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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 883

02/25/2013 Authored by Metsa and Atkins

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance and Policy

03/06/2013 Adoption of Report: Pass and re-referred to the Committee on Government Operations

03/18/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Jobs and Economic Development Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; creating a trade policy advisory group;
1.3 requiring a report; proposing coding for new law in Minnesota Statutes, chapter
1.4 116J.

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

1.6 Section 1. **[116J.9661] TRADE POLICY ADVISORY GROUP.**

1.7 Subdivision 1. **Establishment.** The trade policy advisory group is established to
1.8 advise and assist the governor and the legislature regarding government procurement
1.9 agreements of United States trade agreements.

1.10 Subd. 2. **Membership.** (a) The trade policy advisory group shall be appointed by
1.11 the governor and comprised of 13 members as follows:

1.12 (1) two representatives of organized labor;

1.13 (2) a representative of an organization representing environmental interests;

1.14 (3) two representatives of organizations representing family farmers;

1.15 (4) two representatives from business and industry;

1.16 (5) a representative of a nonprofit organization focused on international trade and
1.17 development;

1.18 (6) the commissioner of employment and economic development or designee;

1.19 (7) two senators, including one member from the majority party and one member

1.20 from the minority party, appointed by the Subcommittee on Committees of the Committee
1.21 on Rules and Administration of the senate; and

1.22 (8) two members of the house of representatives, including one member appointed
1.23 by the speaker of the house and one member appointed by the minority leader.

2.1 (b) Members of the trade policy advisory group shall serve for a term of two years
2.2 and may be reappointed. Members shall serve until their successors have been appointed.

2.3 (c) The trade policy advisory group may invite representatives from state agencies,
2.4 industries, trade and labor organizations, nongovernmental organizations, and local
2.5 governments to join the group as nonvoting ex officio members.

2.6 Subd. 3. **Administration.** (a) The commissioner of employment and economic
2.7 development or the commissioner's designee shall:

2.8 (1) coordinate with the other appointing authorities to designate their representatives;
2.9 and

2.10 (2) provide meeting space and administrative services for the group.

2.11 (b) The members shall elect a chair from the legislative members of the working
2.12 group. The chair will assume responsibility for convening future meetings of the group.

2.13 (c) Public members of the advisory group serve without compensation or payment of
2.14 expenses.

2.15 Subd. 4. **Duties.** The trade policy advisory group shall:

2.16 (1) serve as an advisory group to the governor and the legislature on matters relating
2.17 to United States trade agreements;

2.18 (2) assess the potential impact of federal trade agreements on the state's economy;

2.19 (3) advise the governor and the legislature of the group's findings and make
2.20 recommendations, including any draft legislation necessary to implement the
2.21 recommendations, to the governor and the legislature;

2.22 (4) determine, on a case-by-case basis, the impact of a specific federal trade
2.23 agreement by requesting input from state agencies, seeking expert advice, convening
2.24 public hearings, and taking other reasonable and appropriate actions;

2.25 (5) request information from the Office of the United States Trade Representative
2.26 necessary to conduct an appropriate review of government procurement agreements or
2.27 other trade issues; and

2.28 (6) receive information obtained by the United States Trade Representative's single
2.29 point of contact for Minnesota.

2.30 Subd. 5. **Report.** The trade policy advisory group shall issue a report to the
2.31 legislature with its findings and recommendations no less than once per fiscal year.

2.32 Sec. 2. **REPORT TO LEGISLATURE REQUIRED.**

2.33 (a) The Department of Administration must file with the governor, the speaker of the
2.34 house, the majority leader of the senate, and the trade policy advisory group an annual
2.35 report analyzing the following impacts of trade policy on the state:

- 3.1 (1) an audit of the amount of public contract work being performed overseas;
3.2 (2) an audit of government goods being procured from overseas;
3.3 (3) a study of the impact of federal trade agreements and local employment levels,
3.4 tax revenues, and retraining and adjustment costs;
3.5 (4) an analysis of the constraints trade rules place on state regulatory authority
3.6 including, but not limited to, the state's ability to preserve the environment, protect public
3.7 health and safety, and provide high-quality public services; and
3.8 (5) findings and recommendations of specific actions the state should take in
3.9 response to the impacts of trade on the state identified in clauses (1) to (4). These actions
3.10 may include, but shall not be limited to:
3.11 (i) revocation of the state's consent to be bound by the procurement rules of
3.12 international trade agreements;
3.13 (ii) prohibition of offshore performance of state contract work and preferences
3.14 for domestic content in state purchasing;
3.15 (iii) state support for cases brought under federal trade laws by residents of the state;
3.16 (iv) state advocacy for reform of trade agreements and trade laws at the federal
3.17 level; and
3.18 (v) implementation of a growth strategy formulated with business, labor, and
3.19 community participation. The strategy may include, but not be limited to:
3.20 (A) more effective early warning and layoff aversion measures;
3.21 (B) increased assistance and adjustment programs for displaced workers and
3.22 trade-impacted communities;
3.23 (C) stronger standards and accountability for recipients of state subsidies and
3.24 incentives;
3.25 (D) investments in workforce training and development;
3.26 (E) investments in technology and infrastructure; and
3.27 (F) increased access to capital for local producers.
3.28 (b) Within 30 days of receipt of the annual trade impact report:
3.29 (1) the governor shall review the report and issue a public statement explaining
3.30 which of the report's recommendations for specific action under paragraph (a), clause (5),
3.31 the governor must act upon in the next 30 days, whether through executive action or
3.32 proposed legislation; and
3.33 (2) the legislature shall review the report, hold public hearings on the report's
3.34 recommendations for specific action under paragraph (a), clause (5), and introduce
3.35 legislation to enact those recommendations accepted by the legislature.