C.007, subdivision 4; ~~or~~

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other nonprofit institutions operated by the church or religious order; or

(20) any individual employed on a seasonal basis who has entered into a contract to play baseball at the minor league level.

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

Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to 177.435. The commissioner may investigate wage claims or complaints by an employee against an employer if: (1) the failure to pay a wage may violate Minnesota law or an order or rule of the department; and (2) the employee making the wage claim or complaint has provided a written demand for payment to the employer at least five days prior to the commissioner initiating an investigation.

Sec. 3. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

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

(1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to 177.435, or sections 181.01 to 181.72;

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

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

(4) falsifies any record;

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

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

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

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

(9) otherwise violates any provision of sections 177.21 to 177.44; or

(10) commits wage theft as described in section 181.03, subdivision 1.

(b) An employer who violates paragraph (a), clause (10), after having been previously convicted of violating that clause is guilty of a gross misdemeanor.

(c) Nothing in paragraph (a), clause (10), or paragraph (b), or section 609.035 or 609.04 shall limit the power of the state to prosecute or punish a person for conduct that constitutes any other crime under any other law of this state.

**EFFECTIVE DATE.** This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2018, section 179.86, subdivision 3, is amended to read:

Subd. 3. **Information provided to employee by employer.** (a) An employer must provide an explanation ~~in an employee's native language~~ of the employee's rights and duties as an employee either person to person or through written materials that, at a minimum, include:

(1) a complete description of the salary and benefits plans as they relate to the employee;

(2) a job description for the employee's position;

(3) a description of leave policies;

(4) a description of the work hours and work hours policy; and

(5) a description of the occupational hazards known to exist for the position.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

(1) the right to organize and bargain collectively and refrain from organizing and bargaining collectively;

(2) the right to a safe workplace; and

(3) the right to be free from discrimination.

(c) The explanation must be provided in a language the employee speaks fluently, if requested by the employee.

(d) Translation or interpretation of the information required by this subdivision may be provided through telephone or Internet services.

(e) An employer may require an employee to disclose the languages the employee speaks, understands, and reads fluently. If an employer requires such disclosure, and an employee has not provided it, an employer is not required to provide the information required under this section in a language other than English to the employee.

Sec. 5. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and with intent to defraud:~~

(a) No employer shall commit wage theft.

(b) For purposes of this section, wage theft is committed if an employer, with intent to defraud:

(1) fails to pay an employee all wages to which that employee is entitled;

~~(1) cause~~ (2) directly or indirectly causes any employee to give a receipt for wages for a greater amount than that actually paid to the employee for services rendered;

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

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

(5) retaliates against an employee for asserting rights or remedies under this section, including but not limited to filing a complaint with the Department of Labor and Industry, telling the employer of intention to file a complaint, or making a written demand for payment to the employer as provided under section 177.27, subdivision 1.

Sec. 6. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

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

Sec. 7. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 5. **Effect on other laws.** Nothing in this section shall be construed to limit the application of other state or federal laws.

Sec. 8. Minnesota Statutes 2018, section 181.635, subdivision 2, is amended to read:

Subd. 2. **Recruiting; required disclosure.** (a) An employer shall provide written disclosure of the terms and conditions of employment to a person at the time it recruits the person to relocate to work in the food processing industry. The disclosure requirement does not apply to an exempt employee as defined in United States Code, title 29, section 213(a)(1). The disclosure must be written in English and Spanish, dated, and signed by the employer and the person recruited, and maintained by the employer for two years. If the employer has any reason to doubt the employee's ability to read, the employer must read the disclosure out loud to the employee upon request by the employee in a language the employee speaks fluently before the disclosure is signed. A copy of the signed and completed disclosure must be delivered immediately to the recruited person. The disclosure may not be construed as an employment contract.

(b) An employer may require an employee to disclose the languages the employee speaks, understands, and reads fluently. If an employer requires such disclosure, and an employee has not provided it, an employer is not required to make the disclosure in the form required under paragraph (a) with respect to the employee.

(c) Translation or interpretation of the information required by this subdivision may be provided through telephone or Internet services.

Sec. 9. **[181.741] EXPRESS PREEMPTION; UNIFORMITY OF PRIVATE EMPLOYER MANDATES.**

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

(b) "Employer" means a private person employing one or more employees in the state.

(c) "Local government" means a home rule charter city, statutory city, town, county, the Metropolitan Council, a metropolitan agency as defined in section 473.121, subdivision 5a, or a special district.

Subd. 2. **Express preemption.** (a) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy requiring an employer to pay an employee a wage higher than the applicable state minimum wage rate provided in section 177.24.

(b) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy requiring an employer to provide either paid or unpaid leave time.

(c) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy regulating the hours or scheduling of work time that an employer provides to an employee. This paragraph does not preempt an ordinance, local resolution, or local policy limiting the hours a business may operate.

(d) A local government must not adopt, enforce, or administer an ordinance, local resolution, or local policy requiring an employer to provide an employee a particular benefit or terms of employment.

Subd. 3. **Local governments as employers and contractors.** This section does not regulate wages, hours, benefits, paid or unpaid leave, attendance policies, or other terms of employment that a local government:

(1) provides to its own employee;

(2) requires an employer to provide to its employee to the extent that employer is providing goods or services to the local government, and the requirement applies specifically to work performed in providing goods or services to the local government; or

(3) requires an employer to provide to its employee, to the extent that employer is receiving funding from the local government or is providing goods or services funded in whole or in part by the local government, when the requirement is an express condition of the funding.

**EFFECTIVE DATE.** This section is effective upon final enactment and applies to ordinances, local policies, and local resolutions enacted on or after January 1, 2017.

## ARTICLE 5
## WORKERS' COMPENSATION ADVISORY COUNCIL RECOMMENDATIONS

Section 1. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number of employees who will be covered under it must be filed with the commissioner. Within 21 days of receipt of an agreement, the commissioner shall review the agreement for compliance with this section and the benefit provisions of this chapter and notify the parties of any additional information required or any recommended modification that would bring the agreement into compliance. Upon receipt of any requested information or modification, the commissioner must notify the parties within 21 days whether the agreement is in compliance with this section and the benefit provisions of this chapter.

(b) After an agreement is approved by the commissioner under paragraph (a), a qualified employer may join or withdraw from a qualified group of employers without commissioner review or approval. The commissioner must be notified within 30 days when a qualified employer joins or withdraws from a qualified group of employers.

(c) In order for any agreement to remain in effect, it must provide for a timely and accurate method of reporting to the commissioner ~~necessary information regarding service cost and utilization~~ the individual claims covered by the agreement and claim-specific dispute resolution data, in the form and manner prescribed by the commissioner. Dispute resolution data includes information about facilitation, mediation, and arbitration and shall be provided annually to the commissioner to enable the commissioner to ~~annually~~ report aggregate dispute data to the legislature. ~~The information provided to the commissioner must include aggregate data on the:~~

~~(i) person hours and payroll covered by agreements filed;~~

~~(ii) number of claims filed;~~

~~(iii) average cost per claim;~~

~~(iv) number of litigated claims, including the number of claims submitted to arbitration, the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the district court, the Minnesota Court of Appeals or the supreme court;~~

~~(v) number of contested claims resolved prior to arbitration;~~

~~(vi) projected incurred costs and actual costs of claims;~~

~~(vii) employer's safety history;~~

~~(viii) number of workers participating in vocational rehabilitation; and~~

~~(ix) number of workers participating in light-duty programs.~~

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c) is effective August 1, 2020.

Sec. 2. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee during the course of employment, the employer shall report the injury or death to the commissioner and insurer within 48 hours after its occurrence. Where any other injury occurs which wholly or partly incapacitates the employee from performing labor or service for more than three calendar days, the employer shall report the injury to the insurer on a form prescribed by the commissioner within ten days from its occurrence. An insurer and self-insured employer shall report the injury to the commissioner no later than 14 days from its occurrence. Where an injury has once been reported but subsequently death ensues, the employer shall report the death to the commissioner and insurer within 48 hours after the employer receives notice of this fact. An employer who provides notice to the Occupational Safety and Health Division of the Department of Labor and Industry of a fatality within the eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour time frame required by law, has satisfied the employer's obligation under this section.

(b) At the time an injury is required to be reported to the commissioner, the insurer or self-insured employer must also specify whether the injury is covered by a collective bargaining agreement approved by the commissioner under section 176.1812. Notice must be provided in the format and manner prescribed by the commissioner.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

# ARTICLE 6
# COMMERCE

Section 1. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions account is created as a separate account in the special revenue fund. ~~The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and license and renewal fees under section 216C.437, subdivision 12.~~ Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account.

(b) The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and funds received pursuant to subdivision 10 and the following provisions: sections 53B.09; 53B.11, subdivision 1; and 58A.045, subdivision 2.

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

**EFFECTIVE DATE.** This section is effective July 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 46.131, is amended by adding a subdivision to read:

Subd. 12. **Limitations on assessments.** The sum of the assessments levied under subdivision 7 for a fiscal period beginning on July 1 and ending June 30 thereafter shall not exceed 100 percent of the sum of the assessments levied for the fiscal period beginning one year prior.

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

## ARTICLE 7
## REAL ESTATE APPRAISER REGULATION

Section 1. Minnesota Statutes 2018, section 82B.021, subdivision 14, is amended to read:

Subd. 14. **~~Federal~~ Appraisal Subcommittee.** "~~Federal~~ Appraisal Subcommittee" means the appraisal subcommittee of the Federal Financial Institutions Examinations Council under United States Code, title 12, section 3301 et seq.

Sec. 2. Minnesota Statutes 2018, section 82B.021, subdivision 15, is amended to read:

Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial institutions regulatory agency" means the Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, ~~the Office of Thrift Supervision,~~ or the National Credit Union Administration.

Sec. 3. Minnesota Statutes 2018, section 82B.073, is amended by adding a subdivision to read:

Subd. 2a. **Compensation.** Members of the board must be compensated in accordance with section 15.059.

Sec. 4. Minnesota Statutes 2018, section 82B.09, subdivision 3, is amended to read:

Subd. 3. **Fees to ~~Federal~~ Appraisal Subcommittee.** In addition to the fees required for licensure under this section, the commissioner must collect and remit such other fees as are required by the ~~Federal~~ Appraisal Subcommittee.

Sec. 5. Minnesota Statutes 2018, section 82B.095, is amended by adding a subdivision to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

Sec. 6. Minnesota Statutes 2018, section 82B.11, is amended by adding a subdivision to read:

Subd. 2a. **Trainee real property appraiser.** The scope of practice for a trainee real property appraiser is the appraisal of properties which a certified residential real property appraiser or certified general real property appraiser acting as the supervisory appraiser is permitted and competent to appraise.

Sec. 7. Minnesota Statutes 2018, section 82B.11, subdivision 6, is amended to read:

Subd. 6. **Temporary practice.** (a) The commissioner shall issue a license for temporary practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed by another state if:

~~(1) the property to be appraised is part of a federally related transaction and the person is licensed to appraise property limited to the same transaction value or complexity provided in subdivision 3, 4, or 5;~~

~~(2)~~ (1) the appraiser's business is of a temporary nature; and

~~(3)~~ (2) the appraiser registers with the commissioner to obtain a temporary license before conducting appraisals within the state.

(b) The term of a temporary practice license is the lesser of:

(1) the time required to complete the assignment; or

(2) 12 months.

If more than 12 months are necessary to complete the assignment, a new temporary application and fee is required.

Sec. 8. Minnesota Statutes 2018, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. **Trainee real property appraiser.** ~~(a)~~ As a prerequisite for licensing as a trainee real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed~~:~~

~~(1) at least 75 hours of prelicense courses approved by the commissioner. Fifteen of the 75 hours must include successful completion of the 15-hour national USPAP course; and~~

~~(2) in addition to the required hours under clause (1),~~ a six-hour course that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. A course approved by the commissioner for the purposes of this subdivision must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This course must not be counted toward qualifying education to upgrade to a higher level appraiser license.

~~(b) All qualifying education must be completed within the five-year period prior to the date of submission of a trainee real property appraiser license application.~~

Sec. 9. Minnesota Statutes 2018, section 82B.195, subdivision 2, is amended to read:

Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards of professional appraisal practice as defined by section 82B.021, subdivision 31, an appraiser must, prior to performing any appraisal service which requires licensing pursuant to this chapter, disclose in writing to the person contracting for the appraisal service the information identified in clause (4). In addition, an appraiser must prepare a written disclosure providing the information identified in clauses (1) to (13). The written disclosure must be included as part of the final written appraisal report. As specified in this subdivision, an appraiser must:

(1) disclose who has employed the appraiser;

(2) disclose who the appraisal is rendered for, if not the person who employed the appraiser;

(3) disclose the purpose of the appraisal, including an explanation of the difference between the appraisal being given and an appraisal of fee simple market valuation;

(4) disclose any conflict of interest or situation which might reasonably be perceived to be a conflict of interest which must include, but not be limited to, the following situations:

(i) whether the appraiser has any ownership interest in the subject property or contiguous properties;

(ii) whether there is an ownership interest by a spouse, parent, or child of the appraiser in the property or contiguous properties; and

(iii) whether the appraiser has a continuing business relationship with one of the parties, for example, any part-time or full-time employment of the appraiser, spouse, children living at home, or dependent children.

Failure to promptly give notification of a conflict must be considered a violation of the standards of professional appraisal practice;

(5) disclose that the appraisal is a reevaluation and identify the areas of difference between the two appraisals and the justification for the changes;

(6) disclose any facts concerning the valuation needed for loan purposes or similar information that was provided to the appraiser before or during the appraisal;

(7) disclose that the appraiser has not performed appraisals of the type requested or for the type of property to be appraised as a regular part of the appraiser's business in the preceding five-year period, provided that if the appraiser asserts qualification by training or related experience to perform the appraisal, the appraiser must set forth the training or experience and how it is applicable to the appraisal;

(8) disclose the license classification of the appraiser and the types of appraisals that the appraiser is authorized to conduct under the licensure;

(9) disclose any lack of experience or training that would affect the ability of the appraiser to perform the appraisal or could cause rejection of the appraisal by the party requiring the appraisal;

(10) disclose any appraisal on the same property made by the appraiser in the last three years;

(11) disclose all pertinent assumptions upon which a valuation based upon income from the property is derived such as expected occupancy rates, rental rates, construction of future improvements, roads, or highways; and

(12) ~~prior to performing the appraisal, disclose whether the appraiser has previously been to the property; and~~

~~(13)~~ disclose any other fact or circumstance that could bring the reliability of the appraisal or the impartiality of the appraiser into question.

Sec. 10. Minnesota Statutes 2018, section 82B.21, is amended to read:

**82B.21 CLASSIFICATION OF SERVICES.**

A client or employer may retain or employ a licensed real estate appraiser to act as a disinterested third party in giving an unbiased estimate of value or analysis; to provide a market analysis to facilitate the client's or employer's objectives~~; or to perform a limited appraisal~~. The appraisal and the appraisal report must comply with the provisions of this chapter and the uniform standards of professional appraisal practice.

Sec. 11. **REPEALER.**

Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, and 9; 82B.11, subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, and 8; and 82B.14, are repealed.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective January 1, 2020.

## ARTICLE 8
## ENERGY POLICY

Section 1. Minnesota Statutes 2018, section 116C.7792, is amended to read:

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

The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts ~~direct~~ alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts. The program shall be operated for eight consecutive calendar years commencing in 2014. $5,000,000 shall be allocated in each of the first four years, $15,000,000 in the fifth year, $10,000,000 in each of the sixth and seventh years, and $5,000,000 in the eighth year from funds withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e), and placed in a separate account for the purpose of the solar production incentive program operated by the utility and not for any other program or purpose. Any unspent amount allocated in the fifth year is available until December 31 of the sixth year. Any unspent amount remaining at the end of any other allocation year must be transferred to the renewable development account. The solar system must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system. The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 2. Minnesota Statutes 2018, section 216B.16, subdivision 6a, is amended to read:

Subd. 6a. **Construction work in progress.** To the extent that construction work in progress is included in the rate base, the commission shall determine in its discretion whether and to what extent the income used in determining the actual return on the public utility property shall include an allowance for funds used during construction, considering the following factors:

(1) the magnitude of the construction work in progress as a percentage of the net investment rate base;

(2) the impact on cash flow and the utility's capital costs;

(3) the effect on consumer rates;

(4) whether it confers a present benefit upon an identifiable class or classes of customers; ~~and~~

(5) whether it is of a short-term nature or will be imminently useful in the provision of utility service; and

(6) for a new nuclear powered generating plant with construction commencing after June 1, 2019, no cost associated with owning, operating, maintaining, or financing the plant may be approved or recovered from customers, either in rate base or through any other means, before it is fully operational and used for service.

Sec. 3. Minnesota Statutes 2018, section 216B.1641, is amended to read:

**216B.1641 COMMUNITY SOLAR GARDEN.**

(a) The public utility subject to section 116C.779 shall file by September 30, ~~2013~~ 2019, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Upon approval of the program required under this section, a program approved under this section before September 30, 2019, must cease operations, except that a community solar garden for which an application is deemed complete under a prior program may continue to operate under that program. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. ~~There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.~~ The public utility must accept qualified proposals for community solar gardens each year in a form and on a schedule specified in the program approved by the commission. The public utility subject to this section may submit qualified proposals to the program.

(b) The public utility must submit evaluations of all qualified proposals to the commission, along with recommendations regarding which qualified proposals should be accepted. The commission must select the qualified proposals the public utility must accept. The qualified proposals with the lowest cost to the public utility's customers must be selected. The total nameplate capacity of qualified proposals selected by the commission must not exceed 25 megawatts per year.

(c) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt. When determining the size of a community solar garden under this paragraph, the nameplate capacity of the community solar garden must be combined with the nameplate capacity of any other community solar garden that:

(1) is constructed within the same 12-month period as the community solar garden; and

(2) exhibits characteristics indicating a single development with the community solar garden, including but not limited to ownership structure, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

~~(c)~~ (d) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility located in the same county or a county contiguous to where the facility is located.

~~(d)~~ (e) The public utility must purchase from the community solar garden all energy generated by the community solar garden. The purchase shall be at the rate ~~calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under either section 116C.7792 or section 216C.415~~ proposed in the qualified proposal submitted under paragraph (a). A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill. Notwithstanding any other provision of law, the commission must not increase the rate paid for energy from the community solar garden from the amount contained in the proposal.

~~(e)~~ (f) The commission may approve, disapprove, or modify a community solar garden program. Any plan approved by the commission must:

(1) reasonably allow for the creation, financing, and accessibility of community solar gardens;

(2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the public utility to recover reasonable interconnection costs for each community solar garden;

(3) not apply different requirements to utility and nonutility community solar garden facilities;

(4) be consistent with the public interest;

(5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;

(6) include a program implementation schedule;

(7) identify all proposed rules, fees, and charges; ~~and~~

(8) identify the means by which the program will be promoted~~.~~;

(9) certify that the following information is contained in any promotional materials developed by the solar garden owner or the utility purchasing the solar garden's generation and is provided separately in writing to prospective subscribers at least 15 days prior to the date a contract is entered into by the subscriber and the community solar garden owner:

(i) an estimate of the annual generation of electricity by the community solar garden, calculated using the formula developed by the commission under paragraph (l);

(ii) an estimate of the length of time required to fully recover a subscriber's initial lump-sum payments made to the owner of the solar garden prior to the delivery of electricity to the subscriber by the solar garden, calculated using the formula developed by the commission under paragraph (l); and

(iii) a commission-approved, standardized method for calculating the effect of future electricity prices on community solar garden subscriptions based on the average residential customer electric bill;

(10) require a solar garden owner to provide to prospective subscribers a completed community solar garden subscriber disclosure checklist standard form at least 15 days prior to the date a contract is entered into by the subscriber and the community solar garden owner. The disclosure checklist shall include the following statement, in at least 12 point type "utility rates and other federal, state, or local tax subsidies are subject to change. These changes cannot be accurately predicted. Projected savings from your solar power subscription are, therefore, subject to change;

(11) certify that the utility and the solar garden owner must submit copies of all marketing and promotional material and sample contracts to the commission, and that the materials are updated periodically;

(12) certify that the solar garden owner has placed sufficient financial resources into an escrow account in order to reimburse subscribers for any financial losses incurred if the project fails to meet the contract provisions;

(13) provide a mechanism for subscribers to transfer subscriptions to other new or current subscribers, or to cancel subscriptions for a full refund;

(14) require a solar garden owner and the utility purchasing electricity generated by the solar garden to forward customer complaints regarding the operation and administration of the solar garden to the commission;

(15) require that the contract between a subscriber and the solar garden owner contains a warranty for a minimum level of electricity to be delivered to the subscriber from the community garden; and

(16) reflect the commission's determination that:

(i) the plan is financially viable; and

(ii) the contract between a subscriber and the solar garden owner is fair, reasonable, and not discriminatory.

~~(f)~~ (g) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

~~(g)~~ (h) Within 180 days of commission approval of a plan under this section, a public utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

(i) The nonprofit partnership established under section 216C.385, must develop a community solar garden subscriber disclosure checklist standard form for use under paragraph (f), clause (10).

(j) The commission shall require a community solar garden developer to submit a registration form. A registration form shall include:

(1) the name, street address, mailing address, electronic mail address, and telephone number of the registrant;

(2) the name and contact information of any registered agency or any person designated by the registrant to receive notices and other communications from the commission;

(3) the name, address, and title of each officer or director;

(4) if the company is publicly traded, the company's most recent annual report filed with the United States Securities and Exchange Commission;

(5) if the company is not publicly traded, the company's current balance sheet;

(6) a statement describing each jurisdiction where the registrant or its affiliate operates; and

(7) any other information required by the commission.

The commission may reject an application that does not contain all of the information required by this paragraph. The commission must approve or deny any application for registration within 30 days of receiving the application. The commission may suspend or revoke a registration and impose fees or penalties upon complaint by any interested party or upon the commission's own motion after notice and opportunity for hearing. A community solar garden developer registered under this paragraph must cooperate with commission hearings and proceedings regarding customer complaints. A registered community solar garden developer shall keep confidential customer-specific or private information relating to the customer's electricity usage, financial situation, credit history, and other residence-specific information obtained to implement the subscription contract.

~~(h)~~ (k) For the purposes of this section, the following terms have the meanings given:

(1) "subscriber" means a retail customer of a public utility who owns one or more subscriptions of a community solar garden facility interconnected with that public utility; ~~and~~

(2) "subscription" means a contract between a subscriber and the owner of a solar garden~~.~~; and

(3) "qualified proposal" means a proposal that meets the requirements of the community solar garden program approved by the commission and that:

(i) provides evidence the proposer is able to construct, own, and operate the community solar garden for its proposed life;

(ii) delivers at least 60 percent of the energy generated by the community solar garden facility to residential customers;

(iii) includes a plan to seek low-income residential customers in the community solar garden;

(iv) provides a firm rate that customers of the public utility must pay for energy from the community solar garden for the life of the community solar garden; and

(v) describes any benefits the community solar garden provides to the public utility, the public utility's customers, the electric utility grid, the environment, and Minnesota.

(l) By July 30, 2019, the commission must develop a formula to be used by all solar garden owners to estimate the annual amount of electricity generated by the solar garden.

(m) By July 30, 2019, the commission must develop a formula used by all solar garden owners to estimate the length of time required to fully recover a subscriber's lump-sum payments made to the solar garden owner prior to the delivery of electricity to the subscriber by the solar garden.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any plan submitted to the commission for approval on or after that date.

Sec. 4. Minnesota Statutes 2018, section 216B.1642, subdivision 2, is amended to read:

Subd. 2. **Recognition of beneficial habitat.** An owner of a solar site implementing solar site management practices under this section may claim that the site provides benefits to gamebirds, songbirds, and pollinators only if the site adheres to guidance set forth by the pollinator plan provided by the Board of Water and Soil Resources or any other gamebird, songbird, or pollinator foraging-friendly vegetation standard established by the Board of Water and Soil Resources. An owner making a beneficial habitat claim must:

(1) make the site's vegetation management plan available to the public ~~and~~;

(2) provide a copy of the plan to a Minnesota nonprofit solar industry trade association; and

(3) report on its site management practices to the Board of Water and Soil Resources, on a standard reporting form developed by the board for solar site management practices, by June 1, 2020, and every third year thereafter. An owner that enters into operation after June 1, 2020, shall report to the board on its site management practices on or before June 1 of the year following commencement of operations and every third year thereafter.

Sec. 5. Minnesota Statutes 2018, section 216B.1691, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy sources:

(1) solar;

(2) wind;

(3) hydroelectric ~~with a capacity of less than 100 megawatts~~;

(4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this paragraph; or

(5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of

wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, a municipal power agency, or a power district.

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility. "Total retail electric sales" does not include the sale of hydroelectricity supplied by a federal power marketing administration or other federal agency, regardless of whether the sales are directly to a distribution utility or are made to a generation and transmission utility and pooled for further allocation to a distribution utility.

Sec. 6. Minnesota Statutes 2018, section 216B.243, subdivision 3b, is amended to read:

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

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

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

Sec. 7. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements" mean:

(1) any new construction, renovation, or retrofitting of~~:(i)~~ qualifying commercial real property to improve energy efficiency that is permanently affixed to the property, results in a net reduction in energy consumption without altering the principal source of energy, and has been identified in an energy audit as repaying the purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices; ~~or~~

~~(ii)~~ (2) any renovation or retrofitting of qualifying residential real property that is permanently affixed to the property and is eligible to receive an incentive through a program offered by the electric or natural gas utility that provides service under section 216B.241

to the property or is otherwise determined to be a cost-effective energy improvement by the commissioner under section 216B.241, subdivision 1d, paragraph (a);

~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; or

~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source that has been identified in an energy audit or renewable energy system feasibility study as repaying their purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices.

Sec. 8. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, or a commercial or industrial building, that the implementing entity has determined, after review of an energy audit or renewable energy system feasibility study, can be benefited by installation of cost-effective energy improvements. Qualifying commercial real property includes new construction.

Sec. 9. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

Subd. 4. **Financing terms.** Financing provided under this section must have:

(1) a cost-weighted average maturity not exceeding the useful life of the energy improvements installed, as determined by the implementing entity, but in no event may a term exceed 20 years;

(2) a principal amount not to exceed the lesser of:

(i) the greater of 20 percent of the assessed value of the real property on which the improvements are to be installed or 20 percent of the real property's appraised value, accepted or approved by the mortgage lender; or

(ii) the actual cost of installing the energy improvements, including the costs of necessary equipment, materials, and labor, the costs of each related energy audit or renewable energy system feasibility study, and the cost of verification of installation; and

(3) an interest rate sufficient to pay the financing costs of the program, including the issuance of bonds and any financing delinquencies.

Sec. 10. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision to read:

Subd. 10. **Improvements; real property or fixture.** A cost-effective energy improvement financed under a PACE loan program, including all equipment purchased in whole or in part with loan proceeds under a loan program, is deemed real property or a fixture attached to the real property.

Sec. 11. Minnesota Statutes 2018, section 609.594, is amended to read:

**609.594 DAMAGE TO PROPERTY OF CRITICAL PUBLIC SERVICE FACILITIES, UTILITIES, AND PIPELINES.**

Subdivision 1. **Definitions.** As used in this section:

(1) "critical public service facility" includes railroad yards and stations, bus stations, airports, and other mass transit facilities; oil refineries; storage areas or facilities for hazardous materials, hazardous substances, or hazardous wastes; and bridges;

(2) "pipeline" has the meaning given in section 609.6055, subdivision 1; and

(3) "utility" includes: (i) any organization defined as a utility in section 216C.06, subdivision 18; (ii) any telecommunications carrier or telephone company regulated under chapter 237; and (iii) any local utility or enterprise formed for the purpose of providing electrical or gas heating and power, telephone, water, sewage, wastewater, or other related utility service, which is owned, controlled, or regulated by a town, a statutory or home rule charter city, a county, a port development authority, the Metropolitan Council, a district heating authority, a regional commission or other regional government unit, or a combination of these governmental units.

Subd. 2. **Prohibited conduct; penalty.** ~~Whoever~~ (a) A person who causes damage to the physical property of a critical public service facility, utility, or pipeline with the intent to ~~significantly~~ disrupt the operation of or the provision of services by the facility, utility, or pipeline and without the consent of one authorized to give consent, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

(b) A person who alters the equipment or physical operations of a pipeline with the intent to disrupt the operation of or the provision of services by the pipeline and without the consent of one authorized to give consent is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $20,000, or both.

(c) Nothing in this section shall be interpreted to prohibit any of the following: (1) action by a member of a labor organization in the course of a labor dispute, including picketing, handbilling, bannering, work stoppages, or strikes, as long as the member does not cause damage to the physical property or alter the equipment or physical operations of a critical public service facility, utility, or pipeline with the intent to disrupt its operations or provision of services; (2) access to property by a representative of a labor organization under a worksite visitation clause of a collective bargaining agreement; (3) access to property by a representative of a building trades labor or management organization; or (4) conduct protected by United States Code, title 29, section 157, including labor-organizing activity.

Subd. 3. **Detention authority; immunity.** An employee or other person designated by a critical public service facility, utility, or pipeline to ensure the provision of services by the critical public service facility or the safe operation of the equipment or facility of the utility or pipeline who has reasonable cause to believe that a person is violating this section may detain the person as provided in this subdivision. The person detained must be promptly informed of the purpose of the detention and may not be subjected to unnecessary or unreasonable force or interrogation. The employee or other designated person must notify a peace officer promptly of the detention and may only detain the person for a reasonable period of time. No employee ~~or other~~, designated person, or employer of the employee or designated person is criminally or civilly liable for any detention that the employee or person reasonably believed was authorized by and conducted in conformity with this subdivision.

Subd. 4. **Restitution.** The court may order a person convicted of violating this section to pay restitution for the costs and expenses resulting from the crime.

**EFFECTIVE DATE.** This section is effective June 15, 2019, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2018, section 609.6055, is amended to read:

**609.6055 TRESPASS ON CRITICAL PUBLIC SERVICE FACILITY; UTILITY; OR PIPELINE.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Critical public service facility" includes buildings and other physical structures, and fenced in or otherwise enclosed property, of railroad yards and stations, bus stations, airports, and other mass transit facilities; oil refineries; and storage areas or facilities for hazardous materials, hazardous substances, or hazardous wastes. The term also includes nonpublic portions of bridges. The term does not include railroad tracks extending beyond a critical public service facility.

(c) "Pipeline" includes an aboveground pipeline, a belowground pipeline housed in an underground structure, and any equipment, facility, or building located in this state that is used to transport natural or synthetic gas, crude petroleum or petroleum fuels or oil or their derivatives, or hazardous liquids, to or within a distribution, refining, manufacturing, or storage facility that is located inside or outside of this state. Pipeline does not include service lines.

(d) "Utility" includes:

(1) any organization defined as a utility in section 216C.06, subdivision 18;

(2) any telecommunications carrier or telephone company regulated under chapter 237; and

(3) any local utility or enterprise formed for the purpose of providing electrical or gas heating and power, telephone, water, sewage, wastewater, or other related utility service, which is owned, controlled, or regulated by a town, a statutory or home rule charter city, a county, a port development authority, the Metropolitan Council, a district heating authority, a regional commission or other regional government unit, or a combination of these governmental units.

The term does not include property located above buried power or telecommunications lines or property located below suspended power or telecommunications lines, unless the property is fenced in or otherwise enclosed.

(e) "Utility line" includes power, telecommunications, and transmissions lines as well as related equipment owned or controlled by a utility.

Subd. 2. **Prohibited conduct; penalty.** (a) ~~Whoever~~ A person who enters or is found upon property containing or upon which is being constructed a critical public service facility, utility, or pipeline, without claim of right or consent of one who has the right to give consent to be on the property, is guilty of a gross misdemeanor, if:

(1) the person refuses to depart from the property on the demand of one who has the right to give consent;

(2) within the past six months, the person had been told by one who had the right to give consent to leave the property and not to return, unless a person with the right to give consent has given the person permission to return; or

(3) the property is posted.

(b) A person who enters or is found upon property containing or upon which is being constructed: (1) a petroleum refinery, as defined in section 115C.02, subdivision 10a, including buildings and other physical structures, or fenced in or otherwise enclosed property of that petroleum refinery; or (2) a pipeline, with the intent to disrupt the operation of, provision of services by, or construction of the petroleum refinery or pipeline, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

~~(b) Whoever~~ (c) A person who enters an underground structure that (1) contains a utility line or pipeline and (2) is not open to the public for pedestrian use, without claim of right or consent of one who has the right to give consent to be in the underground structure, is guilty of a gross misdemeanor. The underground structure does not need to be posted for this paragraph to apply.

(d) Nothing in this section shall be interpreted to prohibit any of the following: (1) action by a member of a labor organization in the course of a labor dispute, including picketing, handbilling, bannering, work stoppages, or strikes, as long as the member does not cause damage to the physical property or alter the equipment or physical operations of a critical public service facility, utility, or pipeline with the intent to disrupt its operations or provision of services; (2) access to property by a representative of a labor organization under a worksite visitation clause of a collective bargaining agreement; (3) access to property by a representative of a building trades labor or management organization; and (4) conduct protected by United States Code, title 29, section 157, including labor-organizing activity.

Subd. 3. **Posting.** For purposes of this section, a critical public service facility, utility, or pipeline is posted if there are signs that:

(1) state "no trespassing" or similar terms;

(2) display letters at least two inches high;

(3) state that Minnesota law prohibits trespassing on the property; and

(4) are posted in a conspicuous place and at intervals of 500 feet or less.

Subd. 4. **Detention authority; immunity.** An employee or other person designated by a critical public service facility, utility, or pipeline to ensure the provision of services by the critical public service facility or the safe operation of the equipment or facility of the utility or pipeline who has reasonable cause to believe that a person is violating this section may detain the person as provided in this subdivision. The person detained must be promptly informed of the purpose of the detention and may not be subjected to unnecessary or unreasonable force or interrogation. The employee or other designated person must notify a peace officer promptly of the detention and may only detain the person for a reasonable period of time. No employee ~~or other~~, designated person, or employer of the employee or designated person is criminally or civilly liable for any detention that the employee or person reasonably believed was authorized by and conducted in conformity with this subdivision.

Subd. 5. **Arrest authority.** A peace officer may arrest a person without a warrant if the officer has probable cause to believe the person violated this section within the preceding four hours. The arrest may be made even though the violation did not occur in the presence of the peace officer.

Subd. 6. **Restitution.** The court may order a person convicted of violating this section to pay restitution for the costs and expenses resulting from the crime.

**EFFECTIVE DATE.** This section is effective June 15, 2019, and applies to crimes committed on or after that date.

Sec. 13. Laws 2017, chapter 94, article 10, section 28, is amended to read:

Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR THERMAL REBATES.**

(a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner of a solar thermal system whose application was approved by the commissioner of commerce after the effective date of this act.

(b) Unspent money remaining in the account established under Minnesota Statutes 2014, section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable development account established under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

Sec. 14. Laws 2017, chapter 94, article 10, section 29, is amended to read:

Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF UNEXPENDED GRANT FUNDS.**

(a) No later than 30 days after the effective date of this section, the utility subject to Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person who received a grant funded from the renewable development account previously established under that subdivision:

(1) after January 1, 2012; and

(2) before January 1, 2012, if the funded project remains incomplete as of the effective date of this section.

The notice must contain the provisions of this section and instructions directing grant recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~ renewable development account.

(b) A recipient of a grant from the renewable development account previously established under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after receiving the notice required under paragraph (a), transfer any grant funds that remain unexpended as of the effective date of this section to the ~~clean energy advancement fund~~ renewable development account if, by that effective date, all of the following conditions are met:

(1) the grant was awarded more than five years before the effective date of this section;

(2) the grant recipient has failed to obtain control of the site on which the project is to be constructed;

(3) the grant recipient has failed to secure all necessary permits or approvals from any unit of government with respect to the project; and

(4) construction of the project has not begun.

(c) A recipient of a grant from the renewable development account previously established under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds that remain unexpended five years after the grant funds are received by the grant recipient if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary of the receipt of the grant funds.

(d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable development account under this section is eligible to apply for funding from the ~~clean energy advancement fund~~ renewable development account.

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

Sec. 15. **DEPARTMENT OF COMMERCE; USE OF APPROPRIATIONS; PROHIBITION.**

The commissioner of commerce is prohibited from using appropriations to the Department of Commerce to fund any activities related to, or supporting the preparation or filing of, an appeal of a Public Utilities Commission order issuing a certificate of need in Docket No. PL-9/CN-14-916 to the court of appeals or supreme court.

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

Sec. 16. **LEGISLATIVE ENERGY COMMISSION; MINNESOTA ENERGY GOALS ANALYSIS.**

(a) The Legislative Energy Commission is requested to examine the opportunities and challenges of increasing either: (1) the renewable energy standard established in Minnesota Statutes, section 216B.1691, subdivision 2a; or (2) the state's greenhouse gas emissions-reductions goals established in Minnesota Statutes, section 216H.02, subdivision 1. In conducting their analysis, the commission shall consult with stakeholders, representatives from the public, and technical and scientific experts.

(b) The commission is requested to complete its examination so that any recommendations for legislation are completed by January 15, 2020.

## ARTICLE 9
## CONSERVATION IMPROVEMENT PROGRAMS

Section 1. **[216B.2402] CONSERVATION IMPROVEMENT PROGRAMS FOR CONSUMER-OWNED UTILITIES.**

Subdivision 1. **Definitions.** For the purpose of this section, the terms defined in this subdivision have the meanings given to them:

(a) "Consumer-owned utility" means a municipal gas utility, a municipal electric utility, or a cooperative electric association.

(b) "Cumulative lifetime savings" means the total electric energy or natural gas savings in a given year from energy conservation improvements installed that year or in previous years that are still operational and providing savings in that year because the measures have not reached the end of their useful lives.

(c) "Efficient electrification or conversion improvement" means a project that (1) results in converting a customer from use of a fuel to the use of electric energy or natural gas sold at retail by a utility subject to this section, resulting in a net increase of the use of electric energy or natural gas and a net decrease in energy consumption overall on a fuel-neutral basis, and (2) otherwise meets the criteria established in subdivision 8. An efficient electrification improvement requires the installation of equipment that utilizes electric energy or natural gas, resulting in a reduction or elimination of use of the previous fuel.

(d) "Electric utility infrastructure projects" means projects owned by a consumer-owned utility that replace or modify existing electric utility infrastructure, including utility-owned buildings, if the replacement or modification conserves energy or uses energy more efficiently.

(e) "Energy conservation" means an action that results in a net reduction in electric energy or natural gas consumption.

(f) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat that is recovered and converted into electricity, but does not include electric utility infrastructure projects approved by the commission under section 216B.1636. Energy conservation improvement includes waste heat recovered and used as thermal energy.

(g) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis, without a reduction in the quality level of service provided to the energy consumer.

(h) "Fuel" means energy consumed by a retail utility customer. Fuel includes electricity, propane, natural gas, heating oil, gasoline, or diesel fuel.

(i) "Fuel neutral" means an approach that compares the use of various fuels for a given end use, using a common metric.

(j) "Gross annual retail energy sales" means the total annual sale of electric to all retail customers in a utility's or association's Minnesota service territory or, natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. Gross annual retail energy sales does not include:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under subdivision 13, with respect to natural gas sales made to the large customer facility; and

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under subdivision 13, with respect to natural gas sales made to the commercial gas customer facility;

(2) electric sales to a large customer facility whose electric utility has been exempted by the commissioner under subdivision 13, with respect to electric sales made to the large facility; and

(3) increased electric or natural gas sales from efficient electrification or conversion caused by a utility program.

(k) "Large customer facility" means all buildings, structures, equipment, and installations at a single site that collectively (1) impose a peak electrical demand on an electric utility's system of at least 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electric demand for billing purposes, or (2) consume at least 500,000,000 cubic feet of natural gas annually. When calculating peak electrical demand, a large customer facility may include demand offset by on-site cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy demand from the large customer facility's mining processing operations.

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

(m) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to local and regional energy system conditions, or to reduce peak demand for electric energy or natural gas. Load management that reduces overall energy use is also energy conservation.

(n) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters and entities that serve low-income customers."Low-income" is defined as 60 percent of state median income, notwithstanding the criteria established in subdivision 5, paragraph (e). Multifamily buildings of five units or more that are rented by low-income persons are eligible to be served through low-income programs, which may include the upgrading of appliances, heating and air conditioning equipment, and building envelope improvements.

(o) "Member" has the meaning given to it in section 308B.005, subdivision 15.

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

(q) "Source energy" means the total amount of fuel required for a given purpose, considering energy losses in the production, transmission, and delivery of that energy.

(r) "Waste heat recovered and used as thermal energy" means capturing heat energy that would be exhausted or dissipated to the environment from machinery, buildings, or industrial processes, and productively using the recovered thermal energy where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

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

Subd. 2. **Applicability.** This section applies to:

(1) a cooperative electric association that provides retail service to more than 5,000 members;

(2) a municipality that provides electric service to more than 1,000 retail customers; and

(3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales to natural gas retail customers.

Subd. 3. **Savings goal.** (a) Each individual consumer-owned utility subject to this section has an annual energy savings goal equivalent to 1.5 percent of gross annual retail energy sales.

(b) A consumer-owned utility's savings goal is satisfied when the consumer-owned utility achieves a savings equivalent of at least three-quarters of one percent of the consumer-owned utility's gross annual retail energy sales from energy conservation improvements, and up to three-quarters of one percent from the following utility activities:

(1) energy savings from additional energy conservation improvements;

(2) electric utility infrastructure projects;

(3) net energy savings from efficient electrification and conversion improvements that meet the criteria under subdivision 8; or

(4) CIP solar rebates that meet the criteria provided under subdivision 9.

(c) The energy savings goals specified must be calculated based on the most recent three-year, weather-normalized average. When determining compliance with this subdivision, a consumer-owned utility may elect to average annual energy savings over a period not to exceed five years, as specified in the plan filed under subdivision 4. A consumer-owned utility that uses annual plans may carry forward for up to five years any energy savings exceeding 1.5 percent in a single year.

(d) Nothing in this subdivision limits a utility's ability to report and recognize savings in excess of three-quarters of one percent of the utility's gross annual retail energy sales generated under paragraph (b), clauses (1), (2), and (3), provided the utility has satisfied the three-quarters of one percent savings required under paragraph (b).

(e) A consumer-owned utility subject to this section is not required to make energy conservation improvements that are not cost-effective, even if the improvement is necessary to attain the energy savings goal.

(f) A consumer-owned utility may request that the commissioner adjust its annual energy savings goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, impact on utility revenue that threatens necessary system investment, or other factors the commissioner and consumer-owned utility determines warrants an adjustment. The commissioner must adjust the savings goal to a level the commissioner determines is supported by the record.

Subd. 4. **Consumer-owned utility; energy conservation and optimization plans.** (a) By June 1, 2021, each consumer-owned utility must file an energy conservation and optimization plan with the commissioner. The plan must identify and outline the utility's intended conservation improvement program, efficient electrification or conversion improvement plans, load management plans, and other processes and programs to achieve the energy savings goal. The plan may cover a period of time not to exceed five years. For plans with a duration greater than one year, the consumer-owned utility's plan may include years where the consumer-owned utility may not achieve the annual savings goal, provided the total savings at the end of the plan meets, at a minimum, the otherwise applicable annual savings goal for the utility. Beginning June 1, 2022, and each June 1 thereafter, each consumer-owned utility must file an annual update identifying the status of, including total expenditures and investments made to date, and any intended changes to its multiyear plan filed under this subdivision. For consumer-owned utilities whose plans were completed the prior June 1, a summary of the plan's result must be filed. A summary for a completed plan's result must also be filed. The summary for a completed plan must include: (1) the total savings achieved under the plan; (2) a breakdown of total expenditures and investments made; and (3) a brief discussion regarding where the utility achieved the greatest savings and, if areas exist where savings were less than anticipated under the plan, where the shortage occurred and what the suspected reason for the shortage is. For consumer-owned utilities that fall short of the total applicable savings goal, the final report or update on that plan must indicate where the actual savings differed from anticipated savings, any known reasons for the shortfall, and any identified changes that utility will make in future plans filed under this subdivision to reach the identified savings goal. A consumer-owned utility must file a new plan under this paragraph by June 1 of the year following the completion of the consumer-owned utility's most recently completed plan.

(b) Energy savings from electric utility infrastructure projects or waste heat recovery converted into electricity projects that may count as energy savings may be included in a plan submitted under paragraph (a). A consumer-owned electric facility's infrastructure project must result in increased energy efficiency greater than would have occurred during normal maintenance activities.

(c) Energy savings from thermal-to-electric efficient electrification or conversion improvement programs must be stated in kilowatt-hours, using a conversion rate of 3,412 British thermal units to one kilowatt-hour.

(d) A consumer-owned utility must not spend or invest in energy conservation improvements that directly benefit large energy facility or a large electric customer facility the commissioner has issued an exemption to under subdivision 13.

(e) A generation and transmission cooperative electric association, a municipal power agency, or a comparable organization that provides energy services to consumer-owned utilities may invest in energy conservation improvements on behalf of the consumer-owned utilities it serves and may fulfill all aspects of the conservation, reporting, and energy-saving goals for any of the consumer-owned utilities on an aggregate basis.

Subd. 5. **Low-income programs.** (a) Each consumer-owned utility subject to this section must provide low-income energy conservation programs. When approving spending and energy-savings goals for low-income energy conservation programs, the consumer-owned utility must consider historic spending and participation levels, energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A municipal utility that furnishes gas service must spend at least 0.2 percent off its most recent three-year average gross operating revenue from residential customers in Minnesota on low-income programs. A consumer-owned utility that furnishes electric service must spend at least 0.2 percent of its gross operating revenue from residential customers in

Minnesota on low-income programs. This requirement applies to each generation and transmission cooperative association's members' aggregate gross operating revenue from the sale of electricity to residential customers in Minnesota.

(b) To meet the requirements of paragraph (a), a consumer-owned utility may contribute money to the energy and conservation account in section 216B.241, subdivision 2a. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the utility plans to contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 each year.

(c) The commissioner must establish low-income programs to use money contributed to the energy and conservation account under paragraph (b). When establishing low-income programs, the commissioner must consult political subdivisions, utilities, and nonprofit and community organizations, including organizations engaged in providing energy and weatherization assistance to low-income persons. Money contributed to the energy and conservation account under paragraph (b) must provide programs for low-income persons, including low-income renters, located in the service territory of the utility or association providing the money. The commissioner must record and report expenditures and energy savings achieved as a result of low-income programs funded through the energy and conservation account in the report required under section 216B.241, subdivision 1c, paragraph (g). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or cooperative electric association to implement low-income programs funded through the energy and conservation account.

(d) A consumer-owned utility may petition the commissioner to modify its required spending under this subdivision if the utility and the commissioner were unable to expend the amount required for three consecutive years.

(e) For purposes of this subdivision, "multifamily building" is defined as a residential building with five or more dwelling units. For purposes of determining eligibility for multifamily buildings in low-income programs, a utility or association may use one or more of the following:

(1) information showing that a multifamily building's units are rented to households meeting one or more of the following criteria:

(i) at or below 200 percent of federal poverty level;

(ii) at or below 60 percent of area median income;

(iii) occupancy within a building that is certified on the low-income renter classification (LIRC) assessor report compiled annually by the Minnesota Housing Finance Agency; or

(iv) occupancy within a building which has a declaration against the property requiring that a portion of the units will be rented to tenants with an annual income of less than or equal to 60 percent of area median income;

(2) a property's participation in an affordable housing program, including Low-Income Housing Tax Credits (LIHTC), United States Department of Housing and Urban Development (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing finance agency assistance, or local tax abatement for low-income properties; or

(3) documentation demonstrating that the property is on the waiting list for or currently participating in the United States Department of Energy Weatherization Assistance Program.

Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric association subject to rate regulation under section 216B.026 to recover expenses resulting from (1) a plan under this subdivision, and (2) assessments and contributions to the energy and conservation account under section 216B.241, subdivision 2a.

Subd. 7. **Ownership of energy conservation improvement.** An energy conservation improvement to or installed in a building under this section, except systems owned by the consumer-owned utility and designed to turn off, limit, or vary the delivery of energy, is the exclusive property of the building owner, except to the extent that the improvement is subject to a security interest in favor of the utility in case of a loan to the building owner. The utility has no liability for loss, damage, or injury caused directly or indirectly by an energy conservation improvement, except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 8. **Criteria for efficient electrification or conversion improvements and load management.** (a) Each consumer-owned utility subject to this section may form a technical consumer-owned utility working group to define and establish proposed programs for efficient electrification or conversion improvements and load management. A proposed program may be included in an energy conservation and optimization plan filed by the consumer-owned utility under subdivision 4. The technical consumer-owned utility working group may approve a proposed program for efficient electrification or conversion improvements if it finds the investment is cost-effective after considering the costs and benefits of the proposed investment to rate payers, the utility, participants, and society.

(b) The commission may permit a consumer-owned utility subject to rate regulation to file rate schedules providing for annual recovery of the costs of (1) efficient electrification or conversion improvement programs, and (2) cost-effective load management approved by the technical consumer-owned utility working group under subdivision 6, including reasonable and prudent costs associated with promoting and implementing a program approved under this subdivision.

(c) An efficient electrification or conversion improvement is deemed efficient if the technical consumer-owned utility working group finds the improvement, relative to the fuel that is being displaced:

(1) results in a net reduction in the cost and amount of source energy consumed for a particular use, measured on a fuel-neutral basis;

(2) results in a net reduction of statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient electrification or conversion improvement installed by an electric utility, the reduction in emissions must be measured based on the emissions profile of the utility or the utility's wholesale provider over the life of the improvement. Where applicable, the emissions profile used must be the most recent resource plan accepted by the commission under section 216B.2422;

(3) is cost-effective from a societal perspective, considering the costs associated with both the fuel used in the past and the fuel used in the future; and

(4) is planned to be installed and operated in a manner that does not unduly increase the utility's system peak demand or require significant new investment in utility infrastructure.

Subd. 9. **Criteria for CIP solar rebates.** (a) Each consumer-owned utility subject to this section may claim energy savings credit equal to the amount of energy produced by solar photovoltaic facilities for which the utility has issued a CIP solar rebate. For purposes of this section, a "CIP solar rebate" is a payment from a utility subject to this section to a customer for the purchase or installation of solar photovoltaic equipment used on the customer's premise.

(b) The total solar photovoltaic generation system annual energy production kilowatt hours alternating current is limited to 100 percent of the customer's on-site annual electric energy consumption based on standard 15-minute intervals, measured during the previous 12 calendar months, or on a reasonable estimate of the average monthly maximum demand or average annual consumption if the customer has either: (1) less than 12 calendar months of actual electric usage; or (2) no demand metering available.

Subd. 10. **Manner of filing and service.** (a) A consumer-owned utility must submit the filings required by this section to the department using the department's electronic filing system. The commissioner may exempt a consumer-owned utility from this requirement if the utility is unable to submit filings using the department's electronic filing system. All other interested parties must submit filings to the department using the department's electronic filing system whenever practicable, but may also file by personal delivery or by mail.

(b) The submission of a document to the department's electronic filing system constitutes service on the department. If a department rule requires service of a notice, order, or other document by the department, utility, or interested party upon persons on a service list maintained by the department, service may be made by personal delivery, mail, or electronic service, except that electronic service may only be made to persons on the service list that have previously agreed in writing to accept electronic service at an electronic address provided to the department for electronic service purposes.

Subd. 11. **Assessment.** (a) The commission or department may assess utilities subject to this section to carry out the purposes of section 216B.241, subdivision 1d. An assessment under this paragraph must be proportionate to the utility's respective gross operating revenue from sales of gas or electric service in Minnesota during the previous calendar year.

(b) The commission or department may annually assess a utility subject to this section to carry out the purposes of section 216B.241, subdivisions 1e and 1f, upon notice from the utility of its desire to continue the assessment. An assessment under this paragraph must be proportionate to the utility's respective gross revenue from sales of gas or electric service in Minnesota during the previous calendar year. Assessments under this paragraph are not subject to the cap on assessments provided by section 216B.62, or any other law.

Subd. 12. **Waste heat recovery; thermal energy distribution.** Subject to department approval, demand-side natural gas or electric energy displaced by use of waste heat recovered and used as thermal energy, including the recovered thermal energy from a cogeneration or combined heat and power facility, is eligible to be counted toward a consumer-owned utility's natural gas or electric savings goals.

Subd. 13. **Large customer facilities.** (a) The owner of a large customer facility may petition the commissioner to exempt municipal electric utilities, municipal gas utilities, and cooperative electric associations serving the large customer facility from the investment and expenditure requirements of the municipal electric utility, municipal gas utility, or cooperative electric association's plan under this section with respect to retail revenues attributable to the large customer facility. The filing must include a discussion of the competitive or economic pressures facing the owner of the facility and the efforts taken to identify, evaluate, and implement energy conservation and efficiency improvements. A filing submitted on or before October 1 of any year must be approved within 90 days and becomes effective January 1 of the year following the filing, unless the commissioner finds the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements. If a facility qualifies as a large customer facility solely due to its peak electrical demand or annual natural gas usage, the exemption may be limited to the qualifying utility if the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements with respect to the nonqualifying utility. Once an exemption is approved, the commissioner may request the owner of a large customer facility to submit a report demonstrating the large customer facility's ongoing commitment to energy conservation and efficiency improvement after the exemption filing. The commissioner may request a report under this paragraph not more than once every five years for up to ten years after the effective date of the exemption. If the majority ownership of the large customer facility changes, the commissioner may request additional reports for up to ten years after the change in ownership occurs. The commissioner may, within 180 days of receiving a report submitted under this paragraph, rescind any exemption granted under this paragraph upon a determination that the large customer facility is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements. A large customer facility that is exempt from the investment and expenditure requirements of this section under an order from the commissioner as of December 31, 2010, is not required to submit a report to retain its exempt status, except as otherwise provided in this paragraph with respect to ownership changes. An exempt large customer facility is prohibited from participating in a municipal electric, municipal gas, or cooperative electric association utility's conservation improvement program unless the owner of the facility files with the commissioner to withdraw its exemption.

(b) A commercial gas customer that is not a large customer facility and that purchases or acquires natural gas from a municipal gas utility may petition the commissioner to exempt the commercial gas customer from the municipal gas customer from the municipal gas utility's plan under this section with respect to gas sales attributable to the commercial gas customer. The petition must be supported by evidence demonstrating that the commercial gas customer has acquired or can reasonably acquire the capability to bypass use of the municipal utility's gas distribution system by obtaining natural gas directly from a supplier other than the municipal gas utility. The commissioner must grant the exemption if the commissioner finds the petitioner has made the demonstration required by this paragraph.

(c) A municipal electric utility, municipal gas utility, cooperative electric association, or the owner of a large customer facility may appeal the commissioner's decision under paragraph (a) or (b) to the commissioner under subdivision 2. When reviewing a decision of the commissioner under paragraph (a) or (b), the commission must rescind the decision if it finds the decision is not in the public's interest.

(d) A municipal electric utility, municipal gas utility, or cooperative electric association is prohibited from spending for or investing in energy conservation improvements that directly benefit a large facility or a large electric customer facility that the commissioner has issued an exemption for under this section.

Sec. 2. Minnesota Statutes 2018, section 216B.241, subdivision 1c, is amended to read:

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

(b) Each individual public utility ~~and association~~ shall have an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales ~~unless modified by the commissioner under paragraph (d)~~. The savings goals must be calculated based on the most recent three-year weather-normalized average. A public utility ~~or association~~ may elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar years, except that savings from electric utility infrastructure projects allowed under paragraph ~~(d)~~ (c) may be carried forward for five years. A particular energy savings can be used only for one year's goal.

~~(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy-savings plan by calendar year 2010.~~

~~(d)~~ (c) In its energy conservation improvement plan filing, a public utility ~~or association~~ may request the commissioner to adjust its annual energy-savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment. The commissioner may not approve a plan of a public utility that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

A public utility ~~or association~~ may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects that may count as energy savings in addition to a minimum energy-savings goal of at least one percent for energy conservation improvements. ~~Energy savings from electric utility infrastructure projects, as defined in section 216B.1636, may be included in the energy conservation plan of a municipal utility or cooperative electric association.~~ Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

~~(e) An~~ (d) A public utility's energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

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

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

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

~~(i) This subdivision does not apply to:~~

~~(1) a cooperative electric association with fewer than 5,000 members;~~

~~(2) a municipal utility with fewer than 1,000 retail electric customers; or~~

~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales to retail natural gas customers.~~

Sec. 3. Minnesota Statutes 2018, section 216B.241, subdivision 1d, is amended to read:

Subd. 1d. **Technical assistance.** ~~(a)~~ The commissioner shall evaluate energy conservation improvement programs under this section and section 216B.2402 on the basis of cost-effectiveness and the reliability of the technologies employed. The commissioner shall, by order, establish, maintain, and update energy-savings assumptions that must be used when filing energy conservation improvement programs. The commissioner shall establish an inventory of the most effective energy conservation programs, techniques, and technologies, and encourage all Minnesota utilities to implement them, where appropriate, in their service territories. The commissioner shall describe these programs in sufficient detail to provide a utility reasonable guidance concerning implementation. The commissioner shall prioritize the opportunities in order of potential energy savings and in order of cost-effectiveness. The commissioner may contract with a third party to carry out any of the commissioner's duties under this subdivision, and to obtain technical assistance to evaluate the effectiveness of any conservation improvement program. The commissioner may assess up to ~~$850,000~~ $450,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

~~(b) Of the assessment authorized under paragraph (a), the commissioner may expend up to $400,000 annually for the purpose of developing, operating, maintaining, and providing technical support for a uniform electronic data reporting and tracking system available to all utilities subject to this section, in order to enable accurate measurement of the cost and energy savings of the energy conservation improvements required by this section. This paragraph expires June 30, 2018.~~

Sec. 4. Minnesota Statutes 2018, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a three-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every three years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility subject to subdivision 1c to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a public utility to undertake a program suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization.

(e) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(f) The commissioner may order a public utility to include, with the filing of the utility's annual status report, the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

(g) A gas utility may not spend for or invest in energy conservation improvements that directly benefit a large customer facility or commercial gas customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or (e). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision, a nonprofit corporation, or a community organization.

Sec. 5. Minnesota Statutes 2018, section 216B.241, subdivision 2b, is amended to read:

Subd. 2b. **Recovery of expenses.** The commission shall allow a public utility to recover expenses resulting from a conservation improvement program required by the department and contributions and assessments to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. The commission shall allow a cooperative electric association subject to rate regulation under section 216B.026, to recover expenses resulting from energy conservation improvement programs, load management programs, and assessments and contributions to the energy and conservation account unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a public utility may file annually, or the Public Utilities Commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), for that year for energy conservation improvements under this section.

Sec. 6. Minnesota Statutes 2018, section 216B.241, subdivision 3, is amended to read:

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

Sec. 7. Minnesota Statutes 2018, section 216B.241, subdivision 7, is amended to read:

Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public utility ~~and association~~ subject to subdivision 1c provides low-income programs. When approving spending and energy-savings goals for low-income programs, the commissioner shall consider historic spending and participation levels, energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A ~~municipal utility that furnishes gas service must spend at least 0.2 percent, and a~~ public utility furnishing gas service must spend at least ~~0.4~~ 0.8 percent, of its most recent three-year average gross operating revenue from residential customers in the state on low-income programs. A public utility ~~or association~~ that furnishes electric service must spend at least ~~0.1~~ 0.4 percent of its gross operating revenue from residential customers in the state on low-income programs. ~~For a generation and transmission cooperative association, this requirement shall apply to each association's members' aggregate gross operating revenue from sale of electricity to residential customers in the state. Beginning in 2010, A utility or association that furnishes electric service must spend 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs.~~

(b) To meet the requirements of paragraph (a), a public utility ~~or association~~ may contribute money to the energy and conservation account. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the public utility ~~or association~~ will contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 of each year.

(c) The commissioner shall establish low-income programs to utilize money contributed to the energy and conservation account under paragraph (b). In establishing low-income programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. Money contributed to the energy and conservation account under paragraph (b) must provide programs for low-income persons, including low-income renters, in the service territory of the public utility ~~or association~~ providing the money. The commissioner shall record and report expenditures and energy savings achieved as a result of low-income programs funded through the energy and conservation account in the report required under subdivision 1c, paragraph (g). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or cooperative electric association to implement low-income programs funded through the energy and conservation account.

(d) A public utility ~~or association~~ may petition the commissioner to modify its required spending under paragraph (a) if the utility or association and the commissioner have been unable to expend the amount required under paragraph (a) for three consecutive years.

(e) For purposes of this subdivision, "multifamily building" is defined as a residential building with five or more dwelling units. For purposes of determining eligibility for multifamily buildings in low-income programs, a utility or association may use one or more of the following:

(1) information showing that a multifamily building's units are rented to households meeting one of the following criteria:

(i) are at or below 200 percent of federal poverty level;

(ii) are at or below 60 percent of area median income;

(iii) have occupancy within a building that is certified on the low-income renter classification (LIRC) assessor report compiled annually by Minnesota Housing Finance Agency; or

(iv) have occupancy within a building which has a declaration against the property requiring that a portion of the units will be rented to tenants with an annual income of less than or equal to 60 percent of area median income;

(2) a property's participation in an affordable housing program, including Low-Income Housing Tax Credits (LIHTC), United States Department of Housing and Urban Development (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing finance agency assistance, or local tax abatement for low-income properties; or

(3) documentation demonstrating that the property is on the waiting list for or currently participating in the United States Department of Energy Weatherization Assistance Program.

(f) Up to 15 percent of a public utility's spending on low-income programs may be used for preweatherization measures. For purposes of this section, "preweatherization measures" are improvements necessary to allow energy conservation improvements to be installed in a home:

(1) the commissioner shall, by order, establish a list of qualifying preweatherization measures eligible for inclusion in low-income programs no later than March 15, 2020; and

(2) a public utility may elect to contribute money to the Healthy AIR program. Money contributed to the fund will count toward the minimum low-income spending requirement in paragraph (a) and toward the cap on preweatherization measures.

~~(e)~~ (g) The costs and benefits associated with any approved low-income gas or electric conservation improvement program that is not cost-effective when considering the costs and benefits to the utility may, at the discretion of the utility, be excluded from the calculation of net economic benefits for purposes of calculating the financial incentive to the utility. The energy and demand savings may, at the discretion of the utility, be applied toward the calculation of overall portfolio energy and demand savings for purposes of determining progress toward annual goals and in the financial incentive mechanism.

Sec. 8. **REPEALER.**

Minnesota Statutes 2018, section 216B.241, subdivision 1b, is repealed.

## ARTICLE 10
## RENEWABLE DEVELOPMENT

Section 1. Minnesota Statutes 2018, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

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

(c) ~~Except as provided in subdivision 1a,~~ Beginning January 15, ~~2018~~ 2020, and continuing each January 15 thereafter, the public utility that owns the Prairie Island and Monticello nuclear generating ~~plant~~ plants must transfer to the renewable development account ~~$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for~~ the following amounts each year ~~the~~ either plant is in operation~~, and $7,500,000 each year the plant is not in operation~~: (1) $33,000,000 in 2020; (2) $31,000,000 in 2021; and (3) $20,000,000 in 2022 and each year thereafter. If ordered by the commission pursuant to paragraph ~~(i).~~ (h), the public utility must transfer $7,500,000 each year the Prairie Island plant is not in operation and $5,250,000 each year the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or Monticello for any part of a year.

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

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

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

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

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

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

(i) The public utility must annually file with the commission a petition to recover through a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f) for the next year. The commission must approve a reasonable cost recovery schedule for all funds under this paragraph.

(j) On or before January 15 of each year, the public utility must file a petition with the commission identifying the amounts withheld by the public utility the prior year under paragraph (d) and the amount actually paid the prior year for obligations identified in paragraph (d). If the amount actually paid is less than the amount withheld, the public utility must deduct the surplus from the amount withheld for the current year under paragraph (d). If the amount actually paid is more than the amount withheld, the public utility must add the deficiency amount to the amount withheld for the current year under paragraph (d). Any surplus remaining in the account after all programs identified in paragraph (d) are terminated must be returned to the public utility's customers.

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

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

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

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

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

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

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

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

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

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

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

(n) The cost to acquire the services of the independent third-party expert described in paragraph (m), and any other reasonable costs incurred to administer the advisory group and its actions required by this section, must be paid from funds withheld by the public utility under paragraph (d). The total amount withheld under this paragraph must not exceed $125,000 each year.

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

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

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

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

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

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

(s) By June 1, 2019, and each June 1 thereafter, the public utility that owns the Prairie Island nuclear electric generating plant must submit to the commissioner of management and budget an estimate of the amount the public utility will deposit into the account January 15 the next year, based on the provisions of paragraphs (c) to (h) and any appropriations made from the fund during the most recent legislative session.

~~(q)~~ (t) By ~~February 1 , 2018~~ June 30, 2019, and each ~~February 1~~ June 30 thereafter, the commissioner of management and budget ~~shall~~ must estimate the balance in the account as of the following January 31, taking into account the balance in the account as of June 30 and the information provided under paragraph (r). By July 15, 2019, and each July 15 thereafter, the commissioner of management and budget must submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group. If more than $15,000,000 is estimated to be available in the account as of January 31, the advisory group must, by January 31 the next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph (k).

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

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

~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

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

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

Sec. 2. **[116J.55] COMMUNITY ENERGY TRANSITION GRANTS.**

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

(b) "Advisory council" means the Community Energy Transition Grant Advisory Council created in this section.

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

(d) "Eligible community" means a county, municipality, or tribal government located within a county that hosts an investor-owned electric generating plant powered by coal, nuclear energy, or natural gas.

Subd. 2. **Establishment.** The commissioner shall establish a community energy transition grant program to award grants to promote economic development in eligible communities.

Subd. 3. **Funding.** (a) A community energy transition account is created in the special revenue fund in the state treasury. Money in the account is appropriated to the commissioner for grants as provided in this section and must be expended only as provided in this section.

(b) On July 1, 2020, $500,000 and then on July 1, 2021, and on each July 1 thereafter, $1,000,000 is transferred from the renewable development account under section 116C.779 to the commissioner for deposit in the community energy transition account. This transfer must be made before any other payments or transfers required under section 116C.779.

(c) Grants to eligible communities in which an investor-owned electric generating plant is located but has not been scheduled for retirement or decommissioning may not exceed $1,000,000. Grants to eligible communities in which an investor-owned electric generating plant is located and is scheduled for retirement or decommissioning may not exceed $5,000,000.

(d) Unless amounts are otherwise appropriated for administrative costs, the commissioner of employment and economic development may retain up to five percent of the amount appropriated for grants under this section for administrative and personnel costs.

Subd. 4. **Cancellation of grant; return of grant money.** If after five years, the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project. Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

Subd. 5. **Grants to eligible communities.** (a) The commissioner must award grants to eligible communities through a competitive grant process. Eligible communities must be located in the service territory of the public utility subject to section 116C.779.

(b) To receive grant funds, an eligible community must submit a written application to the commissioner, using a form developed by the commissioner.

(c) The commissioner must consider the recommendations of the Community Energy Transition Grant Advisory Council before selecting grant recipients.

(d) Grants must be used to plan for or address the economic and social impact on the community of plant retirement or transition. Specific uses may include but are not limited to:

(1) research;

(2) planning;

(3) studies;

(4) capital improvements; and

(5) incentives for businesses to open, relocate, or expand.

Subd. 6. **Priorities.** (a) In evaluating projects, the advisory council shall give priority to eligible projects with one or more of the following characteristics:

(1) the potential of the eligible community to attract a viable business;

(2) the potential increase in the property tax base of the eligible community, considered relative to the fiscal impact of the retirement of the electric generating plant located in the eligible community;

(3) the extent to which the grant will assist the eligible community in addressing the fiscal and social impacts of plant retirement; and

(4) the extent to which the grant will help the state transition away from fossil fuels.

(b) The factors listed in paragraph (a) are not ranked in order of priority. The commissioner may weigh each factor, depending upon the facts and circumstances, as appropriate. The commissioner may consider other factors that support the goals of this program.

Subd. 7. **Advisory council.** (a) By September 1, 2019, the commissioner shall appoint representatives to a Community Energy Transition Grant Advisory Council composed of the following members:

(1) the commissioner of employment and economic development, or a designee;

(2) the commissioner of transportation, or a designee;

(3) the commissioner of the Minnesota Pollution Control Agency, or a designee;

(4) the commissioner of natural resources, or a designee;

(5) the commissioner of commerce, or a designee;

(6) one representative of the Prairie Island Indian community;

(7) two representatives of workers at investor-owned electric generating plants powered by coal, nuclear energy, or natural gas; and

(8) four representatives of eligible communities, of which, two must be counties, two must be municipalities, at least one must host a coal plant, at least one must host a nuclear plant, and at least one must host a natural gas plant.

After the initial appointments, members of the advisory council shall be appointed no later than January 15 of every odd-numbered year and shall serve until January 15 of the next odd-numbered year. Members may be removed and vacancies filled as provided in section 15.059, subdivision 4. Appointed members are eligible for reappointment.

(b) The advisory council shall elect a chair and other officers at its first meeting.

(c) The advisory council shall review applications for community energy transition grants and make recommendations to the commissioner of employment and economic development.

(d) The commissioner of employment and economic development shall select projects from the recommendations made by the advisory council under this subdivision with consideration given to the priorities listed in subdivision 6.

(e) A member of the advisory council must not participate in the consideration of an application from the community that member represents.

(f) Members of the advisory council serve without compensation or payment of expenses.

(g) The commissioner of employment and economic development or the commissioner's designee shall provide meeting space and administrative services for the advisory council. All costs necessary to support the advisory council's operations must be absorbed using existing appropriations available to the commissioner.

(h) The advisory council is subject to chapter 13D, but may close a meeting to discuss sensitive private business information included in grant applications. Data related to an application for a grant submitted to the advisory council is governed by section 13.599.

(i) The commissioner shall convene the first meeting of the advisory council no later than September 1, 2019.

Subd. 8. **Reports to the legislature.** By January 15, 2021, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details the use of grant funds. When possible, this report must include data on the economic impact achieved by each grant.

Sec. 3. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to read:

Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the commission under this section to recover costs associated with the implementation of an energy storage system pilot project. As part of the petition, the public utility must submit a report to the commission containing, at a minimum, the following information regarding the proposed energy storage system pilot project:

(1) the storage technology utilized;

(2) the energy storage capacity and the duration of output at that capacity;

(3) the proposed location;

(4) the purchase and installation costs;

(5) how the project will interact with existing distributed generation resources on the utility's grid; and

(6) the goals the project proposes to achieve, which may include controlling frequency or voltage, mitigating transmission congestion, providing emergency power supplies during outages, reducing curtailment of existing renewable energy generators, and reducing peak power costs.

(b) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with energy storage system pilot projects approved by the commission under this subdivision. A petition filed under this subdivision must include the elements listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must describe the benefits of the pilot project.

(c) The commission may approve, or approve as modified, a rate schedule filed under this subdivision. The rate schedule filed by the public utility may include the elements listed in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

(d) For each pilot project that the commission has found to be in the public interest, the commission must make its determination on the specific amounts that are eligible for recovery under the approved rate schedule within 90 days of final approval of the specific pilot program or within 90 days of the public utility filing for approval of cost recovery for the specific pilot program, whichever is later.

(e) Nothing in this subdivision prohibits or deters the deployment of energy storage systems.

(f) For the purposes of this subdivision:

(1) "energy storage system" has the meaning given in section 216B.2422, subdivision 1; and

(2) "pilot project" means a project that is owned, operated, and controlled by a public utility to optimize safe and reliable system operations and is deployed at a limited number of locations in order to assess the technical and economic effectiveness of its operations.

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

Sec. 4. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

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

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

(1) wind;

(2) solar;

(3) geothermal;

(4) hydro;

(5) trees or other vegetation;

(6) landfill gas; or

(7) predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

<u>(f) "Energy storage system" means a commercially available technology that:</u>

<u>(1) uses mechanical, chemical, or thermal processes to:</u>

<u>(i) store energy, including energy generated from renewable resources and energy that would otherwise be wasted, and deliver the stored energy for use at a later time; or</u>

<u>(ii) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time;</u>

<u>(2) is composed of stationary equipment;</u>

(3) if being used for electric grid benefits, is operationally visible and capable of being controlled by the distribution or transmission entity managing it, to enable and optimize the safe and reliable operation of the electric system; and

(4) achieves any of the following:

(i) reduces peak or electrical demand;

(ii) defers the need or substitutes for an investment in electric generation, transmission, or distribution assets;

(iii) improves the reliable operation of the electrical transmission or distribution systems, while ensuring transmission or distribution needs are not created; or

(iv) lowers customer costs by storing energy when the cost of generating or purchasing it is low and delivering it to customers when those costs are high.

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

Sec. 5. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision to read:

Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a resource plan under subdivision 2 must include in the filing an assessment of energy storage systems that analyzes how the deployment of energy storage systems contributes to:

(1) meeting identified generation and capacity needs; and

(2) evaluating ancillary services.

(b) The assessment must employ appropriate modeling methods to enable the analysis required in paragraph (a).

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

Sec. 6. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(d) "School" means a school that operates as part of an independent or special school district.

(e) "School district" means an independent or special school district.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing their cost, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** (a) A solar for schools program account is established in the special revenue fund. Money received from the general fund must be transferred to the commissioner of commerce and credited to the account. Money deposited in the account remains in the account until expended, and does not cancel to the general fund.

(b) When a grant is awarded under this section, the commissioner shall reserve the grant amount in the account.

Subd. 4. **Expenditures.** (a) Money in the account may be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

(b) Grant awards made with funds in the account are to be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to the school building that will consume the electricity generated by the solar energy system, on property within the service territory of the utility currently providing electric service to the school building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is proposed to be installed.

(b) A school district that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. **Application process.** (a) The commissioner shall issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the school building on which the solar energy generating system is to be installed, and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(4) the total cost of purchasing and installing the solar energy system, and its life-cycle cost, including removal and disposal of system at the end of its life;

(5) a copy of the proposed contract agreement between the school and the public utility or developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum;

(7) information that demonstrates the level of need of the school district for financial assistance available under this section;

(8) information that demonstrates the readiness of the school to implement the project, including, but not limited to, the availability of the site on which the solar energy system is to be installed, and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) how the developer or public utility plans to reduce the school's initial capital expense for the purchase and installation of the solar energy system, and to provide financial benefits to the school from the utilization of federal and state tax credits, utility incentives, and other financial incentives; and

(11) any other information deemed relevant by the commissioner.

(c) The commissioner shall administer an open application process under this section at least twice annually.

(d) The commissioner shall develop administrative procedures governing the application and grant award process.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section shall provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is to be installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner shall award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant shall be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to schools under this section may be awarded to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of grants awarded under this section may be awarded to schools that are part of the same school district.

Subd. 11. **Application deadline.** No application may be submitted under this section after December 31, 2023.

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

Sec. 7. **[216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY SERVICE TERRITORY.**

Subdivision 1. **Establishment; purpose.** The utility subject to section 116C.779 shall operate a program to develop, and to supplement with additional funding, financial arrangements that allow schools to benefit from state and federal tax and other financial incentives that schools are ineligible to receive directly in order to enable schools to install and operate solar energy systems that can be used as teaching tools and integrated into the school curriculum.

Subd. 2. **Required plan.** (a) By October 1, 2019, the public utility must file a plan for the solar for schools program with the commissioner. The plan must contain but is not limited to the following elements:

(1) a description of how entities that are eligible to take advantage of state and federal tax and other financial incentives that reduce the cost of purchasing, installing, and operating a solar energy system that schools are ineligible to take advantage of directly, can share a portion of those financial benefits with schools at which a solar energy system will be installed;

(2) a description of how the public utility will utilize funds appropriated to the program under this section to provide additional financial assistance to schools at which a solar energy system will be installed;

(3) certification that the financial assistance provided under this section to a school by the public utility must include the full value of the renewable energy certificates associated with the generation of electricity by the solar energy system receiving financial assistance under this section over the lifetime of the solar energy system;

(4) an estimate of the amount of financial assistance that the public utility will provide to a school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length of time financial assistance will be provided;

(5) certification that the transaction between the public utility and the school for electricity is the buy-all/sell-all method by which the public utility will charge the school for all electricity the school consumes at the applicable retail rate schedule for sales to the school based on the school's customer class, and shall credit or pay the school at the rate established in subdivision 5;

(6) administrative procedures governing the application and financial benefit award process, and the costs the public utility and the department are projected to incur to administer the program;

(7) the public utility's proposed process for periodic reevaluation and modification of the program; and

(8) any additional information required by the commissioner.

(b) The public utility may not implement the program until the commissioner approves the public utility's plan submitted under this subdivision. The commissioner shall approve a plan under this subdivision that the commissioner determines to be in the public interest no later than December 31, 2019. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits under this section if it meets all of the following conditions:

(1) the solar energy system must be located on or adjacent to a school building receiving retail electric service from the public utility and completely located within the public utility's electric service territory, provided that any land situated between the school building and the site where the solar energy system is installed is owned by the school district in which the school building operates; and

(2) the total aggregate nameplate capacity of all distributed generation serving the school building, including any subscriptions to a community solar garden under section 216B.1641, may not exceed the lesser of one megawatt (alternating current) or 120 percent of the average annual electric energy consumption of the school building.

Subd. 4. **Application process.** (a) A school seeking financial assistance under this section must submit an application to the public utility, including a plan for how the school will use the solar energy system as a visible learning tool for students, teachers, and visitors to the school, and how the solar energy system may be integrated into the school's curriculum.

(b) The public utility shall award financial assistance under this section on a first-come, first-served basis.

(c) The public utility shall discontinue accepting applications under this section after all funds appropriated under subdivision 5 are allocated to program participants, including funds from canceled projects.

Subd. 5. **Benefits information.** Before signing an agreement with the public utility to receive financial assistance under this section, a school must obtain from the developer and provide to the public utility information the developer shared with potential investors in the project regarding future financial benefits to be realized from installation of a solar energy system at the school, and potential financial risks.

Subd. 6. **Purchase rate; cost recovery; renewable energy credits.** (a) The public utility shall purchase all of the electricity generated by a solar energy system receiving financial assistance under this section at a rate of $.105 per kilowatt-hour generated.

(b) Payments by the public utility of the rate established under this subdivision to a school receiving financial assistance under this section are fully recoverable by the public utility through the public utility's fuel clause adjustment.

(c) The renewable energy credits associated with the electricity generated by a solar energy system installed under this section are the property of the public utility that is subject to this section.

Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided by the public utility to schools under this section may be provided to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of financial assistance provided by the public utility to schools under this section may be provided to schools that are part of the same school district.

Subd. 8. **Technical assistance.** The commissioner shall provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2023.

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

Sec. 8. **[216C.45] ELECTRIC VEHICLE CHARGING STATION REVOLVING LOAN PROGRAM.**

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

(b) "Borrower" means the state, counties, cities, other governmental entities, nonprofit organizations, and private businesses eligible under this section to apply for and receive loans from the electric vehicle charging station revolving loan fund.

(c) "Commissioner" means the commissioner of commerce.

(d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(e) "Electric vehicle charging station" means an electric component assembly or cluster of component assemblies designed specifically to charge an electric vehicle battery by transferring electric energy to a battery or a storage device in the electric vehicle.

(f) "Loan" means financial assistance provided for all or part of the cost of an electric vehicle charging station project, including money for design, development, purchase, or installation.

(g) "Facility load or submetering upgrades" means internal electric load infrastructure, load side distribution infrastructure, or submetering installations necessary to provide stable additional load needs of a property arising from the installation of electric vehicle charging stations.

Subd. 2. **Revolving loan fund.** The commissioner must establish an electric vehicle charging station revolving loan fund to make loans for all or part of the cost of an electric vehicle charging station project installed in Minnesota.

Subd. 3. **Administration.** (a) The commissioner must establish a minimum interest rate for loans to ensure that necessary loan administration costs are covered. The minimum interest rate must not exceed:

(1) one percent interest for a loan to a borrower that is the state, other governmental entity, or a nonprofit organization; or

(2) three percent interest for a loan to a borrower that is a private business.

(b) Loan repayment of principal and loan interest payments must be paid to the department for deposit in the revolving loan fund for subsequent distribution or use consistent with the requirements under this section.

(c) When a loan is repaid, 60 percent of the loan repayment must be retained in the electric vehicle charging station revolving loan fund. The remaining 40 percent must be transferred to the renewable development account under section 116C.779, until the total amount transferred to the renewable development account equals $1,500,000.

Subd. 4. **Applications.** (a) A loan applicant must submit an application to the commissioner on forms prescribed by the commissioner.

(b) The applicant must provide the following information:

(1) the estimated cost of the project and the amount of the loan sought;

(2) other possible sources of funding in addition to loans sought from the electric vehicle charging station revolving loan fund;

(3) the proposed methods and sources of funds to repay loans received; and

(4) information demonstrating the financial status and ability of the borrower to repay loans.

Subd. 5. **Use of loan funds.** (a) Loans made with funds from the electric vehicle charging station revolving loan fund may be used to design, develop, purchase, and install electric vehicle charging stations and for facility load or submetering upgrades at locations in Minnesota.

(b) An electric vehicle charging station project receiving loan funds under this section must be available for public use.

Subd. 6. **Evaluation of projects.** (a) The commissioner must consider the following information when evaluating a project:

(1) a description of the nature and purpose of the proposed project, including an explanation of the need for the project and the reasons why the project is in the public interest;

(2) the relationship of the project to the local area's needs;

(3) the estimated project cost and the loan amount sought;

(4) proposed sources of funding in addition to the loan sought from the electric vehicle charging station revolving loan fund;

(5) the need for the project as part of the overall transportation system;

(6) the overall economic impact of the project; and

(7) whether a project can demonstrate consistent and high usage rates of the proposed electric vehicle charging stations, including the potential for consistent use by the same electric vehicle.

(b) When evaluating projects, the commissioner may consult with the commissioner of transportation regarding the electric vehicle charging needs throughout the state.

(c) When evaluating projects, the commissioner may not provide preference points or other application benefits on the basis of a loan applicant being a local or state government-owned entity or local unit of government.

Subd. 7. **Maximum loan amount.** The maximum loan amount under this section is $30,000 per electric vehicle charging station project.

Subd. 8. **User fees.** As a condition of accepting a loan under this section, a borrower must agree to charge a per hour user fee for use of an electric vehicle charging station funded by the loan. A borrower must use at least 25 percent of the fees collected to repay the loan and pay for expenses associated with operating and maintaining the electric vehicle charging station funded by the loan.

Subd. 9. **Report to legislature.** On or before March 15, 2020, and each March 15 thereafter, the commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy and transportation policy and finance regarding the revolving loan program. The report must include (1) a description of the projects and an account of loans made from the revolving loan fund during the preceding calendar year, (2) the revolving loan fund balance, and (3) an explanation of administrative expenses.

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

Sec. 9. **PRAIRIE ISLAND NET ZERO PROJECT.**

Subdivision 1. **Program established.** The Prairie Island net zero project is established with the goal of the Prairie Island Indian community developing an energy system that results in net zero emissions.

Subd. 2. **Grant.** The commissioner of employment and economic development must enter into a grant contract with the Prairie Island Indian community to provide the amount appropriated under section 12 to stimulate research, development, and implementation of renewable energy projects benefiting the Prairie Island Indian community or its members. Any examination conducted by the commissioner of employment and economic development to determine the sufficiency of the financial stability and capacity of the Prairie Island Indian community to carry out the purposes of this grant is limited to the Community Services Department of the Prairie Island Indian community.

Subd. 3. **Plan; report.** The Prairie Island Indian community must file a plan with the commissioner of employment and economic development no later than July 1, 2019, describing the Prairie Island net zero project elements and implementation strategy. The Prairie Island Indian community must file a report on July 1, 2020, and each July 1 thereafter until the project is complete, describing the progress made in implementing the project and the uses of expended funds. A final report must be completed within 90 days of the date the project is complete.

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

Sec. 10. **BIOMASS BUSINESS COMPENSATION.**

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

(b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (f).

(c) "Early termination" means the early termination of the power purchase agreement authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass plant.

(d) "Operating income" means a business's revenue minus its operating expenses.

Subd. 2. **Office of Administrative Hearings; claims process.** (a) The chief administrative law judge of the Office of Administrative Hearings must assign an administrative law judge to administer a claims award process to compensate businesses negatively affected by the early termination. The chief administrative law judge may develop a process, prescribe forms, identify documentation affected businesses must submit with claims, and issue awards to eligible businesses consistent with this section. The process must allow, but not require, an authorized representative from each business that applies for compensation to appear in person before the assigned administrative law judge to provide evidence in support of the business's claim.

(b) The chief administrative law judge may contract with and use the services of financial or other consultants to examine financial documentation presented by claimants or otherwise assist in the evaluation and award of claims.

(c) Records submitted to the Office of Administrative Hearings as part of the claims process constitute business data under Minnesota Statutes, section 13.591.

(d) An award made under this section is final and is not subject to judicial review.

(e) An award made under this section does not constitute an admission of liability by the state for any damages or other losses suffered by a business affected by the early termination.

Subd. 3. **Eligibility.** To be eligible for an award of compensation, an affected business must meet the following criteria:

(1) as of May 1, 2017, the affected business was operating under the terms of a valid written contract, or an oral contract that is sufficiently supported by business records, with the company operating the biomass plant or the fertilizer plant integrated with the biomass plant to supply or manage material for, or receive material from, the biomass plant or the fertilizer plant integrated with the biomass plant;

(2) the affected business is located in the state; and

(3) as the result of the early termination, the affected business suffered:

(i) decreased operating income; or

(ii) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

Subd. 4. **Types of claims.** (a) An eligible business may make claims for a compensation award based on either or both:

(1) decreased operating income; or

(2) the loss of value of investments in real or personal property essential to its business operations with the biomass plant.

(b) To establish and quantify a claim for decreased operating income, an eligible business must:

(1) demonstrate its operating income over the past five years derived from supplying or managing material for, or receiving material from, the biomass plant;

(2) present evidence of any alternative business opportunities it has pursued or could pursue to mitigate the loss of revenue from the termination of its contract with the biomass plant; and

(3) demonstrate the amount that the business's annual operating income, including operating income from any alternative business opportunities, after the termination of the business's contract with the biomass plant is less than the five-year average of the business's annual operating income before the early termination.

(c) To establish and quantify a loss of value of investments in real or personal property claim, an eligible business must provide sufficient evidence of:

(1) the essential nature of the investment made in the property to fulfill the contract with the biomass plant;

(2) the extent to which the eligible business is able to repurpose the property for another productive use after the early termination, including but not limited to the use, sales, salvage, or scrap value of the property for which the loss is claimed; and

(3) the value of the eligible business's nondepreciated investment in the property.

Subd. 5. **Limitations on awards.** (a) A compensation award for a decreased operating income claim must not exceed the amount calculated under subdivision 4, paragraph (b), clause (3), multiplied by two.

(b) The use, sales, salvage, or scrap value of the property for which a loss is claimed must be deducted from a compensation award for a loss of value of investments in real or personal property claim.

(c) A payment received from business interruption insurance policies, settlements, or other forms of compensation related to the termination of the business's contract with the biomass plant must be deducted from any compensation award provided under this section.

Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by eligible businesses that demonstrate a significant effort to pursue alternative business opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related to the termination of its contract with the company operating the biomass plant.

Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass business compensation account established under section 4 is insufficient to fully award all claims eligible for an award, all awards must be adjusted proportionally based on the value of the claim.

Subd. 8. **Deadlines.** The chief administrative law judge must make the application process for eligible claims available by August 1, 2019. A business seeking an award under this section must file all claims with the chief administrative law judge within 60 days of the date the chief administrative law judge makes the application process for eligible claims available. All preliminary awards on eligible claims must be made within 120 days of the deadline date to file claims. Any requests to reconsider an award denial must be filed with the chief administrative law judge within 60 days of the notice date for preliminary awards. All final awards for eligible claims must be made within 60 days of the deadline date to file reconsideration requests. The commissioner of management and budget must pay all awarded claims within 45 days of the date the commissioner of management and budget receives notice of the final awards from the chief administrative law judge.

Subd. 9. **Expiration.** This section expires June 30, 2022.

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

Sec. 11. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

Subdivision 1. **Account established.** A biomass business compensation account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account must be credited to the account. Earnings, such as interest, and any other earnings arising from the assets of the account are credited to the account. Funds remaining in the account as of December 31, 2021, must be transferred to the renewable development account established under Minnesota Statutes, section 116C.779.

Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), on July 1, 2019, $40,000,000 must be transferred from the renewable development account under Minnesota Statutes, section 116C.779, to the biomass business compensation account established under subdivision 3. The transferred funds are appropriated to pay eligible obligations under the biomass business compensation program established under section 8.

Subd. 3. **Payment of expenses.** The chief administrative law judge must certify to the commissioner of management and budget the total costs incurred to administer the biomass business compensation claims process. The commissioner of management and budget must transfer an amount equal to the certified costs incurred for biomass business compensation claim activities from the renewable development account under Minnesota Statutes, section 116C.779, and deposit it in the administrative hearings account under Minnesota Statutes, section 14.54. Transfers may occur quarterly throughout the fiscal year and must be based on quarterly cost and revenue reports, with final certification and reconciliation after each fiscal year. The total amount transferred under this subdivision must not exceed $200,000.

Subd. 4. **Expiration.** This section expires June 30, 2022.

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

Sec. 12. **GREEN ROOF ADVISORY TASK FORCE; REPORT.**

Subdivision 1. **Definition.** For the purposes of this section, "green roof" means the roof of a building on which:

(1) photovoltaic devices, as defined in Minnesota Statutes, section 216C.06, are sited; or

(2) a vegetative landscape and associated elements are installed, which may include:

(i) a growing medium;

(ii) a waterproof membrane to protect the roof;

(iii) a barrier to prevent plant roots from damaging the roof;

(iv) a filter layer to prevent the growing medium from washing away;

(v) thermal insulation to protect the vegetation and the building;

(vi) a drainage system; and

(vii) structural support.

Subd. 2. **Membership.** (a) The Green Roof Advisory Task Force consists of the following members:

(1) the state building official, appointed under Minnesota Statutes, section 326B.127, or the state building official's designee;

(2) a representative of the Building Owners and Managers Association Greater Minneapolis, appointed by the president of the association;

(3) up to three representatives from Minnesota companies with extensive experience installing green roofs, appointed by the commissioner of the Pollution Control Agency;

(4) a cochair of the Committee on the Environment of the American Institute of Architects Minnesota, or the cochair's designee;

(5) a horticultural expert from the University of Minnesota Extension, appointed by the dean of extension;

(6) a representative of the University of Minnesota Center for Sustainable Building Research, appointed by the director of the center;

(7) a representative of the Minnesota Solar Energy Industries Association, appointed by the president of the association;

(8) a representative from the Minnesota Nursery and Landscape Association;

(9) a representative of the Minnesota State Building Trades Council appointed by the council;

(10) the commissioner of commerce, or the commissioner's designee; and

(11) other members appointed by the advisory task force that it deems to be helpful in carrying out its duties under subdivision 3.

(b) Members of the advisory task force are not to be compensated for activities associated with the advisory task force.

(c) The Department of Commerce must serve as staff to the advisory task force.

Subd. 3. **Duties.** The advisory task force's duties are to review and evaluate:

(1) laws relating to green roofs enacted in American cities and states and in foreign countries;

(2) estimates of the impacts of operating green roofs on:

(i) energy use in the buildings on which the green roofs are installed and any associated reductions in the emission of greenhouse gases and other air pollutants;

(ii) roof replacement costs; and

(iii) management costs for storm water; and

(3) any other information the task force deems relevant.

Subd. 4. **Report.** By March 1, 2020, the advisory task force must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and environmental policy. The report must contain the task force's findings and recommendations, including discussion of the benefits and problems associated with requiring buildings of a certain type and size to install green roofs.

Subd. 5. **Sunset.** The task force shall sunset April 1, 2020.

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

Sec. 13. **REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE SYSTEMS.**

(a) The commissioner of commerce must contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, in Minnesota. The study may also include scenarios examining energy storage systems that are not capable of being controlled by a utility. The commissioner must engage a broad group of Minnesota stakeholders, including electric utilities and others, to develop and provide information for the report. The study must:

(1) identify and measure the different potential costs and savings produced by energy storage system deployment, including but not limited to:

(i) generation, transmission, and distribution facilities asset deferral or substitution;

(ii) impacts on ancillary services costs;

(iii) impacts on transmission and distribution congestion;

(iv) impacts on peak power costs;

(v) impacts on emergency power supplies during outages;

(vi) impacts on curtailment of renewable energy generators; and

(vii) reduced greenhouse gas emissions;

(2) analyze and estimate the:

(i) costs and savings to customers that deploy energy storage systems;

(ii) impact on the utility's ability to integrate renewable resources;

(iii) impact on grid reliability and power quality; and

(iv) effect on retail electric rates over the useful life of a given energy storage system compared to providing the same services using other facilities or resources;

(3) consider the findings of analysis conducted by the Midcontinent Independent System Operator on energy storage capacity accreditation and participation in regional energy markets, including updates of the analysis; and

(4) include case studies of existing energy storage applications currently providing the benefits described in clauses (1) and (2).

(b) By December 31, 2019, the commissioner of commerce must submit the study to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance.

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

Sec. 14. **APPROPRIATION; PRAIRIE ISLAND NET ZERO PROJECT.**

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $20,000,000 in fiscal year 2020; $7,500,000 in fiscal years 2021, 2022, and 2023; and $3,700,000 in fiscal year 2024 are appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development for a grant to the Prairie Island Indian community to establish the net zero project under section 9.

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

Sec. 15. **APPROPRIATION; ENERGY STORAGE COST-BENEFIT ANALYSIS.**

$150,000 in fiscal year 2019 is appropriated from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce, to conduct an energy storage systems cost-benefit analysis. This is a onetime appropriation and is available until June 30, 2020.

Sec. 16. **APPROPRIATION; GREEN ROOF TASK FORCE.**

$55,000 in fiscal year 2020 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (a), to the commissioner of commerce to complete the green roof report required under section 12.

Sec. 17. **APPROPRIATION; SOLAR FOR SCHOOLS.**

(a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $1,000,000 in fiscal year 2020 and $1,000,000 in fiscal year 2021 are appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the public utility that is subject to Minnesota Statutes, section 216C.376, for the purposes of awarding grants and financial assistance to schools under the solar for schools program under Minnesota Statutes, section 216C.376.

(b) This appropriation may be used by the commissioner to reimburse the reasonable costs incurred by the public utility to administer the solar for schools program under Minnesota Statutes, section 216C.375, and the reasonable costs of the department to review and approve the public utility's plan, and any proposed modifications to that plan and to provide technical assistance, under Minnesota Statutes, section 216C.376, subdivisions 2 and 8.

Sec. 18. **APPROPRIATION; ELECTRIC VEHICLE CHARGING STATION REVOLVING LOAN PROGRAM.**

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $1,500,000 in fiscal year 2020 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, to the commissioner of commerce for the electric vehicle charging station revolving loan program under Minnesota Statutes, section 216C.45. This appropriation must be used only for loans made for electric vehicle charging station projects in the service area of a public utility that owns a nuclear electric generating plant in Minnesota. The commissioner may use up to three percent of this amount to administer the program. This is a onetime appropriation and is available until expended.

**82B.021 DEFINITIONS.**

Subd. 17. **Foundation appraisal organization.** "Foundation appraisal organization" means a member private appraisal trade organization of the Appraisal Foundation including, but not limited to, the following: American Institute of Real Estate Appraisers, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right of Way Association, National Association of Independent Fee Appraisers, National Society of Real Estate Appraisers, or Society of Real Estate Appraisers.

**82B.095 APPRAISER QUALIFICATION COMPONENTS.**

Subd. 2. **Conformance to Appraiser Qualifications Board criteria.** Qualifications for all levels of licensing must conform to the Real Property Qualification Criteria established by the Appraisal Qualifications Board for implementation effective January 1, 2015.

**82B.10 EXAMINATIONS.**

Subdivision 1. **Generally.** (a) An applicant for a license must pass an examination conducted by the commissioner. The examinations must be of sufficient scope to establish the competency of the applicant to act as a real estate appraiser and must conform with the current National Uniform Exam Content Outlines published by the Appraiser Qualifications Board.

(b) A passing grade for a real estate appraiser licensing examination must be the cut score defined by the Appraiser Qualifications Board criteria.

(c) To qualify for a license as a trainee real property appraiser, an applicant must pass a current trainee real property appraiser examination. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(d) To qualify for a license as a licensed real property appraiser, an applicant must pass a current uniform licensed real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(e) To qualify for a license as a certified residential real property appraiser, an applicant must pass a current uniform certified residential real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(f) To qualify for a license as a certified general real property appraiser, an applicant must pass a current uniform certified general real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(g) An applicant must complete the applicable education prerequisites in section 82B.13 and the experience requirements in section 82B.14 before the applicant takes the examination required under this section.

Subd. 2. **Reexaminations.** An examination must be required before renewal of a license that has been suspended, or before the issuance of a license to a person whose license has been ineffective for a period of two years. No reexamination is required of an individual who has failed to renew an existing license because of absence from the state while on active duty with the armed services of the United States of America.

Subd. 3. **Examination frequency.** The commissioner must hold examinations at times and places the commissioner determines.

Subd. 4. **Period for application.** An applicant who obtains an acceptable score on an examination must file an application and obtain the license within two years of the date of successful completion of the examination or a second examination must be taken to qualify for the license.

Subd. 5. **Renewal; examination.** Except as provided in subdivision 2, no examination is required for the renewal of a license. However, a licensee who has been licensed in the state of Minnesota and who fails to renew the license for a period of two years must be required by the commissioner to again take an examination.

Subd. 6. **Examination eligibility; revocation.** No applicant may take an examination if a license as a real estate appraiser has been revoked in this or another state within two years of the date of the application.

Subd. 8. **Fees.** The commissioner may assess an examination fee sufficient to recover the actual direct costs of holding the examination.

Subd. 9. **Cheating.** The commissioner must not accept the scores of a person who has cheated on an examination. Cheating on a real estate appraiser examination must be grounds for denying an application for an appraiser's license.

**82B.11 CLASSES OF LICENSE.**

Subd. 2. **Trainee real property appraiser.** When a net income capitalization analysis is not required by the uniform standards of professional appraisal practice, a trainee real property appraiser may appraise residential real property or agricultural property.

**82B.12 EXAMINATION REQUIREMENT.**

An original license as a licensed real estate appraiser must be issued to a person who has demonstrated through a written examination process that the appraiser has the following qualifications:

(1) appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate;

(2) understanding the principles of land economics, real estate appraisal processes, and problems likely to be encountered in gathering, interpreting, and processing of data in carrying out appraisal disciplines;

(3) understanding the standards for the development and communication of real estate appraisals as provided in this chapter;

(4) knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for the classification of license for which the person is applying;

(5) knowledge of other principles and procedures appropriate for the classification of license for which the person is applying;

(6) basic understanding of real estate law; and

(7) understanding the types of misconduct and ethical considerations for which disciplinary proceedings may be started against a licensed real estate appraiser.

**82B.13 EDUCATION PREREQUISITES.**

Subd. 1a. **Licensed real property appraiser.** As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 150 hours of prelicense courses approved by the commissioner. The courses must consist of 75 hours of general real estate appraisal principles and the 15-hour national USPAP course; and

(2) an associate degree or higher from an accredited college or university. In lieu of the required degree, the applicant may present satisfactory documentation of successful completion of 30 semester credit hours of instruction from an accredited college or university.

Subd. 3. **Commissioner's approval; rules.** The courses and instruction and procedures of courses must be approved by the commissioner. The commissioner may adopt rules to administer this section. These rules must, to the extent practicable, conform to the rules adopted for real estate and insurance education. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria.

Subd. 4. **Certified residential real property appraiser.** As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 200 hours of prelicense courses approved by the commissioner, with particular emphasis on the appraisal of one to four unit residential properties. Fifteen of the 200 hours must include successful completion of the 15-hour national USPAP course; and

(2) a bachelor's degree or higher from an accredited college or university.

Subd. 5. **Certified general real property appraiser.** As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 300 hours of prelicense courses approved by the commissioner, with particular emphasis on the appraisal of nonresidential properties. Fifteen of the 300 hours must include successful completion of the 15-hour national USPAP course; and

(2) a bachelor's degree or higher from an accredited college or university.

Subd. 6. **All appraiser license levels.** To receive approval from the commissioner, an appraiser prelicense education course must be at least 15 hours long. The required course hours for all appraiser license levels include completion of the 15-hour national USPAP course and specific core curriculum courses and hours in accordance with the real property appraiser qualification criteria as defined by the Appraisal Qualifications Board:

| | |
|---|---|
| Trainee | |
| Basic appraisal principles | 30 hours |
| Basic appraisal procedures | 30 hours |
| The 15-hour national USPAP course or its equivalent | 15 hours |
| Trainee level total education requirements | 75 hours |
| Licensed | |
| Basic appraisal principles | 30 hours |
| Basic appraisal procedures | 30 hours |
| The 15-hour national USPAP course or its equivalent | 15 hours |
| Residential market analysis and highest and best use | 15 hours |
| Residential appraiser site valuation and cost approach | 15 hours |
| Residential sales comparison and income approaches | 30 hours |
| Residential report writing and case studies | 15 hours |
| Licensed level total education requirements | 150 hours |
| Certified residential | |
| Basic appraisal principles | 30 hours |
| Basic appraisal procedures | 30 hours |
| The 15-hour national USPAP course or its equivalent | 15 hours |
| Residential market analysis and highest and best use | 15 hours |
| Residential appraiser site valuation and cost approach | 15 hours |
| Residential sales comparison and income approaches | 30 hours |
| Residential report writing and case studies | 15 hours |
| Statistics, modeling, and finance | 15 hours |
| Advanced residential applications and case studies | 15 hours |
| Appraisal subject matter electives | 20 hours |
| (May include hours over minimum shown above in other modules) | |
| Certified residential level total education requirements | 200 hours |
| Certified general | |
| Basic appraisal principles | 30 hours |
| Basic appraisal procedures | 30 hours |

| | |
|---|---|
| The 15-hour national USPAP course or its equivalent | 15 hours |
| General appraiser market analysis and highest and best use | 30 hours |
| Statistics, modeling, and finance | 15 hours |
| General appraiser sales comparison approach | 30 hours |
| General appraiser site valuation and cost approach | 30 hours |
| General appraiser income approach | 60 hours |
| General appraiser report writing and case studies | 30 hours |
| Appraisal subject matter electives | 30 hours |
| (May include hours over minimum shown above in other modules) | |
| Certified general level total education requirements | 300 hours |

Subd. 7. **Student tracking manual.** It is the responsibility of students to record the qualifying education they have completed in a student tracking manual broken down by required core curriculum modules and subtopics, and to maintain an orderly record of education, experience, and other requirements.

Subd. 8. **Appraiser prelicense education.** (a) Credit toward the qualifying education requirements of this section may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the United States Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the Appraiser Qualifications Board.

(b) Notwithstanding section 45.22, a college or university real estate course may be approved retroactively by the commissioner for appraiser prelicense education credit if:

(1) the course was offered by a college or university physically located in Minnesota;

(2) the college or university was an approved education provider at the time the course was offered; and

(3) the commissioner's approval is made to the same extent in terms of courses and hours and with the same time limits as those specified by the Appraiser Qualifications Board.

**82B.14 EXPERIENCE REQUIREMENT.**

(a) As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal obtained in no fewer than 12 months.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal obtained in no fewer than 24 months.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal obtained in no fewer than 30 months. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

(d) Experience for all classifications must be obtained after January 30, 1989, and must be USPAP compliant.

### 216B.241 ENERGY CONSERVATION IMPROVEMENT.

Subd. 1b. **Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

(1) a cooperative electric association that provides retail service to more than 5,000 members;

(2) a municipality that provides electric service to more than 1,000 retail customers; and

(3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales to natural gas retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) Each municipality or cooperative shall file energy conservation improvement plans by June 1 on a schedule determined by order of the commissioner, but at least every three years. Plans received by June 1 must be approved or approved as modified by the commissioner by December 1 of the same year. The municipality or cooperative shall provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities.

(h) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.

**469.084 ST. PAUL.**

Subd. 1a. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.