

This Document can be made available  
in alternative formats upon request

State of Minnesota

Printed  
Page No. **343**

**HOUSE OF REPRESENTATIVES**

**Unofficial Engrossment**

House Engrossment of a Senate File

NINETY-SECOND SESSION

**S. F. No. 4091**

- 04/27/2022 Companion to House File No. 4355. (Authors:Noor)  
Read First Time and Sent for Comparison
- 04/28/2022 Substituted for H. F. No. 4355
- 05/04/2022 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 05/05/2022 Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to state government; appropriating money for activities relating to economic

1.3 development, labor and industry, energy, and commerce; making policy and

1.4 technical changes; requiring reports; authorizing rulemaking; providing civil and

1.5 criminal penalties; amending Minnesota Statutes 2020, sections 13.43, subdivision

1.6 6; 13.719, by adding a subdivision; 16B.32, subdivisions 1, 1a; 16C.137,

1.7 subdivision 1; 45.0135, subdivisions 2a, 2b; 45.25, subdivisions 12, 13, by adding

1.8 subdivisions; 45.31, subdivisions 2, 3; 46.131, subdivisions 2, 4, 11; 47.08; 47.16,

1.9 subdivisions 1, 2; 47.172, subdivision 2; 47.28, subdivision 3; 47.30, subdivision

1.10 5; 48A.15, subdivision 1; 53.03, subdivisions 1, 5; 53C.02; 55.10, subdivision 1;

1.11 56.02; 60A.033, subdivisions 8, 9, by adding subdivisions; 60A.954, subdivision

1.12 1; 61A.02, by adding a subdivision; 62Q.56, subdivision 1a; 62Q.733, subdivision

1.13 1; 62Q.735, subdivisions 1, 5; 62Q.76, by adding a subdivision; 62Q.78, by adding

1.14 a subdivision; 62Q.79, by adding a subdivision; 65B.84, subdivisions 1, 2; 72A.20,

1.15 by adding a subdivision; 72A.2031, subdivisions 8, 10, by adding subdivisions;

1.16 72A.2032, subdivisions 4, 6, 7, 8, by adding subdivisions; 72A.2033; 72A.2034;

1.17 72A.2035, subdivision 1; 72A.2036; 80A.61; 80C.05, subdivision 2; 80C.08,

1.18 subdivision 1; 80G.01, subdivision 3, by adding a subdivision; 80G.02, subdivisions

1.19 1, 4; 80G.03, subdivision 2; 80G.04, subdivision 1; 80G.05, subdivision 1; 80G.06,

1.20 subdivision 2; 80G.07, subdivision 1; 82B.03, by adding a subdivision; 82B.19,

1.21 by adding a subdivision; 82C.17, subdivision 2; 116C.779, subdivision 1; 116J.55,

1.22 subdivision 5; 116J.552, subdivision 6; 116J.8747; 116J.8770; 116J.993,

1.23 subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98,

1.24 subdivisions 2, 3; 126C.43, subdivision 2; 160.08, subdivision 7; 168.27, by adding

1.25 a subdivision; 175.16, subdivision 1; 177.26; 177.27, subdivisions 2, 4, 7; 178.01;

1.26 178.011, subdivision 7; 178.03, subdivision 1; 178.11; 179.86, subdivisions 1, 3,

1.27 by adding subdivisions; 179A.041, by adding a subdivision; 181.032; 181.14,

1.28 subdivision 1; 181.635, subdivisions 1, 2, 3, 4, 6; 181.85, subdivisions 2, 4; 181.86,

1.29 subdivision 1; 181.87, subdivisions 2, 3, 7; 181.88; 181.89, subdivision 2, by

1.30 adding a subdivision; 181.942, subdivision 1; 181.9435, subdivision 1; 181.9436;

1.31 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 216B.16, subdivision

1.32 13; 216B.1611, by adding a subdivision; 216B.1641; 216B.1645, subdivision 2;

1.33 216B.1691, subdivision 9; 216B.17, subdivision 1; 216B.2422, subdivisions 1, 3,

1.34 5, 7, by adding subdivisions; 216B.2425, subdivision 8; 216B.243, subdivision 8;

1.35 216B.50, subdivision 1; 216C.264, subdivision 5, by adding a subdivision;

1.36 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision;

1.37 216E.01, subdivision 9a; 216E.03, subdivisions 1, 5, 7, 10, 11; 216E.04, subdivision

1.38 2; 216F.04; 239.761, subdivisions 3, 4; 239.791, subdivision 2a; 256J.561, by

2.1 adding a subdivision; 256J.95, subdivisions 3, 11; 268.085, subdivision 7; 268.19,  
 2.2 subdivision 1; 296A.01, subdivision 23; 325E.21, subdivisions 2, 5, 6, by adding  
 2.3 subdivisions; 326B.103, subdivision 13, by adding subdivisions; 326B.106,  
 2.4 subdivisions 1, 4, by adding a subdivision; 326B.145; 326B.153, by adding a  
 2.5 subdivision; 326B.163, subdivision 5, by adding a subdivision; 326B.164,  
 2.6 subdivision 13; 326B.36, subdivision 7; 332.33, subdivision 3, by adding a  
 2.7 subdivision; 336.9-510; 336.9-516; 341.21, subdivisions 2a, 2c, 7; 341.221; 341.25;  
 2.8 341.28; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; 341.33; 341.355;  
 2.9 515B.3-102; 549.30, subdivisions 3, 6, 15, 19, by adding subdivisions; 549.31;  
 2.10 549.32; 549.34; 609.5316, subdivision 3; Minnesota Statutes 2021 Supplement,  
 2.11 sections 16C.135, subdivision 3; 62J.26, subdivision 2; 80G.06, subdivision 1;  
 2.12 80G.11; 82B.25, subdivision 2; 116C.7792; 116J.8749; 116J.9924, subdivision 4;  
 2.13 216C.375, subdivision 1; 256P.01, subdivision 3; 325E.21, subdivision 1b;  
 2.14 326B.092, subdivision 7; 326B.153, subdivision 1; Laws 2021, First Special  
 2.15 Session chapter 10, article 1, sections 2, subdivision 2; 5; Laws 2021, First Special  
 2.16 Session chapter 14, article 11, section 42; proposing coding for new law in  
 2.17 Minnesota Statutes, chapters 13; 45; 58B; 62Q; 116C; 116J; 177; 179; 181; 182;  
 2.18 214; 216B; 216C; 268; 325F; 332; 336; 341; 500; 549; proposing coding for new  
 2.19 law as Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2020,  
 2.20 sections 16B.323, subdivisions 1, 2; 16B.326; 45.25, subdivisions 2a, 14; 60A.033,  
 2.21 subdivision 3; 72A.2031, subdivisions 3, 9, 11; 72A.2032, subdivisions 1, 2, 3, 5;  
 2.22 181.9413; 216B.16, subdivision 10; 268.085, subdivision 8; Minnesota Statutes  
 2.23 2021 Supplement, section 116J.9924, subdivision 6; Laws 2017, chapter 5, section  
 2.24 1.

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

2.26 **ARTICLE 1**  
 2.27 **ECONOMIC DEVELOPMENT APPROPRIATIONS**

2.28 Section 1. **APPROPRIATIONS.**

2.29 The sums shown in the columns under "Appropriations" are added to the appropriations  
 2.30 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The  
 2.31 appropriations are from the general fund, or another named fund, and are available for the  
 2.32 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article  
 2.33 mean that the appropriations listed under them are available for the fiscal year ending June  
 2.34 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,  
 2.35 2022, are effective the day following final enactment. If an appropriation in this act is  
 2.36 enacted more than once during the 2022 regular session, the appropriation is to be given  
 2.37 effect only once.

2.38 **APPROPRIATIONS**  
 2.39 **Available for the Year**  
 2.40 **Ending June 30**  
 2.41 **2022** **2023**

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

3.1 Subdivision 1. Total Appropriation \$ -0- \$ 217,097,000

3.2 Appropriations by Fund

3.3		<u>2022</u>	<u>2023</u>
3.4	<u>General Fund</u>	<u>-0-</u>	<u>191,347,000</u>
3.5	<u>Workforce</u>		
3.6	<u>Development</u>	<u>-0-</u>	<u>25,750,000</u>

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

3.10 Subd. 2. Business and Community Development -0- 134,300,000

3.11 (a) \$20,000,000 in fiscal year 2023 is for the  
3.12 Main Street Economic Revitalization Program  
3.13 under Minnesota Statutes, section 116J.8749.

3.14 This is a onetime appropriation and is  
3.15 available until June 30, 2025.

3.16 (b) \$45,000,000 in fiscal year 2023 is for  
3.17 deposit in the spark small business loan  
3.18 program account under Minnesota Statutes,  
3.19 section 116J.9926. Of this amount,  
3.20 \$10,000,000 is for loans to community  
3.21 businesses as defined in Minnesota Statutes,  
3.22 section 116J.8751. Beginning in fiscal year  
3.23 2024, the base amount is \$3,000,000.

3.24 (c) \$20,000,000 in fiscal year 2023 is for  
3.25 deposit in the emerging developer fund  
3.26 account in the special revenue fund. Of this  
3.27 amount, up to five percent is for the  
3.28 administration and monitoring of the emerging  
3.29 developer fund program under Minnesota  
3.30 Statutes, section 116J.9926. Beginning in  
3.31 fiscal year 2024, the base amount is  
3.32 \$1,000,000.

4.1 (d) \$7,500,000 in fiscal year 2023 is for the  
4.2 Canadian border counties economic relief  
4.3 program. This is a onetime appropriation.

4.4 (e) \$35,000,000 in fiscal year 2023 is for the  
4.5 small business recovery grant program. This  
4.6 is a onetime appropriation and is available  
4.7 until June 30, 2024.

4.8 (f) \$800,000 in fiscal year 2023 is for a grant  
4.9 to Enterprise Minnesota, Inc., for the small  
4.10 business growth acceleration program under  
4.11 Minnesota Statutes, section 116O.115. This  
4.12 is a onetime appropriation.

4.13 (g) \$1,000,000 in fiscal year 2023 is for Join  
4.14 Us Minnesota campaign to market the state of  
4.15 Minnesota to businesses and potential workers.  
4.16 This appropriation is available until June 30,  
4.17 2024. Of this amount, up to five percent is for  
4.18 administration and monitoring of the program.  
4.19 Beginning in fiscal year 2024, the base amount  
4.20 is \$500,000.

4.21 (h) \$2,000,000 in fiscal year 2023 is for a  
4.22 grant to the Center for Economic Inclusion for  
4.23 strategic, data-informed investments in job  
4.24 creation strategies that respond to the needs  
4.25 of underserved populations statewide. Of this  
4.26 amount, up to ten percent may be used for the  
4.27 center's technical assistance and administrative  
4.28 costs. This is a onetime appropriation.

4.29 (i)(1) \$1,000,000 in fiscal year 2023 is for a  
4.30 grant to the Coalition of Asian American  
4.31 Leaders to address employment and economic  
4.32 disparities for Asian Minnesotan communities  
4.33 in response to the COVID-19 pandemic and  
4.34 incidents of bias by conducting and

5.1 disseminating research and by providing  
 5.2 grants, outreach, and technical assistance to  
 5.3 Asian Minnesotan individuals, small  
 5.4 businesses, and nonprofit organizations to  
 5.5 navigate state programs and grants related to  
 5.6 COVID-19 pandemic health and economic  
 5.7 recovery challenges. This is a onetime  
 5.8 appropriation and is available until December  
 5.9 31, 2024.

5.10 (2) The Coalition of Asian American Leaders  
 5.11 must issue a report on the outcomes of the  
 5.12 grant to the commissioner of employment and  
 5.13 economic development by December 15, 2024.

5.14 (j) \$2,000,000 in fiscal year 2023 is for a grant  
 5.15 to Women's Foundation of Minnesota to invest  
 5.16 in economic structures that educate, mobilize,  
 5.17 and equip Black women with the necessary  
 5.18 tools to build, retain, and strengthen the  
 5.19 capacity to build generational wealth. This is  
 5.20 a onetime appropriation.

5.21 Subd. 3. Employment and Training Programs -0- 52,450,000

	<u>Appropriations by Fund</u>	
5.22 <u>General Fund</u>	<u>-0-</u>	<u>26,700,000</u>
5.23 <u>Workforce</u>		
5.24 <u>Development Fund</u>	<u>-0-</u>	<u>25,750,000</u>

5.26 (a) \$1,000,000 in fiscal year 2023 is for grants  
 5.27 to organizations providing support services to  
 5.28 new Americans in order to facilitate successful  
 5.29 community integration and entry into the  
 5.30 workforce. Services may include case  
 5.31 management, job training and employment  
 5.32 services, education programs, and legal  
 5.33 services. Of this amount:

5.34 (1) \$325,000 is for a grant to the International  
 5.35 Institute of Minnesota;

- 6.1 (2) \$325,000 is for a grant to the Minnesota  
6.2 Council of Churches;
- 6.3 (3) \$223,000 is for a grant to Arrive  
6.4 Ministries; and
- 6.5 (4) \$127,000 is for a grant to Catholic  
6.6 Charities of the Diocese of Winona, Inc.
- 6.7 This is a onetime appropriation.
- 6.8 (b) \$750,000 in fiscal year 2023 is from the  
6.9 workforce development fund for a grant to the  
6.10 Minneapolis Park and Recreation Board's Teen  
6.11 Teamworks youth employment and training  
6.12 programs. This is a onetime appropriation and  
6.13 is available until spent.
- 6.14 (c)(1) \$20,000,000 in fiscal year 2023 is from  
6.15 the workforce development fund for grants to  
6.16 Minnesota's 16 local workforce development  
6.17 boards for strategies identified in local  
6.18 Workforce Innovation and Opportunity Act  
6.19 plans to address Minnesota's current workforce  
6.20 shortages by supporting training for  
6.21 unemployed and underemployed Minnesotans  
6.22 and the earning of industry-recognized  
6.23 credentials to equip workers with in-demand  
6.24 skills. Allowable uses of money include but  
6.25 are not limited to helping job seekers prepare  
6.26 for and find jobs, providing services to  
6.27 employers, supporting CareerForce locations,  
6.28 and conducting marketing and outreach for  
6.29 CareerForce services. Grant money must not  
6.30 be used for administrative costs. Grants shall  
6.31 be distributed consistent with the distribution  
6.32 and utilization of money under federal  
6.33 legislation regarding job training and related

7.1 services. This is a onetime appropriation and  
7.2 is available until expended.

7.3 (2) By January 15 of each year that grant  
7.4 money is used, beginning in 2023, all grant  
7.5 recipients shall submit a report to the  
7.6 governor's Workforce Development Board  
7.7 that details the use of grant money, including  
7.8 the number of businesses, job seekers, and  
7.9 other stakeholders served.

7.10 (d) \$5,000,000 in fiscal year 2023 is from the  
7.11 workforce development fund for a youth  
7.12 technology competitive training grant program  
7.13 to prepare people who are Black, Indigenous,  
7.14 people of color, or women to meet the growing  
7.15 labor needs in Minnesota's technology  
7.16 industry. This is a onetime appropriation and  
7.17 money is available until June 30, 2024. Of this  
7.18 amount, up to five percent is for administration  
7.19 and monitoring of the program. Grant money  
7.20 must be used to:

7.21 (1) provide career education, wraparound  
7.22 support services, and job skills training for  
7.23 high school aged youth in the technology  
7.24 industry;

7.25 (2) increase the number of summer internship  
7.26 opportunities in the technology industry;

7.27 (3) support outreach activities to businesses  
7.28 and create pathways for employment and  
7.29 internships for youth in the technology  
7.30 industry; and

7.31 (4) increase the number of young adults  
7.32 employed in the technology industry and  
7.33 ensure that they reflect Minnesota's diverse  
7.34 workforce.

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

8.8 (e) \$470,000 in fiscal year 2023 is for  
 8.9 activities associated with the Office for New  
 8.10 Americans in Minnesota Statutes, section  
 8.11 116J.4231. Beginning in fiscal year 2024, the  
 8.12 base amount is \$500,000.

8.13 (f) \$25,230,000 in fiscal year 2023 is for the  
 8.14 targeted community capital project grant  
 8.15 program under Minnesota Statutes, section  
 8.16 116J.9924. This is a onetime appropriation.

8.17 Subd. 4. **Paid Family and Medical Leave** -0- 30,347,000

8.18 (a) \$30,347,000 in fiscal year 2023 is for  
 8.19 purposes of Minnesota Statutes, chapter 268B.  
 8.20 This is a onetime appropriation.

8.21 (b) The base for the family and medical benefit  
 8.22 insurance account in the special revenue fund  
 8.23 is \$37,215,000 in fiscal year 2024 and  
 8.24 \$453,290,000 in fiscal year 2025.

8.25 Sec. 3. **DEPARTMENT OF LABOR AND**  
 8.26 **INDUSTRY** \$ -0- \$ 536,000

8.27 (a) \$536,000 in fiscal year 2023 is for  
 8.28 purposes of Minnesota Statutes, chapter 268B.  
 8.29 This is a onetime appropriation.

8.30 (b) The base for the family and medical benefit  
 8.31 insurance account in the special revenue fund  
 8.32 is \$436,000 in fiscal year 2024 and \$559,000  
 8.33 in fiscal year 2025.



9.1	<b>Sec. 4. <u>DEPARTMENT OF HUMAN</u></b>			
9.2	<b><u>SERVICES</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 1,066,000</u></b>
9.3	<u>\$1,066,000 in fiscal year 2023 is for purposes</u>			
9.4	<u>of Minnesota Statutes, chapter 268B. The base</u>			
9.5	<u>for this appropriation is \$0 in fiscal year 2024</u>			
9.6	<u>and \$214,000 in fiscal year 2025.</u>			
9.7	<b>Sec. 5. <u>MANAGEMENT AND BUDGET</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ -0-</u></b>
9.8	<u>For purposes of Minnesota Statutes, chapter</u>			
9.9	<u>268B, the general fund base is \$1,967,000 in</u>			
9.10	<u>fiscal year 2024 and \$4,103,000 in fiscal year</u>			
9.11	<u>2025.</u>			
9.12	<b>Sec. 6. <u>LEGISLATIVE COORDINATING</u></b>			
9.13	<b><u>COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 22,000</u></b>
9.14	<u>\$22,000 in fiscal year 2023 is for purposes of</u>			
9.15	<u>Minnesota Statutes, chapter 268B. The base</u>			
9.16	<u>for this appropriation is \$73,000 in fiscal year</u>			
9.17	<u>2024 and \$141,000 in fiscal year 2025.</u>			
9.18	<b>Sec. 7. <u>SUPREME COURT</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 15,000</u></b>
9.19	<u>\$15,000 in fiscal year 2023 is for purposes of</u>			
9.20	<u>Minnesota Statutes, chapter 268B. The base</u>			
9.21	<u>for this appropriation is \$15,000 in fiscal year</u>			
9.22	<u>2024 and \$492,000 in fiscal year 2025.</u>			
9.23	<b>Sec. 8. <u>UNIVERSITY OF MINNESOTA</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ -0-</u></b>
9.24	<u>For purposes of Minnesota Statutes, chapter</u>			
9.25	<u>268B, the general fund base is \$1,686,000 in</u>			
9.26	<u>fiscal year 2025.</u>			
9.27	<b>Sec. 9. <u>DEPARTMENT OF EDUCATION</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 161,743,000</u></b>
9.28	<u>\$161,743,000 in fiscal year 2023 is for</u>			
9.29	<u>purposes of reimbursement to educational</u>			
9.30	<u>institutions as provided under Minnesota</u>			
9.31	<u>Statutes, section 268.193. This is a onetime</u>			
9.32	<u>appropriation and is available until expended.</u>			
9.33	<u>This appropriation is subject to the</u>			

10.1 requirements under Minnesota Statutes,  
10.2 section 268.193.

10.3 Sec. 10. FAMILY AND MEDICAL BENEFITS; TRANSFER.

10.4 \$31,986,000 in fiscal year 2024 is transferred from the family and medical benefit  
10.5 insurance account in the special revenue fund to the general fund. This is a onetime transfer.

10.6 Sec. 11. DUPLICATE APPROPRIATIONS GIVEN EFFECT ONCE.

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

10.9 Sec. 12. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2,  
10.10 is amended to read:

10.11			44,741,000
10.12	Subd. 2. <b>Business and Community Development</b>	208,015,000	<u>58,741,000</u>

10.13	Appropriations by Fund		
10.14			41,941,000
10.15	General	205,215,000	<u>55,941,000</u>
10.16	Remediation	700,000	700,000
10.17	Workforce		
10.18	Development	2,100,000	2,100,000

10.19 (a) \$1,787,000 each year is for the greater  
10.20 Minnesota business development public  
10.21 infrastructure grant program under Minnesota  
10.22 Statutes, section 116J.431. This appropriation  
10.23 is available until June 30, 2025.

10.24 (b) \$8,425,000 in the first year and ~~\$1,425,000~~  
10.25 \$6,425,000 in the second year are for the  
10.26 small business partnership grant program  
10.27 formerly known as the business development  
10.28 competitive grant program. Of this amount,  
10.29 up to five percent is for administration and  
10.30 monitoring of the ~~business development~~  
10.31 ~~competitive grant~~ program and \$7,000,000 in  
10.32 the first year is and \$5,000,000 in the second  
10.33 year are for technical assistance to small

11.1 businesses. Funding for technical assistance  
11.2 to small businesses in the second year shall  
11.3 be divided proportionately between program  
11.4 grantees from the first year. Except for awards  
11.5 for technical assistance for small businesses,  
11.6 all grant awards shall be for two consecutive  
11.7 years. ~~Grants~~ and shall be awarded in the first  
11.8 year. The small business partnership grant  
11.9 program shall also provide business  
11.10 development assistance and services to  
11.11 commercial cooperatives, employee-owned  
11.12 businesses, and commercial land trusts.  
11.13 Beginning in fiscal year 2024, the base amount  
11.14 is \$4,925,000 of which \$1,500,000 is for  
11.15 technical assistance to small businesses  
11.16 participating in the spark small business loan  
11.17 program under Minnesota Statutes, section  
11.18 116J.8751.

11.19 (c) \$1,772,000 each year is for contaminated  
11.20 site cleanup and development grants under  
11.21 Minnesota Statutes, sections 116J.551 to  
11.22 116J.558. This appropriation is available until  
11.23 expended.

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

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

11.31 (f) \$25,000 each year is for the administration  
11.32 of state aid for the Destination Medical Center  
11.33 under Minnesota Statutes, sections 469.40 to  
11.34 469.47.

- 12.1 (g) \$875,000 each year is for the host  
12.2 community economic development program  
12.3 established in Minnesota Statutes, section  
12.4 116J.548.
- 12.5 (h)(1) ~~\$2,500,000 each year is~~ the first year  
12.6 and \$6,500,000 the second year are for grants  
12.7 to local communities to increase the number  
12.8 of quality child care providers to support  
12.9 economic development. This appropriation is  
12.10 available through June 30, 2023. Fifty percent  
12.11 of grant funds must go to communities located  
12.12 outside the seven-county metropolitan area as  
12.13 defined in Minnesota Statutes, section  
12.14 473.121, subdivision 2. In fiscal year 2024  
12.15 and beyond, the base amount is \$1,500,000.
- 12.16 (2) Grant recipients must obtain a 50 percent  
12.17 nonstate match to grant funds in either cash  
12.18 or in-kind contribution, unless the  
12.19 commissioner waives the requirement. Grant  
12.20 funds available under this subdivision must  
12.21 be used to implement projects to reduce the  
12.22 child care shortage in the state, including but  
12.23 not limited to funding for child care business  
12.24 start-ups or expansion, training, facility  
12.25 modifications, direct subsidies or incentives  
12.26 to retain employees, or improvements required  
12.27 for licensing, and assistance with licensing  
12.28 and other regulatory requirements. In awarding  
12.29 grants, the commissioner must give priority  
12.30 to communities that have demonstrated a  
12.31 shortage of child care providers.
- 12.32 (3) Within one year of receiving grant funds,  
12.33 grant recipients must report to the  
12.34 commissioner on the outcomes of the grant  
12.35 program, including but not limited to the

13.1 number of new providers, the number of  
13.2 additional child care provider jobs created, the  
13.3 number of additional child care slots, and the  
13.4 amount of cash and in-kind local funds  
13.5 invested. Within one month of all grant  
13.6 recipients reporting on program outcomes, the  
13.7 commissioner must report the grant recipients'  
13.8 outcomes to the chairs and ranking members  
13.9 of the legislative committees with jurisdiction  
13.10 over early learning and child care and  
13.11 economic development.

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

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

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

13.30 (3) provide locally based training and technical  
13.31 assistance to rural child care business owners  
13.32 individually or through a learning cohort.  
13.33 Access to financial and business development  
13.34 assistance must prepare child care businesses  
13.35 for quality engagement and improvement by

14.1 stabilizing operations, leveraging funding from  
14.2 other sources, and fostering business acumen  
14.3 that allows child care businesses to plan for  
14.4 and afford the cost of providing quality child  
14.5 care; and

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

14.17 The Minnesota Initiative Foundations are  
14.18 authorized to subgrant their allocation to  
14.19 partner organizations who are assisting in their  
14.20 child care work.

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

14.28 (k) \$10,029,000 the first year and \$10,028,000  
14.29 the second year are for the Minnesota  
14.30 investment fund under Minnesota Statutes,  
14.31 section 116J.8731. Of this amount, the  
14.32 commissioner of employment and economic  
14.33 development may use up to three percent for  
14.34 administration and monitoring of the program.  
14.35 In fiscal year 2024 and beyond, the base

15.1 amount is \$12,370,000. This appropriation is  
15.2 available until expended. Notwithstanding  
15.3 Minnesota Statutes, section 116J.8731, money  
15.4 appropriated to the commissioner for the  
15.5 Minnesota investment fund may be used for  
15.6 the redevelopment program under Minnesota  
15.7 Statutes, sections 116J.575 and 116J.5761, at  
15.8 the discretion of the commissioner. Grants  
15.9 under this paragraph are not subject to the  
15.10 grant amount limitation under Minnesota  
15.11 Statutes, section 116J.8731.

15.12 (1) ~~\$0 each~~ \$5,000,000 in the second year is  
15.13 for the redevelopment program under  
15.14 Minnesota Statutes, sections ~~116J.575~~  
15.15 116J.571 and 116J.5761. This appropriation  
15.16 is available until spent. In fiscal year 2024 and  
15.17 beyond, the base amount is ~~\$2,246,000~~  
15.18 \$3,496,000.

15.19 (2) For funding in fiscal year 2023, the  
15.20 commissioner shall prioritize applications  
15.21 from development authorities located in  
15.22 low-income areas, defined as:

15.23 (i) a census tract that has a poverty rate of at  
15.24 least 20 percent, as reported by the United  
15.25 States Bureau of the Census in the most recent  
15.26 American Community Survey;

15.27 (ii) a qualified census tract, as defined under  
15.28 United States Code, title 26, section 42; or

15.29 (iii) a census tract, city, township, or county  
15.30 in which ten percent of the population have  
15.31 an annual income of 200 percent or less of the  
15.32 federal poverty level.

15.33 (3) Notwithstanding any other law to the  
15.34 contrary, no local matching funds are required

16.1 from development authorities located in  
16.2 low-income areas in fiscal year 2023 and state  
16.3 funds may be used for 100 percent of the cost  
16.4 of the projects.

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

16.15 (n) \$325,000 each year is for the Minnesota  
16.16 Film and TV Board. The appropriation in each  
16.17 year is available only upon receipt by the  
16.18 board of \$1 in matching contributions of  
16.19 money or in-kind contributions from nonstate  
16.20 sources for every \$3 provided by this  
16.21 appropriation, except that each year up to  
16.22 \$50,000 is available on July 1 even if the  
16.23 required matching contribution has not been  
16.24 received by that date.

16.25 (o) \$12,000 each year is for a grant to the  
16.26 Upper Minnesota Film Office.

16.27 (p) \$500,000 each year is for a grant to the  
16.28 Minnesota Film and TV Board for the film  
16.29 production jobs program under Minnesota  
16.30 Statutes, section 116U.26. This appropriation  
16.31 is available until June 30, 2025.

16.32 (q) \$4,195,000 each year is for the Minnesota  
16.33 job skills partnership program under  
16.34 Minnesota Statutes, sections 116L.01 to



17.1 116L.17. If the appropriation for either year  
17.2 is insufficient, the appropriation for the other  
17.3 year is available. This appropriation is  
17.4 available until expended.

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

17.8 (s) \$2,500,000 each year is for Launch  
17.9 Minnesota. This appropriation is available  
17.10 until June 30, 2025. The base in fiscal year  
17.11 2026 is \$0. Of this amount:

17.12 (1) \$1,500,000 each year is for innovation  
17.13 grants to eligible Minnesota entrepreneurs or  
17.14 start-up businesses to assist with their  
17.15 operating needs;

17.16 (2) \$500,000 each year is for administration  
17.17 of Launch Minnesota; and

17.18 (3) \$500,000 each year is for grantee activities  
17.19 at Launch Minnesota.

17.20 (t) \$1,148,000 the first year is for a grant to  
17.21 the Northeast Entrepreneur Fund, a small  
17.22 business administration microlender and  
17.23 community development financial institution  
17.24 operating in northern Minnesota. Grant funds  
17.25 must be used as capital for accessing  
17.26 additional federal lending for small businesses  
17.27 impacted by COVID-19 and must be returned  
17.28 to the commissioner for deposit in the general  
17.29 fund if the Northeast Entrepreneur Fund fails  
17.30 to secure such federal funds before January 1,  
17.31 2022.

17.32 (u) \$80,000,000 the first year is for the Main  
17.33 Street Economic Revitalization Loan Program.  
17.34 Of this amount, up to \$300,000 is for the

18.1 commissioner's administration and monitoring  
18.2 of the program. This appropriation is available  
18.3 until June 30, 2025.

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

18.7 (1) \$34,950,000 is for grants to the Minnesota  
18.8 Initiative Foundations to serve businesses  
18.9 outside of the metropolitan area as defined in  
18.10 Minnesota Statutes, section 473.121,  
18.11 subdivision 2;

18.12 (2) \$34,950,000 is for grants to partner  
18.13 organizations to serve businesses inside the  
18.14 metropolitan area as defined in Minnesota  
18.15 Statutes, section 473.121, subdivision 2; and

18.16 (3) \$100,000 is for the commissioner's  
18.17 administration and monitoring of the program.

18.18 (w) \$250,000 each year is for the publication,  
18.19 dissemination, and use of labor market  
18.20 information under Minnesota Statutes, section  
18.21 116J.401.

18.22 (x) \$500,000 each year is for the airport  
18.23 infrastructure renewal (AIR) grant program  
18.24 under Minnesota Statutes, section 116J.439.  
18.25 In awarding grants with this appropriation, the  
18.26 commissioner must prioritize eligible  
18.27 applicants that did not receive a grant pursuant  
18.28 to the appropriation in Laws 2019, First  
18.29 Special Session chapter 7, article 1, section 2,  
18.30 subdivision 2, paragraph (q).

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

19.1 (1) training, lending, and business services;

19.2 (2) model outreach and training in greater

19.3 Minnesota; and

19.4 (3) development of new business incubators.

19.5 This is a onetime appropriation.

19.6 (z) \$5,000,000 in the first year is for a grant

19.7 to Lake of the Woods County for the

19.8 forgivable loan program for remote

19.9 recreational businesses. This appropriation is

19.10 available until April 1, 2022.

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

19.12 Sec. 13. Laws 2021, First Special Session chapter 14, article 11, section 42, is amended

19.13 to read:

19.14 Sec. 42. **APPROPRIATION; MEAT PROCESSING BUSINESSES IN**

19.15 **REDEVELOPMENT AREA.**

19.16 Of an appropriation in fiscal year 2022 for the targeted community capital project grant

19.17 program under Minnesota Statutes, section 116J.9924, the commissioner of employment

19.18 and economic development must grant \$6,000,000 ~~for one or more grants to any business~~

19.19 ~~engaged in the meat processing industry and currently conducting operations in a building~~

19.20 ~~or buildings constructed on or before January 1, 1947, and located in a city of the second~~

19.21 ~~class that was designated as a redevelopment area by the United States Department of~~

19.22 ~~Commerce under the Public Works and Economic Development Act of 1965, Public Law~~

19.23 ~~89-136, title IV, section 401(a)(4). This appropriation includes: site acquisition costs;~~

19.24 ~~relocation costs; predesign; design; sewer, water, and stormwater infrastructure; site~~

19.25 ~~preparation; engineering; and the cost of improvements to real property locally zoned to~~

19.26 ~~allow a meat processing land use that are incurred by any qualified business under this~~

19.27 ~~section. A grantee under this section must work in consultation with a local government~~

19.28 ~~unit with jurisdiction over the area where the property is located on activities funded by the~~

19.29 ~~grant. This is a onetime appropriation. A grant issued under this section is not subject to~~

19.30 ~~the grant requirements under Minnesota Statutes, section 116J.9924. to the city of South~~

19.31 ~~St. Paul for economic development, redevelopment, and job creation and retention programs~~

20.1 and projects. This grant is not subject to the requirements under Minnesota Statutes, chapter  
20.2 116J.

20.3 Sec. 14. **CANCELLATION AND APPROPRIATION.**

20.4 (a) All unspent money, estimated to be \$889,000, appropriated under Laws 2015, First  
20.5 Special Session chapter 1, article 1, section 2, subdivision 2, paragraphs (k) and (l), is  
20.6 canceled to the general fund.

20.7 (b) All money canceled under paragraph (a) is appropriated in fiscal year 2023 to the  
20.8 commissioner of employment and economic development for the targeted community capital  
20.9 project grant program under Minnesota Statutes, section 116J.9924. This is a onetime  
20.10 appropriation.

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

20.12 **ARTICLE 2**

20.13 **ECONOMIC DEVELOPMENT POLICY**

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

20.15 The commissioner of employment and economic development shall annually create a  
20.16 list of reports that were mandated by law at least three years prior to the date of the list and  
20.17 that no longer serve a useful purpose. This list, along with suggested legislation for  
20.18 eliminating the listed reports, shall be submitted no later than January 15 each year, beginning  
20.19 in 2023, to the legislative committees with jurisdiction over employment and economic  
20.20 development for the consideration of the legislature.

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

20.22 Sec. 2. **[116J.4231] OFFICE OF NEW AMERICANS.**

20.23 Subdivision 1. **Office established; purpose.** (a) The Office of New Americans is  
20.24 established within the Department of Employment and Economic Development. The governor  
20.25 must appoint an executive director who serves in the unclassified service. The executive  
20.26 director must hire a program manager and an office assistant, as well as any staff necessary  
20.27 to carry out the office's duties under subdivision 2.

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

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

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

21.3 Subd. 2. **Duties.** (a) The office has the duty to:

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

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

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

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

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

21.14 (6) coordinate and establish best practices for language access initiatives to all state  
21.15 agencies;

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

21.18 (8) promulgate rules necessary to implement and effectuate this section;

21.19 (9) provide an annual report, as required by subdivision 3;

21.20 (10) perform any other activities consistent with the office's purpose.

21.21 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office  
21.22 of New Americans shall report to the legislative committees with jurisdiction over the  
21.23 office's activities during the previous year.

21.24 (b) The report shall contain, at a minimum:

21.25 (1) a summary of the office's activities;

21.26 (2) suggested policies, incentives, and legislation designed to accelerate the achievement  
21.27 of the duties under subdivision 2;

21.28 (3) any proposed legislative and policy initiatives;

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

22.1 (5) any other information deemed necessary and requested by the legislative committees  
22.2 with jurisdiction over the office.

22.3 (c) The report may be submitted electronically and is subject to section 3.195, subdivision  
22.4 1.

22.5 **Subd. 4. Interdepartmental Coordinating Council on Immigrant and Refugee**  
22.6 **Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs  
22.7 is established to advise the Office of New Americans.

22.8 (b) The purpose of the council is to identify and establish ways in which state departments  
22.9 and agencies can work together to deliver state programs and services effectively and  
22.10 efficiently to Minnesota's immigrant and refugee populations. The council shall implement  
22.11 policies, procedures, and programs requested by the governor through the state departments  
22.12 and offices.

22.13 (c) The council shall be chaired by the executive director of the Office of New Americans  
22.14 and shall be comprised of the commissioners, department directors, or designees, from the  
22.15 following state departments and offices:

22.16 (1) the governor's office;

22.17 (2) the Department of Administration;

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

22.19 (4) the Department of Human Services;

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

22.21 (6) the Department of Labor and Industry;

22.22 (7) the Department of Health;

22.23 (8) the Department of Education;

22.24 (9) the Office of Higher Education;

22.25 (10) the Department of Public Safety;

22.26 (11) the Department of Corrections; and

22.27 (12) the Office of New Americans.

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

23.1 (1) preparation and dissemination of information and services available to immigrants  
23.2 and refugees;

23.3 (2) interfacing with the Office of New Americans on issues that impact immigrants and  
23.4 refugees and their communities; and

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

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

23.11 Subd. 6. **Grants.** Within the limits of available appropriations, the office may apply for  
23.12 grants for interested state agencies, community partners, and stakeholders under this section  
23.13 to carry out the duties under subdivision 2.

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

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

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

23.19 **116J.8747 JOB TRAINING PROGRAM GRANT.**

23.20 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified  
23.21 job training program from money appropriated for the purposes of this section as follows:

23.22 ~~(1) an \$11,000 placement grant paid to a job training program upon placement in~~  
23.23 ~~employment of a qualified graduate of the program; and~~

23.24 ~~(2) an \$11,000 retention grant paid to a job training program upon retention in~~  
23.25 ~~employment of a qualified graduate of the program for at least one year.~~

23.26 (1) up to ten percent of the appropriation may be allocated for administrative expenses  
23.27 by the program;

23.28 (2) up to 20 percent of the appropriation may be allocated for direct service expenses  
23.29 by the program;

24.1 (3) a placement grant paid to a job training program upon placement in employment of  
24.2 a qualified graduate of the job training program as follows:

24.3 (i) \$2,500 for placement in part-time employment (20 hours a week or more) of at least  
24.4 150 percent of the state minimum wage hourly;

24.5 (ii) \$2,500 for placement in full-time employment (32 hours a week or more) at the state  
24.6 minimum wage but below 150 percent of the state minimum wage hourly; and

24.7 (iii) \$5,000 for placement in full-time employment (32 hours a week or more) of at least  
24.8 150 percent of the state minimum wage hourly; and

24.9 (4) a retention grant paid to a job training program upon retention in employment of a  
24.10 qualified graduate of the job training program for at least one year as follows:

24.11 (i) \$5,000 for one year of retained part-time employment (20 hours a week or more) of  
24.12 at least 150 percent of the state minimum wage;

24.13 (ii) \$5,000 for one year of retained full-time employment (32 hours a week or more) at  
24.14 the state minimum wage but below 150 percent of the state minimum wage; and

24.15 (iii) \$10,000 for one year of retained full-time employment (32 hours a week or more)  
24.16 of at least 150 percent of the state minimum wage hourly.

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

24.19 (1) the program must be operated by a nonprofit corporation that qualifies under section  
24.20 501(c)(3) of the Internal Revenue Code;

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

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

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

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

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

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



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

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

25.8 (6) the program must be certified by the commissioner of employment and economic  
25.9 development, or the commissioner's designee, as meeting the requirements of this subdivision.

25.10 Subd. 3. ~~Graduation and retention grant~~ Employment requirements. For purposes  
25.11 of a placement grant under this section, a qualified graduate is a graduate of a job training  
25.12 program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at  
25.13 least the current state minimum wage. To qualify for a retention grant under this section for  
25.14 a retention fee, a job in which the graduate is retained must pay at least the current state  
25.15 minimum wage. (a) For employment to qualify under subdivision 1, the employment must  
25.16 be permanent, unsubsidized, private or public sector employment, eligible for unemployment  
25.17 insurance under section 268.035, or otherwise eligible for unemployment insurance under  
25.18 section 268.035 if hours were above 32 per week.

25.19 (b) Programs are limited to one placement and one retention payment for a qualified  
25.20 graduate in a performance program within the two years following a placement or retention  
25.21 payment made under this section.

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

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

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

25.29 Sec. 5. Minnesota Statutes 2021 Supplement, section 116J.8749, is amended to read:

25.30 **116J.8749 MAIN STREET ECONOMIC REVITALIZATION PROGRAM.**

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

26.1 (b) "Borrower" means an eligible recipient receiving a loan guaranteed or capitalized  
26.2 under this section.

26.3 (c) "Capitalized loan" means a loan for which the state provides up to 20 percent of the  
26.4 loan funding with the state funds payment subordinate in the event of default.

26.5 ~~(e)~~ (d) "Commissioner" means the commissioner of employment and economic  
26.6 development.

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

26.15 ~~(e)~~ (f) "Eligible recipient" means a:

26.16 (1) business;

26.17 (2) nonprofit organization; or

26.18 (3) developer

26.19 that is seeking funding to complete an eligible project. Eligible recipient does not include  
26.20 a partner organization or a local unit of government.

26.21 ~~(f)~~ (g) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan  
26.22 amount for a maximum period of 15 years from the origination of the loan.

26.23 ~~(g)~~ (h) "Leveraged grant" means a grant that is matched by the eligible recipient's  
26.24 commitment to the eligible project of nonstate funds at a level of 200 percent of the grant  
26.25 amount. The nonstate match may include but is not limited to funds contributed by a partner  
26.26 organization and insurance proceeds.

26.27 ~~(h)~~ (i) "Loan guarantee trust fund" means a dedicated account established under this  
26.28 section for the purpose of compensation for defaulted loan guarantees.

26.29 (j) "Low-income area" means a census tract that has a poverty rate of at least 20 percent  
26.30 as reported in the most recently completed decennial census published by the United States  
26.31 Bureau of the Census.

26.32 ~~(i)~~ (k) "Partner organizations" or "partners" means:

27.1 (1) foundations engaged in economic development;

27.2 (2) community development financial institutions; and

27.3 (3) community development corporations.

27.4 ~~(1)~~ (1) "Program" means the Main Street Economic Revitalization Program under this  
27.5 section.

27.6 ~~(m)~~ (m) "Subordinated loan" means a loan secured by a lien that is lower in priority than  
27.7 one or more specified other liens.

27.8 Subd. 2. **Establishment.** The commissioner shall establish the Main Street Economic  
27.9 Revitalization Program to make grants to partner organizations to fund leveraged grants,  
27.10 capitalized loans, and guaranteed loans to specific named eligible recipients for eligible  
27.11 projects that are designed to address the greatest economic development and redevelopment  
27.12 needs that have arisen in the surrounding community since March 15, 2020.

27.13 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to  
27.14 partner organizations to provide leveraged grants, capitalized loans, and guaranteed loans  
27.15 to eligible recipients using criteria, forms, applications, and reporting requirements developed  
27.16 by the commissioner.

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

27.18 (1) outline a plan to provide leveraged grants, capitalized loans, and guaranteed loans  
27.19 to eligible recipients for specific eligible projects that represent the greatest economic  
27.20 development and redevelopment needs in the surrounding community. This plan must  
27.21 include an analysis of the economic impact of the eligible projects the partner organization  
27.22 proposes to make these investments in;

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

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

27.29 (c) Grants shall be made in up to three rounds:

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

28.1 (2) a second round with an application date after September 1, 2021, but before March  
28.2 1, 2022; and

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

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

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

28.9 Subd. 4. **Award criteria.** In awarding grants under this section, the commissioner shall  
28.10 give funding preference to applications that:

28.11 (1) have the greatest regional economic impact under subdivision 3, paragraph (b), clause  
28.12 (1), particularly with regard to increasing the local tax base; and

28.13 (2) have the greatest portion of the estimated cost of the eligible projects met through  
28.14 nonstate funds.

28.15 Subd. 5. **Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible  
28.16 recipient shall be for no more than \$750,000.

28.17 (b) A leveraged grant may be used to finance no more than 30 percent of an eligible  
28.18 project.

28.19 (c) An eligible project must have secured commitments for all required matching funds  
28.20 and all required development approvals before a leveraged grant may be distributed.

28.21 (d) The commissioner may waive the matching fund requirement for projects located  
28.22 in low-income areas.

28.23 Subd. 6. **Capitalized and guaranteed loans to eligible recipients.** (a) A capitalized or  
28.24 guaranteed loan to an eligible recipient must:

28.25 (1) be for no more than \$2,000,000; and

28.26 (2) be for a term of no more than 15 years; and.

28.27 ~~(3)~~ (b) All capitalized loans shall comply with the terms under subdivision 6a and all  
28.28 guaranteed loans shall comply with the terms under subdivision 7.

28.29 ~~(b)~~ (c) An eligible project must have all required development approvals before a  
28.30 capitalized or guaranteed loan may be distributed.

29.1 (d) Upon origination of a capitalized loan, the commissioner shall authorize disbursement  
29.2 of up to 20 percent of the loan amount to the partner organization.

29.3 ~~(e)~~ (e) Upon origination of a guaranteed loan, the commissioner must reserve ten percent  
29.4 of the loan amount into the loan guarantee trust fund created under subdivision 8.

29.5 ~~(d)~~ (f) No capitalized or guaranteed loan may be made to an eligible recipient after  
29.6 December 31, 2024.

29.7 Subd. 6a. **Required terms for capitalized loans.** For a capitalized loan under the  
29.8 program:

29.9 (1) principal and interest payments made by the borrower under the terms of the loan  
29.10 shall be allocated first to the nonstate portion of the loan and second to the state portion of  
29.11 the loan;

29.12 (2) the partner organization shall not accelerate repayment of the loan or exercise other  
29.13 remedies if the borrower defaults, unless:

29.14 (i) the borrower fails to make a required payment of principal or interest within 60 days  
29.15 of the due date; or

29.16 (ii) the commissioner consents in writing;

29.17 (3) the partner organization must timely prepare and deliver to the commissioner, annually  
29.18 by the date specified in the loan agreement, an audited or reviewed financial statement for  
29.19 the loan, prepared by a certified public accountant according to generally accepted accounting  
29.20 principles, if available, and documentation that the borrower used the loan proceeds solely  
29.21 for an eligible project;

29.22 (4) the commissioner shall have access to loan documents at any time subsequent to the  
29.23 loan documents being submitted to the partner organization;

29.24 (5) the partner organization must maintain adequate records and documents concerning  
29.25 the loan so that the commissioner may determine the borrower's financial condition and  
29.26 compliance with program requirements;

29.27 (6) the state portion of the loan may be subordinate to other loans made by lenders in  
29.28 the overall financing package; and

29.29 (7) repayments of the state portion of the loan may be retained by the partner organization  
29.30 for capitalizing additional redevelopment projects.

29.31 Subd. 7. **Required terms for guaranteed loans.** For a guaranteed loan under the  
29.32 program:

30.1 (1) principal and interest payments made by the borrower under the terms of the loan  
30.2 are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis.  
30.3 The nonguaranteed portion shall not receive preferential treatment over the guaranteed  
30.4 portion;

30.5 (2) the partner organization shall not accelerate repayment of the loan or exercise other  
30.6 remedies if the borrower defaults, unless:

30.7 (i) the borrower fails to make a required payment of principal or interest within 60 days  
30.8 of the due date; or

30.9 (ii) the commissioner consents in writing;

30.10 (3) in the event of a default, the partner organization may not make a demand for payment  
30.11 pursuant to the guarantee unless the commissioner agrees in writing that the default has  
30.12 materially affected the rights or security of the parties;

30.13 (4) the partner organization must timely prepare and deliver to the commissioner, annually  
30.14 by the date specified in the loan guarantee, an audited or reviewed financial statement for  
30.15 the loan, prepared by a certified public accountant according to generally accepted accounting  
30.16 principles, if available, and documentation that the borrower used the loan proceeds solely  
30.17 for an eligible project;

30.18 (5) the commissioner shall have access to loan documents at any time subsequent to the  
30.19 loan documents being submitted to the partner organization;

30.20 (6) the partner organization must maintain adequate records and documents concerning  
30.21 the loan so that the commissioner may determine the borrower's financial condition and  
30.22 compliance with program requirements;

30.23 (7) orderly liquidation of collateral securing the loan must be provided for in the event  
30.24 of default, pursuant to the loan guarantee; and

30.25 (8) the guaranteed portion of the loan may be subordinate to other loans made by lenders  
30.26 in the overall financing package.

30.27 **Subd. 8. Loan guarantee trust fund established.** A loan guarantee trust fund account  
30.28 in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees.  
30.29 The commissioner shall administer this account. The day that this section expires, all  
30.30 remaining funds in the account are canceled to the general fund.

30.31 **Subd. 9. Statewide program.** In proportion to eligible demand, leveraged grants,  
30.32 capitalized loans, and guaranteed loans under this section shall be made so that an

31.1 approximately equal dollar amount of leveraged grants, capitalized loans, and guaranteed  
31.2 loans are made to businesses in the metropolitan area as in the nonmetropolitan area, not  
31.3 to exceed 65 percent in any one area. After June 30, 2023, the department may allow  
31.4 leveraged grants, capitalized loans, and guaranteed loans to be made anywhere in the state  
31.5 without regard to geographic area.

31.6 Subd. 10. **Exemptions.** All grants and grant-making processes under this section are  
31.7 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,  
31.8 subdivisions 5, 7, and 8. The commissioner must audit the use of funds under this section  
31.9 in accordance with standard accounting practices. The exemptions under this subdivision  
31.10 expire on December 31, 2023.

31.11 Subd. 11. **Reports.** (a) By January 31, 2022, and annually until December 31, 2026,  
31.12 after which biennial reporting will be permitted after the commissioner consults with the  
31.13 legislature, partner organizations participating in the program must provide a report to the  
31.14 commissioner that includes descriptions of the eligible projects supported by the program,  
31.15 the type and amount of support provided, any economic development gains attributable to  
31.16 the support, and an explanation of administrative expenses.

31.17 (b) By February 15, 2022, and annually until December 31, 2026, after which biennial  
31.18 reporting will be permitted after the commissioner consults with the legislature, the  
31.19 commissioner must report to the legislative committees in the house of representatives and  
31.20 senate with jurisdiction over economic development about funding provided under this  
31.21 program based on the information received under paragraph (a) and about the performance  
31.22 of the loan guarantee trust fund.

31.23 Subd. 12. **Expiration.** This section expires December 31, 2036.

31.24 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021.

31.25 Sec. 6. **[116J.8751] SPARK SMALL BUSINESS LOAN PROGRAM.**

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

31.28 (b) "Account" means the spark small business loan program account created under  
31.29 subdivision 5.

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

31.31 (d) "Community business" means a cooperative, an employee-owned business, or a  
31.32 commercial land trust that is at least 51 percent owned by individuals from targeted groups.

32.1 (e) "Immigrant" means a lawful permanent resident who has been in the United States  
32.2 for a maximum of seven years at the time of application.

32.3 (f) "Partner organization" means a community development financial institution or  
32.4 nonprofit corporation.

32.5 (g) "Program" means the spark small business loan program established under this  
32.6 section.

32.7 (h) "Targeted groups" means people who are Black, Indigenous, People of Color,  
32.8 immigrants, low income, women, veterans, or people with disabilities.

32.9 Subd. 2. **Establishment.** The spark small business loan program is established to award  
32.10 grants to partner organizations to fund loans statewide to businesses that employ the  
32.11 equivalent of 50 full-time workers or less, to encourage private investment, provide jobs,  
32.12 create and strengthen business enterprises, and promote economic development.

32.13 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall award grants to  
32.14 partner organizations through a competitive grant process where applicants apply using a  
32.15 form designed by the commissioner. In evaluating applications, the commissioner must  
32.16 consider, among other things, whether the applicant:

32.17 (1) has a board of directors that includes citizens experienced in business and community  
32.18 development and creating jobs;

32.19 (2) has the technical skills to analyze projects;

32.20 (3) is familiar with other available public and private funding sources and economic  
32.21 development programs;

32.22 (4) can initiate and implement economic development projects;

32.23 (5) can establish and administer a revolving loan account or has operated a revolving  
32.24 loan account; and

32.25 (6) can work with job referral networks.

32.26 (b) The commissioner shall ensure that, to the extent there is sufficient eligible demand,  
32.27 loans are made to businesses inside and outside the metropolitan area, as defined in section  
32.28 473.121, subdivision 2, in a manner approximating each region's proportion of the state  
32.29 population. After March 31 of each fiscal year, the commissioner may allow loans to be  
32.30 made anywhere in the state without regard to geographic area.

32.31 (c) Partner organizations that receive grants under this subdivision may use up to ten  
32.32 percent of the award for administrative expenses, including providing specialized technical



33.1 and legal assistance, either directly or through partnership with nonprofit organizations, to  
33.2 businesses eligible to apply for loans under this program.

33.3 (d) The commissioner shall review existing agreements with partner organizations every  
33.4 five years and may renew or terminate the agreement based on that review. In making the  
33.5 review, the commissioner shall consider, among other criteria, the criteria in paragraph (a).

33.6 Subd. 4. **Loans to businesses.** (a) A partner organization that receives a grant under  
33.7 subdivision 3 shall establish a plan for making loans to businesses. The plan requires approval  
33.8 by the commissioner.

33.9 (b) Under the plan:

33.10 (1) the partner organization shall establish a commissioner-certified revolving loan fund  
33.11 for the purpose of making loans to businesses;

33.12 (2) loans shall be for projects that are unlikely to be undertaken unless a loan is received  
33.13 under the program;

33.14 (3) a partner organization may not make a loan to a project in which it has an ownership  
33.15 interest;

33.16 (4) the state contribution to each loan shall be no less than \$5,000 and no more than:

33.17 (i) \$35,000 if the loan is for a retail development project;

33.18 (ii) \$600,000 if the loan is for a community business; and

33.19 (iii) \$150,000 for all other loans;

33.20 (5) the interest rate on a loan shall not be higher than the Wall Street Journal prime rate  
33.21 and may be zero;

33.22 (6) loans shall be for a maximum term of seven years;

33.23 (7) the partner organization may charge a loan origination fee of no more than one  
33.24 percent of the loan value and may retain that origination fee;

33.25 (8) a loan application given preliminary approval by the partner organization must be  
33.26 forwarded to the commissioner for final approval;

33.27 (9) repayments may be deferred for up to one year if justified by the project proposed  
33.28 and approved by the commissioner;

33.29 (10) all repayments of interest on loans shall be deposited in the partner organization's  
33.30 revolving loan fund for use in making further loans consistent with this section;

34.1 (11) all repayments of loan principal must be paid to the commissioner for deposit in  
34.2 the spark small business loan program account; and

34.3 (12) up to ten percent of a loan's principal amount may be forgiven if the commissioner  
34.4 approves and the borrower has met lender criteria, including being current with all payments.

34.5 Subd. 5. **Creation of account.** A spark small business loan program account is created  
34.6 in the special revenue fund in the state treasury. Money in the account is appropriated to  
34.7 the commissioner for the grants under this section. Annually, the commissioner may use  
34.8 an amount equal to no more than four percent of the value of grants made in the previous  
34.9 year for the administrative costs of the program. In fiscal year 2023, the commissioner may  
34.10 use \$500,000 for administration. Notwithstanding section 16A.28, money deposited in the  
34.11 account from any source is available until expended.

34.12 Subd. 6. **Reporting requirements.** (a) A partner organization that receives a grant shall:

34.13 (1) submit an annual report to the commissioner by February 15 of each year, beginning  
34.14 in 2024, that includes a description of businesses supported by the program, an account of  
34.15 loans made during the calendar year, the program's impact on business enterprises and job  
34.16 creation, the source and amount of money collected and distributed by the program, the  
34.17 program's assets and liabilities, and an explanation of administrative expenses; and

34.18 (2) provide for an independent annual audit to be performed in accordance with generally  
34.19 accepted accounting practices and auditing standards and submit a copy of each annual  
34.20 audit report to the commissioner.

34.21 (b) By March 1 of each year, beginning in 2024, the commissioner shall submit a report  
34.22 to the chairs and ranking minority members of the legislative committees with jurisdiction  
34.23 over economic development on program outcomes, including copies of all reports and audits  
34.24 received under paragraph (a).

34.25 Sec. 7. Minnesota Statutes 2020, section 116J.8770, is amended to read:

34.26 **116J.8770 EQUITY INVESTMENTS.**

34.27 The commissioner may invest funds from the capital access account to make equity  
34.28 investments in ~~community development~~ early stage and venture capital funds for the purpose  
34.29 of providing capital for small and emerging businesses. The ~~community development~~ early  
34.30 stage and venture capital fund must have experience in equity investments with small  
34.31 businesses and the ability to raise private capital.

35.1 Sec. 8. Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 4, is amended  
35.2 to read:

35.3 Subd. 4. **Grant amount; project phasing.** (a) The commissioner shall award grants in  
35.4 an amount not to exceed ~~\$1,500,000~~ \$3,000,000 per grant.

35.5 (b) A grant awarded under this section must be no less than the amount required to  
35.6 complete one or more phases of the project, less any nonstate funds already committed for  
35.7 such activities.

35.8 Sec. 9. **[116J.9926] EMERGING DEVELOPER FUND PROGRAM.**

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

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

35.12 (c) "Disadvantaged community" means a community where the median household  
35.13 income is less than 80 percent of the area median income.

35.14 (d) "Eligible project" means a project that is based in Minnesota and meets one or more  
35.15 of the following criteria:

35.16 (1) it will stimulate community stabilization or revitalization;

35.17 (2) it will be located within a census tract identified as a disadvantaged community or  
35.18 low-income community;

35.19 (3) it will directly benefit residents of a low-income household;

35.20 (4) it will increase the supply and improve the condition of affordable housing and  
35.21 homeownership;

35.22 (5) it will support the growth needs of new and existing community-based enterprises  
35.23 that promote economic stability or improve the supply or quality of job opportunities; or

35.24 (6) it will promote wealth creation, including by being a project in a neighborhood  
35.25 traditionally not served by real estate developers.

35.26 (e) "Emerging developer" means a developer who:

35.27 (1) has limited access to loans from traditional financial institutions; or

35.28 (2) is a new or smaller developer who has engaged in educational training in real estate  
35.29 development; and

35.30 (3) is either a:

36.1 (i) minority as defined in section 116M.14, subdivision 6;

36.2 (ii) woman;

36.3 (iii) person with a disability, as defined in section 116M.14, subdivision 9; or

36.4 (iv) low-income person.

36.5 (f) "Low-income person" means a person who:

36.6 (1) has a household income at or below 200 percent of the federal poverty level; or

36.7 (2) has a family income that does not exceed 60 percent of the area median income as

36.8 determined by the United States Department of Housing and Urban Development.

36.9 (g) "Partner organization" means a community development financial institution or a

36.10 similarly qualified nonprofit corporation, as determined by the commissioner.

36.11 (h) "Program" means the emerging developer fund program created under this section.

36.12 Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund

36.13 program to make grants to partner organizations to make loans to emerging developers for

36.14 eligible projects to transform neighborhoods statewide and promote economic development

36.15 and the creation and retention of jobs in Minnesota. The program must also reduce racial

36.16 and socioeconomic disparities by growing the financial capacity of emerging developers.

36.17 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall design a

36.18 competitive process to award grants to partner organizations to make loans to emerging

36.19 developers under subdivision 4.

36.20 (b) A partner organization may use up to ten percent of grant funds for the administrative

36.21 costs of the program.

36.22 Subd. 4. **Loans to emerging developers.** (a) Through the program, partner organizations

36.23 shall offer emerging developers predevelopment, construction, and bridge loans for eligible

36.24 projects according to a plan submitted to and approved by the commissioner.

36.25 (b) Predevelopment loans must be for no more than \$50,000. All other types of loans

36.26 must be for no more than \$500,000.

36.27 (c) Loans must be for a term set by the partner organization and approved by the

36.28 commissioner of no less than six months and no more than five years, depending on the use

36.29 of loan proceeds.

37.1 (d) Loans must be for zero interest or an interest rate of no more than the Wall Street  
37.2 Journal prime rate, as determined by the partner organization and approved by the  
37.3 commissioner based on the individual project risk and type of loan sought.

37.4 (e) Loans must have flexible collateral requirements compared to traditional loans, but  
37.5 may require a personal guaranty from the emerging developer and may be largely unsecured  
37.6 when the appraised value of the real estate is low.

37.7 (f) Loans must have no prepayment penalties and are expected to be repaid from  
37.8 permanent financing or a conventional loan, once that is secured.

37.9 (g) Loans must have the ability to bridge many types of receivables, such as tax credits,  
37.10 grants, developer fees, and other forms of long-term financing.

37.11 (h) At the partner organization's request and the commissioner's discretion, an emerging  
37.12 developer may be required to work with an experienced developer or professional services  
37.13 consultant who can offer expertise and advice throughout the development of the project.

37.14 (i) All loan repayments must be paid into the emerging developer fund account created  
37.15 in this section to fund additional loans.

37.16 Subd. 5. **Eligible expenses.** (a) The following are eligible expenses for a predevelopment  
37.17 loan under the program:

37.18 (1) earnest money or purchase deposit;

37.19 (2) building inspection fees and environmental reviews;

37.20 (3) appraisal and surveying;

37.21 (4) design and tax credit application fees;

37.22 (5) title and recording fees;

37.23 (6) site preparation, demolition, and stabilization;

37.24 (7) interim maintenance and project overhead;

37.25 (8) property taxes and insurance;

37.26 (9) construction bonds or letters of credit;

37.27 (10) market and feasibility studies; and

37.28 (11) professional fees.

37.29 (b) The following are eligible expenses for a construction or bridge loan under the  
37.30 program:

- 38.1 (1) land or building acquisition;
- 38.2 (2) construction-related expenses;
- 38.3 (3) developer and contractor fees;
- 38.4 (4) site preparation and demolition;
- 38.5 (5) financing fees, including title and recording;
- 38.6 (6) professional fees;
- 38.7 (7) carrying costs;
- 38.8 (8) construction period interest;
- 38.9 (9) project reserves; and
- 38.10 (10) leasehold improvements and equipment purchase.

38.11 Subd. 6. **Emerging developer fund account.** An emerging developer fund account is  
38.12 created in the special revenue fund in the state treasury. Money in the account is appropriated  
38.13 to the commissioner for grants to partner organizations to make loans under this section.

38.14 Subd. 7. **Reports to the legislature.** (a) By January 15 of each year, beginning in 2024,  
38.15 each partner organization shall submit a report to the commissioner on the use of program  
38.16 funds and program outcomes.

38.17 (b) By February 15 of each year, beginning in 2024, the commissioner shall submit a  
38.18 report to the chairs of the house of representatives and senate committees with jurisdiction  
38.19 over economic development on the use of program funds and program outcomes.

38.20 Sec. 10. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

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

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

- 38.28 (1) a business subsidy of less than \$150,000;
- 38.29 (2) assistance that is generally available to all businesses or to a general class of similar  
38.30 businesses, such as a line of business, size, location, or similar general criteria;

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

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

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

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

39.11 (7) assistance for housing;

39.12 (8) assistance for pollution control or abatement, including assistance for a tax increment  
39.13 financing hazardous substance subdistrict as defined under section 469.174, subdivision  
39.14 23;

39.15 (9) assistance for energy conservation;

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

39.17 (11) workers' compensation and unemployment insurance;

39.18 (12) benefits derived from regulation;

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

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

39.23 (15) assistance for a collaboration between a Minnesota higher education institution and  
39.24 a business;

39.25 (16) assistance for a tax increment financing soils condition district as defined under  
39.26 section 469.174, subdivision 19;

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

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

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

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

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

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

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

40.9 Sec. 11. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

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

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

40.19 Preference shall be given to projects that:

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

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

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

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

40.27 Pathways projects must demonstrate the active involvement and financial commitment  
40.28 of ~~private~~ participating business. Pathways projects must be matched with cash or in-kind  
40.29 contributions on at least a one-half-to-one ratio by participating ~~private~~ business.

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



41.1 Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42.14 Sec. 13. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

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

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

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

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

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

42.29 Sec. 14. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

42.30 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December  
42.31 31 of each even-numbered year, the commissioner must report to the chairs and ranking

43.1 minority members of the committees of the house of representatives and the senate having  
43.2 jurisdiction over economic development and workforce policy and finance the following  
43.3 information separately for each of the previous two fiscal or calendar years, for each program  
43.4 subject to the requirements of subdivision 1:

43.5 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

43.25 ~~(13) the total cost of the program;~~

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

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

43.28 ~~(16) the administrative cost of the program.~~

44.1 (b) The report to the legislature must contain participant information by education level,  
44.2 race and ethnicity, gender, and geography, and a comparison of exited participants who  
44.3 completed training and those who did not.

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

44.6 **Sec. 15. CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

44.7 Subdivision 1. Relief program established. The Northland Foundation and the Northwest  
44.8 Minnesota Foundation must develop and implement a Canadian border counties economic  
44.9 relief program to assist businesses adversely affected by the 2021 closure of the Boundary  
44.10 Waters Canoe Area Wilderness or the closures of the Canadian border since 2020.

44.11 Subd. 2. Available relief. (a) The economic relief program established under this section  
44.12 may include grants provided in this section to the extent that funds are available. Before  
44.13 awarding grants to the Northland Foundation and the Northwest Minnesota Foundation for  
44.14 the relief program under this section:

44.15 (1) the Northland Foundation and the Northwest Minnesota Foundation must develop  
44.16 criteria, procedures, and requirements for:

44.17 (i) determining eligibility for assistance;

44.18 (ii) evaluating applications for assistance;

44.19 (iii) awarding assistance; and

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

44.21 (2) the Northland Foundation and the Northwest Minnesota Foundation must submit  
44.22 criteria, procedures, and requirements developed under clause (1) to the commissioner of  
44.23 employment and economic development for review; and

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

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

44.27 Subd. 3. Qualification requirements. To qualify for assistance under this section, a  
44.28 business must:

44.29 (1) be located within a county that shares a border with Canada;

44.30 (2) document a reduction of at least 20 percent in gross receipts in 2021 compared to  
44.31 2019; and

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

45.4 Subd. 4. **Monitoring.** (a) The Northland Foundation and the Northwest Minnesota  
45.5 Foundation must establish performance measures, including but not limited to the following  
45.6 components:

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

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

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

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

45.14 (b) The commissioner of employment and economic development must monitor the  
45.15 Northland Foundation's and the Northwest Minnesota Foundation's compliance with this  
45.16 section and the performance measures developed under paragraph (a).

45.17 (c) The Northland Foundation and the Northwest Minnesota Foundation must comply  
45.18 with all requests made by the commissioner under this section.

45.19 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to  
45.20 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance  
45.21 under this section must provide for job creation and retention goals and wage and benefit  
45.22 goals.

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

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

45.27 Sec. 16. **SMALL BUSINESS RECOVERY GRANT PROGRAM.**

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

46.1 (b) "Business" means both for-profit businesses and nonprofit organizations that earn  
46.2 revenue in ways similar to businesses, including but not limited to ticket sales and  
46.3 membership fees.

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

46.5 (d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and  
46.6 nonprofit corporations on the certified lenders list that the commissioner determines to be  
46.7 qualified to provide grants to businesses under this section.

46.8 (e) "Program" means the small business recovery grant program under this section.

46.9 Subd. 2. **Establishment.** The commissioner shall establish the small business recovery  
46.10 grant program to make grants to partner organizations to provide grants to businesses that  
46.11 have been directly or indirectly impacted by the COVID-19 pandemic and other economic  
46.12 challenges.

46.13 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to  
46.14 partner organizations to provide grants to businesses under subdivision 4 using criteria,  
46.15 forms, applications, and reporting requirements developed by the commissioner.

46.16 (b) The commissioner must, to the degree practical, grant an equal amount of money to  
46.17 partner organizations serving the seven-county metropolitan area, as defined under Minnesota  
46.18 Statutes, section 473.121, subdivision 2, as the commissioner grants to organizations serving  
46.19 greater Minnesota.

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

46.22 (d) Any money not spent by partner organizations by December 31, 2023, must be  
46.23 returned to the commissioner and canceled back to the general fund.

46.24 Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria,  
46.25 forms, applications, and reporting requirements developed by the commissioner.

46.26 (b) To be eligible for a grant under this subdivision, a business must:

46.27 (1) have primary business operations located in Minnesota;

46.28 (2) be at least 50 percent owned by a resident of Minnesota;

46.29 (3) employ the equivalent of 50 full-time workers or less;

46.30 (4) be able to demonstrate financial hardship during 2021 or 2022;

46.31 (5) include as part of the application a business plan for continued operation; and

47.1 (6) primarily do business in one or more of the industries listed under subdivision 5.

47.2 (c) Grants under this subdivision shall be awarded by randomized selection process after  
47.3 applications are collected over a period of no more than ten calendar days.

47.4 (d) Grants under this subdivision must be for up to \$25,000 per business.

47.5 (e) No business may receive more than one grant under this section.

47.6 (f) Grant money must be used for working capital to support payroll expenses, rent or  
47.7 mortgage payments, utility bills, and other similar expenses that occur or have occurred  
47.8 since January 1, 2022, in the regular course of business, but not to refinance debt that existed  
47.9 at the time of the governor's COVID-19 peacetime emergency declaration.

47.10 Subd. 5. **Eligible industries.** To be eligible for a grant under subdivision 4, a business  
47.11 must primarily do business in one or more of the following industries:

47.12 (1) serving food or beverages, such as restaurants, cafes, bars, breweries, wineries, and  
47.13 distilleries;

47.14 (2) personal services, such as hair care, nail care, skin care, or massage;

47.15 (3) indoor entertainment, such as a business providing arcade games, escape rooms, or  
47.16 indoor trampoline parks;

47.17 (4) indoor fitness and recreational sports centers, such as gyms, fitness studios, indoor  
47.18 ice rinks, and indoor swimming pools;

47.19 (5) wellness and recreation, such as the teaching of yoga, dance, or martial arts;

47.20 (6) catering services;

47.21 (7) temporary lodging, such as hotels and motels; or

47.22 (8) performance venues.

47.23 Subd. 6. **Distribution of awards.** Of grant funds awarded under subdivision 4, a  
47.24 minimum of:

47.25 (1) \$5,000,000 must be awarded to businesses that employ the equivalent of six full-time  
47.26 workers or less;

47.27 (2) \$3,500,000 must be awarded to minority business enterprises, as defined in Minnesota  
47.28 Statutes, section 116M.14, subdivision 5;

47.29 (3) \$1,000,000 must be awarded to businesses that are majority owned and operated by  
47.30 veterans as defined in Minnesota Statutes, section 197.447; and

48.1 (4) \$1,000,000 must be awarded to businesses that are majority owned and operated by  
48.2 women.

48.3 Subd. 7. **Exemptions.** All grants and grant-making processes under this section are  
48.4 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,  
48.5 subdivisions 5, 7, and 8. The commissioner must audit the use of grant money under this  
48.6 section in accordance with standard accounting practices. This subdivision expires on  
48.7 December 31, 2023.

48.8 Subd. 8. **Reports.** (a) By January 31, 2024, partner organizations participating in the  
48.9 program must provide a report to the commissioner that includes descriptions of the  
48.10 businesses supported by the program, the amounts granted, and an explanation of  
48.11 administrative expenses.

48.12 (b) By February 15, 2024, the commissioner must report to the legislative committees  
48.13 in the house of representatives and senate with jurisdiction over economic development  
48.14 about grants made under this section based on the information received under paragraph  
48.15 (a).

48.16 Sec. 17. **ENCUMBRANCE EXCEPTION.**

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

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

48.27 Sec. 18. **REPEALER.**

48.28 Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 6, is repealed.



49.1 **ARTICLE 3**

49.2 **FAMILY AND MEDICAL BENEFITS**

49.3 Section 1. Minnesota Statutes 2020, section 13.719, is amended by adding a subdivision  
49.4 to read:

49.5 Subd. 7. **Family and medical insurance data.** (a) For the purposes of this subdivision,  
49.6 the terms used have the meanings given them in section 268B.01.

49.7 (b) Data on applicants, family members, or employers under chapter 268B are private  
49.8 or nonpublic data, provided that the department may share data collected from applicants  
49.9 with employers or health care providers to the extent necessary to meet the requirements  
49.10 of chapter 268B or other applicable law.

49.11 (c) The department and the Department of Labor and Industry may share data classified  
49.12 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or  
49.13 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided  
49.14 in section 177.27.

49.15 Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

49.16 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
49.17 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
49.18 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
49.19 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and  
49.20 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The  
49.21 commissioner shall issue an order requiring an employer to comply with sections 177.41  
49.22 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is  
49.23 repeated if at any time during the two years that preceded the date of violation, the  
49.24 commissioner issued an order to the employer for violation of sections 177.41 to 177.435  
49.25 and the order is final or the commissioner and the employer have entered into a settlement  
49.26 agreement that required the employer to pay back wages that were required by sections  
49.27 177.41 to 177.435. The department shall serve the order upon the employer or the employer's  
49.28 authorized representative in person or by certified mail at the employer's place of business.  
49.29 An employer who wishes to contest the order must file written notice of objection to the  
49.30 order with the commissioner within 15 calendar days after being served with the order. A  
49.31 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.  
49.32 If, within 15 calendar days after being served with the order, the employer fails to file a

50.1 written notice of objection with the commissioner, the order becomes a final order of the  
50.2 commissioner.

50.3 Sec. 3. Minnesota Statutes 2020, section 181.032, is amended to read:

50.4 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**  
50.5 **TO EMPLOYEE.**

50.6 (a) At the end of each pay period, the employer shall provide each employee an earnings  
50.7 statement, either in writing or by electronic means, covering that pay period. An employer  
50.8 who chooses to provide an earnings statement by electronic means must provide employee  
50.9 access to an employer-owned computer during an employee's regular working hours to  
50.10 review and print earnings statements, and must make statements available for review or  
50.11 printing for a period of three years.

50.12 (b) The earnings statement may be in any form determined by the employer but must  
50.13 include:

50.14 (1) the name of the employee;

50.15 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by  
50.16 hour, shift, day, week, salary, piece, commission, or other method;

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

50.18 (4) the total number of hours worked by the employee unless exempt from chapter 177;

50.19 (5) the total amount of gross pay earned by the employee during that period;

50.20 (6) a list of deductions made from the employee's pay;

50.21 (7) any amount deducted by the employer under section 268B.14, subdivision 3, and  
50.22 the amount paid by the employer based on the employee's wages under section 268B.14,  
50.23 subdivision 1;

50.24 ~~(7)~~ (8) the net amount of pay after all deductions are made;

50.25 ~~(8)~~ (9) the date on which the pay period ends;

50.26 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if  
50.27 different from the legal name;

50.28 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,  
50.29 and a mailing address if different; and

50.30 ~~(11)~~ (12) the telephone number of the employer.

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

51.7 (d) At the start of employment, an employer shall provide each employee a written notice  
51.8 containing the following information:

51.9 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by  
51.10 the hour, shift, day, week, salary, piece, commission, or other method, and the specific  
51.11 application of any additional rates;

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

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

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

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

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

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

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

51.23 (9) the telephone number of the employer.

51.24 (e) The employer must keep a copy of the notice under paragraph (d) signed by each  
51.25 employee acknowledging receipt of the notice. The notice must be provided to each employee  
51.26 in English. The English version of the notice must include text provided by the commissioner  
51.27 that informs employees that they may request, by indicating on the form, the notice be  
51.28 provided in a particular language. If requested, the employer shall provide the notice in the  
51.29 language requested by the employee. The commissioner shall make available to employers  
51.30 the text to be included in the English version of the notice required by this section and assist  
51.31 employers with translation of the notice in the languages requested by their employees.

52.1 (f) An employer must provide the employee any written changes to the information  
52.2 contained in the notice under paragraph (d) prior to the date the changes take effect.

52.3 Sec. 4. Minnesota Statutes 2020, section 268.19, subdivision 1, is amended to read:

52.4 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from  
52.5 any person under the administration of the Minnesota Unemployment Insurance Law are  
52.6 private data on individuals or nonpublic data not on individuals as defined in section 13.02,  
52.7 subdivisions 9 and 12, and may not be disclosed except according to a district court order  
52.8 or section 13.05. A subpoena is not considered a district court order. These data may be  
52.9 disseminated to and used by the following agencies without the consent of the subject of  
52.10 the data:

52.11 (1) state and federal agencies specifically authorized access to the data by state or federal  
52.12 law;

52.13 (2) any agency of any other state or any federal agency charged with the administration  
52.14 of an unemployment insurance program;

52.15 (3) any agency responsible for the maintenance of a system of public employment offices  
52.16 for the purpose of assisting individuals in obtaining employment;

52.17 (4) the public authority responsible for child support in Minnesota or any other state in  
52.18 accordance with section 256.978;

52.19 (5) human rights agencies within Minnesota that have enforcement powers;

52.20 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
52.21 laws;

52.22 (7) public and private agencies responsible for administering publicly financed assistance  
52.23 programs for the purpose of monitoring the eligibility of the program's recipients;

52.24 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the  
52.25 Department of Commerce for uses consistent with the administration of their duties under  
52.26 Minnesota law;

52.27 (9) the Department of Human Services and the Office of Inspector General and its agents  
52.28 within the Department of Human Services, including county fraud investigators, for  
52.29 investigations related to recipient or provider fraud and employees of providers when the  
52.30 provider is suspected of committing public assistance fraud;

52.31 (10) local and state welfare agencies for monitoring the eligibility of the data subject  
52.32 for assistance programs, or for any employment or training program administered by those

53.1 agencies, whether alone, in combination with another welfare agency, or in conjunction  
53.2 with the department or to monitor and evaluate the statewide Minnesota family investment  
53.3 program by providing data on recipients and former recipients of Supplemental Nutrition  
53.4 Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or  
53.5 256K, child care assistance under chapter 119B, or medical programs under chapter 256B  
53.6 or 256L or formerly codified under chapter 256D;

53.7 (11) local and state welfare agencies for the purpose of identifying employment, wages,  
53.8 and other information to assist in the collection of an overpayment debt in an assistance  
53.9 program;

53.10 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining  
53.11 the last known address and employment location of an individual who is the subject of a  
53.12 criminal investigation;

53.13 (13) the United States Immigration and Customs Enforcement has access to data on  
53.14 specific individuals and specific employers provided the specific individual or specific  
53.15 employer is the subject of an investigation by that agency;

53.16 (14) the Department of Health for the purposes of epidemiologic investigations;

53.17 (15) the Department of Corrections for the purposes of case planning and internal research  
53.18 for preprobation, probation, and postprobation employment tracking of offenders sentenced  
53.19 to probation and preconfinement and postconfinement employment tracking of committed  
53.20 offenders;

53.21 (16) the state auditor to the extent necessary to conduct audits of job opportunity building  
53.22 zones as required under section 469.3201; ~~and~~

53.23 (17) the Office of Higher Education for purposes of supporting program improvement,  
53.24 system evaluation, and research initiatives including the Statewide Longitudinal Education  
53.25 Data System; and

53.26 (18) the Family and Medical Benefits Division of the Department of Employment and  
53.27 Economic Development to be used as necessary to administer chapter 268B.

53.28 (b) Data on individuals and employers that are collected, maintained, or used by the  
53.29 department in an investigation under section 268.182 are confidential as to data on individuals  
53.30 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3  
53.31 and 13, and must not be disclosed except under statute or district court order or to a party  
53.32 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

54.1 (c) Data gathered by the department in the administration of the Minnesota unemployment  
54.2 insurance program must not be made the subject or the basis for any suit in any civil  
54.3 proceedings, administrative or judicial, unless the action is initiated by the department.

54.4 Sec. 5. [268B.01] DEFINITIONS.

54.5 Subdivision 1. Scope. For the purposes of this chapter, the terms defined in this section  
54.6 have the meanings given.

54.7 Subd. 2. Applicant. "Applicant" means an individual applying for leave with benefits  
54.8 under this chapter.

54.9 Subd. 3. Applicant's average weekly wage. "Applicant's average weekly wage" means  
54.10 an amount equal to the applicant's high quarter wage credits divided by 13.

54.11 Subd. 4. Base period. (a) "Base period," unless otherwise provided in this subdivision,  
54.12 means the most recent four completed calendar quarters before the effective date of an  
54.13 applicant's application for family or medical leave benefits if the application has an effective  
54.14 date occurring after the month following the most recent completed calendar quarter. The  
54.15 base period under this paragraph is as follows:

54.16 <u>If the application for family or medical leave</u>	
54.17 <u>benefits is effective on or between these</u>	
54.18 <u>dates:</u>	<u>The base period is the prior:</u>
54.19 <u>February 1 to March 31</u>	<u>January 1 to December 31</u>
54.20 <u>May 1 to June 30</u>	<u>April 1 to March 31</u>
54.21 <u>August 1 to September 30</u>	<u>July 1 to June 30</u>
54.22 <u>November 1 to December 31</u>	<u>October 1 to September 30</u>

54.23 (b) If an application for family or medical leave benefits has an effective date that is  
54.24 during the month following the most recent completed calendar quarter, then the base period  
54.25 is the first four of the most recent five completed calendar quarters before the effective date  
54.26 of an applicant's application for family or medical leave benefits. The base period under  
54.27 this paragraph is as follows:

54.28 <u>If the application for family or medical leave</u>	
54.29 <u>benefits is effective on or between these</u>	
54.30 <u>dates:</u>	<u>The base period is the prior:</u>
54.31 <u>January 1 to January 31</u>	<u>October 1 to September 30</u>
54.32 <u>April 1 to April 30</u>	<u>January 1 to December 31</u>
54.33 <u>July 1 to July 31</u>	<u>April 1 to March 31</u>
54.34 <u>October 1 to October 31</u>	<u>July 1 to June 30</u>

55.1 (c) Regardless of paragraph (a), a base period of the first four of the most recent five  
55.2 completed calendar quarters must be used if the applicant would have more wage credits  
55.3 under that base period than under a base period of the four most recent completed calendar  
55.4 quarters.

55.5 (d) If the applicant has insufficient wage credits to establish a benefit account under a  
55.6 base period of the four most recent completed calendar quarters, or a base period of the first  
55.7 four of the most recent five completed calendar quarters, but during either base period the  
55.8 applicant received workers' compensation for temporary disability under chapter 176 or a  
55.9 similar federal law or similar law of another state, or if the applicant whose own serious  
55.10 illness caused a loss of work for which the applicant received compensation for loss of  
55.11 wages from some other source, the applicant may request a base period as follows:

55.12 (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a  
55.13 base period referred to in paragraph (a) or (b), then the base period is the first four of the  
55.14 most recent six completed calendar quarters before the effective date of the application for  
55.15 family or medical leave benefits;

55.16 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base  
55.17 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
55.18 recent seven completed calendar quarters before the effective date of the application for  
55.19 family or medical leave benefits;

55.20 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base  
55.21 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
55.22 recent eight completed calendar quarters before the effective date of the application for  
55.23 family or medical leave benefits; and

55.24 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base  
55.25 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
55.26 recent nine completed calendar quarters before the effective date of the application for  
55.27 family or medical leave benefits.

55.28 Subd. 5. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter  
55.29 associated with qualifying bonding, family care, pregnancy, serious health condition,  
55.30 qualifying exigency, or safety leave events, unless otherwise indicated by context.

55.31 Subd. 6. **Benefit account.** "Benefit account" means a benefit account established under  
55.32 section 268B.04.

56.1 Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning  
56.2 the date a benefit account under section 268B.04 is effective. For a benefit account established  
56.3 effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of  
56.4 53 calendar weeks.

56.5 Subd. 8. **Bonding.** "Bonding" means time spent by an applicant who is a biological,  
56.6 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the  
56.7 child's birth, adoption, or placement.

56.8 Subd. 9. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period  
56.9 corresponding to a single calendar date.

56.10 Subd. 10. **Calendar quarter.** "Calendar quarter" means the period of three consecutive  
56.11 calendar months ending on March 31, June 30, September 30, or December 31.

56.12 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under  
56.13 subdivision 46.

56.14 Subd. 12. **Commissioner.** "Commissioner" means the commissioner of employment  
56.15 and economic development, unless otherwise indicated by context.

56.16 Subd. 13. **Covered employment.** (a) "Covered employment" means performing services  
56.17 of whatever nature, unlimited by the relationship of master and servant as known to the  
56.18 common law, or any other legal relationship performed for wages or under any contract  
56.19 calling for the performance of services, written or oral, express or implied.

56.20 (b) "Employment" includes an individual's entire service performed within or without  
56.21 or both within and without this state, if:

56.22 (1) the service is localized in this state; or

56.23 (2) the service is not localized in any state, but some of the service is performed in this  
56.24 state and:

56.25 (i) the base of operations of the employee is in the state, or if there is no base of  
56.26 operations, then the place from which such service is directed or controlled is in this state;  
56.27 or

56.28 (ii) the base of operations or place from which such service is directed or controlled is  
56.29 not in any state in which some part of the service is performed, but the individual's residence  
56.30 is in this state.

56.31 (c) "Covered employment" does not include:

56.32 (1) a self-employed individual; or



57.1 (2) an independent contractor.

57.2 Subd. 14. **Department.** "Department" means the Department of Employment and  
57.3 Economic Development, unless otherwise indicated by context.

57.4 Subd. 15. **Employee.** (a) "Employee" means an individual who is in the employment of  
57.5 an employer.

57.6 (b) Employee does not include employees of the United States of America.

57.7 Subd. 16. **Employer.** (a) "Employer" means:

57.8 (1) any person, type of organization, or entity, including any partnership, association,  
57.9 trust, estate, joint stock company, insurance company, limited liability company, or  
57.10 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or  
57.11 the legal representative of a deceased person, having any individual in covered employment;

57.12 (2) the state, statewide system, and state agencies; and

57.13 (3) any local government entity, including but not limited to a county, city, town, school  
57.14 district, municipal corporation, quasimunicipal corporation, or other political subdivision.  
57.15 An employer also includes charter schools.

57.16 (b) Employer does not include:

57.17 (1) the United States of America; or

57.18 (2) a self-employed individual who has elected and been approved for coverage under  
57.19 section 268B.11 with regard to the self-employed individual's own coverage and benefits.

57.20 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"  
57.21 means a self-employed individual's average net earnings from self-employment in the two  
57.22 most recent taxable years. For a self-employed individual who had net earnings from  
57.23 self-employment in only one of the years, the individual's estimated self-employment income  
57.24 equals the individual's net earnings from self-employment in the year in which the individual  
57.25 had net earnings from self-employment.

57.26 Subd. 18. **Family and medical benefit insurance account.** "Family and medical benefit  
57.27 insurance account" means the family and medical benefit insurance account in the special  
57.28 revenue fund in the state treasury under section 268B.02.

57.29 Subd. 19. **Family and medical benefit insurance enforcement account.** "Family and  
57.30 medical benefit insurance enforcement account" means the family and medical benefit  
57.31 insurance enforcement account in the state treasury under section 268B.185.

58.1 Subd. 20. **Family benefit program.** "Family benefit program" means the program  
58.2 administered under this chapter for the collection of premiums and payment of benefits  
58.3 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

58.4 Subd. 21. **Family care.** "Family care" means an applicant caring for a family member  
58.5 with a serious health condition or caring for a family member who is a covered service  
58.6 member.

58.7 Subd. 22. **Family member.** (a) "Family member" means, with respect to an employee:

58.8 (1) a spouse, including a domestic partner in a civil union or other registered domestic  
58.9 partnership recognized by the state, and a spouse's parent;

58.10 (2) a child and a child's spouse;

58.11 (3) a parent and a parent's spouse;

58.12 (4) a sibling and a sibling's spouse;

58.13 (5) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and

58.14 (6) any other individual who is related by blood or affinity and whose association with  
58.15 the employee is equivalent of a family relationship. For the purposes of this clause, with  
58.16 respect to an employee, this includes but is not limited to:

58.17 (i) a child of a sibling of the employee;

58.18 (ii) a sibling of the parents of the employee;

58.19 (iii) a child-in-law, a parent-in-law, a sibling-in-law, and a grandparent-in-law; and

58.20 (iv) an individual who has resided at the same address as the employee for at least one  
58.21 year as of the first day of leave under this chapter.

58.22 (b) For the purposes of this chapter, a child includes a stepchild; biological, adopted, or  
58.23 foster child of the employee; or a child for whom the employee is standing in loco parentis.

58.24 (c) For the purposes of this chapter, a grandchild includes a step-grandchild or biological,  
58.25 adopted, or foster grandchild of the employee.

58.26 Subd. 23. **Health care provider.** "Health care provider" means:

58.27 (1) an individual who is licensed, certified, or otherwise authorized under law to practice  
58.28 in the individual's scope of practice as a physician, osteopath, surgeon, or advanced practice  
58.29 registered nurse; or

59.1 (2) any other individual determined by the commissioner by rule, in accordance with  
59.2 the rulemaking procedures in the Administrative Procedure Act, to be capable of providing  
59.3 health care services.

59.4 Subd. 24. **High quarter.** "High quarter" means the calendar quarter in an applicant's  
59.5 base period with the highest amount of wage credits.

59.6 Subd. 25. **Incapacity.** "Incapacity" means inability to perform regular work, attend  
59.7 school, or fully perform other regular daily activities due to a serious health condition,  
59.8 treatment therefore, or recovery therefrom.

59.9 Subd. 26. **Independent contractor.** (a) If there is an existing specific test or definition  
59.10 for independent contractor in Minnesota statute or rule applicable to an occupation or sector  
59.11 as of the date of enactment of this chapter, that test or definition shall apply to that occupation  
59.12 or sector for purposes of this chapter. If there is not an existing test or definition as described,  
59.13 the definition for independent contractor shall be as provided in this subdivision.

59.14 (b) An individual is an independent contractor and not an employee of the person for  
59.15 whom the individual is performing services in the course of the person's trade, business,  
59.16 profession, or occupation only if:

59.17 (1) the individual maintains a separate business with the individual's own office,  
59.18 equipment, materials, and other facilities;

59.19 (2) the individual:

59.20 (i) holds or has applied for a federal employer identification number; or

59.21 (ii) has filed business or self-employment income tax returns with the federal Internal  
59.22 Revenue Service if the individual has performed services in the previous year;

59.23 (3) the individual is operating under contract to perform the specific services for the  
59.24 person for specific amounts of money and under which the individual controls the means  
59.25 of performing the services;

59.26 (4) the individual is incurring the main expenses related to the services that the individual  
59.27 is performing for the person under the contract;

59.28 (5) the individual is responsible for the satisfactory completion of the services that the  
59.29 individual has contracted to perform for the person and is liable for a failure to complete  
59.30 the services;

60.1 (6) the individual receives compensation from the person for the services performed  
60.2 under the contract on a commission or per-job or competitive bid basis and not on any other  
60.3 basis;

60.4 (7) the individual may realize a profit or suffer a loss under the contract to perform  
60.5 services for the person;

60.6 (8) the individual has continuing or recurring business liabilities or obligations; and

60.7 (9) the success or failure of the individual's business depends on the relationship of  
60.8 business receipts to expenditures.

60.9 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,  
60.10 subdivision 6, is an independent contractor of an insurance company, as defined in section  
60.11 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

60.12 Subd. 27. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,  
60.13 or residential medical care facility, including any period of incapacity, or any subsequent  
60.14 treatment in connection with such inpatient care.

60.15 Subd. 28. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"  
60.16 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

60.17 Subd. 29. **Medical benefit program.** "Medical benefit program" means the program  
60.18 administered under this chapter for the collection of premiums and payment of benefits  
60.19 related to an applicant's serious health condition or pregnancy.

60.20 Subd. 30. **Net earnings from self-employment.** "Net earnings from self-employment"  
60.21 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section  
60.22 290.01, subdivision 31.

60.23 Subd. 31. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy  
60.24 or recovery from childbirth, still birth, miscarriage, or related health conditions.

60.25 Subd. 32. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of  
60.26 a military member's active duty service or notice of an impending call or order to active  
60.27 duty in the United States armed forces, including providing for the care or other needs of  
60.28 the family member's child or other dependent, making financial or legal arrangements for  
60.29 the family member, attending counseling, attending military events or ceremonies, spending  
60.30 time with the family member during a rest and recuperation leave or following return from  
60.31 deployment, or making arrangements following the death of the military member.

61.1 (b) For the purposes of this chapter, a "military member" means a current or former  
61.2 member of the United States armed forces, including a member of the National Guard or  
61.3 reserves, who, except for a deceased military member, is a resident of the state and is a  
61.4 family member of the employee taking leave related to the qualifying exigency.

61.5 Subd. 33. **Safety leave.** "Safety leave" means leave from work because of domestic  
61.6 abuse, sexual assault, or stalking of the employee or employee's family member, provided  
61.7 the leave is to:

61.8 (1) seek medical attention related to the physical or psychological injury or disability  
61.9 caused by domestic abuse, sexual assault, or stalking;

61.10 (2) obtain services from a victim services organization;

61.11 (3) obtain psychological or other counseling;

61.12 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

61.13 (5) seek legal advice or take legal action, including preparing for or participating in any  
61.14 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual  
61.15 assault, or stalking.

61.16 Subd. 34. **Self-employed individual.** "Self-employed individual" means a resident of  
61.17 the state who, in one of the two taxable years preceding the current calendar year, derived  
61.18 at least \$10,000 in net earnings from self-employment from an entity other than an S  
61.19 corporation for the performance of services in this state.

61.20 Subd. 35. **Self-employment premium base.** "Self-employment premium base" means  
61.21 the lesser of:

61.22 (1) a self-employed individual's estimated self-employment income for the calendar year  
61.23 plus the individual's self-employment wages in the calendar year; or

61.24 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability  
61.25 Insurance tax in the taxable year.

61.26 Subd. 36. **Self-employment wages.** "Self-employment wages" means the amount of  
61.27 wages that a self-employed individual earned in the calendar year from an entity from which  
61.28 the individual also received net earnings from self-employment.

61.29 Subd. 37. **Serious health condition.** (a) "Serious health condition" means a physical or  
61.30 mental illness, injury, impairment, condition, or substance use disorder that involves:

61.31 (1) at-home care or inpatient care in a hospital, hospice, or residential medical care  
61.32 facility, including any period of incapacity; or

- 62.1 (2) continuing treatment or supervision by a health care provider which includes any  
62.2 one or more of the following:
- 62.3 (i) a period of incapacity of more than three consecutive, full calendar days, and any  
62.4 subsequent treatment or period of incapacity relating to the same condition, that also involves:
- 62.5 (A) treatment two or more times by a health care provider or by a provider of health  
62.6 care services under orders of, or on referral by, a health care provider; or
- 62.7 (B) treatment by a health care provider on at least one occasion that results in a regimen  
62.8 of continuing treatment under the supervision of the health care provider;
- 62.9 (ii) a period of incapacity due to pregnancy, or for prenatal care;
- 62.10 (iii) a period of incapacity or treatment for a chronic health condition that:
- 62.11 (A) requires periodic visits, defined as at least twice a year, for treatment by a health  
62.12 care provider or under orders of, or on referral by, a health care provider;
- 62.13 (B) continues over an extended period of time, including recurring episodes of a single  
62.14 underlying condition; and
- 62.15 (C) may cause episodic rather than continuing periods of incapacity;
- 62.16 (iv) a period of incapacity which is permanent or long term due to a condition for which  
62.17 treatment may not be effective. The employee or family member must be under the continuing  
62.18 supervision of, but need not be receiving active treatment by, a health care provider; or
- 62.19 (v) a period of absence to receive multiple treatments, including any period of recovery  
62.20 from the treatments, by a health care provider or by a provider of health care services under  
62.21 orders of, or on referral by, a health care provider, for:
- 62.22 (A) restorative surgery after an accident or other injury; or
- 62.23 (B) a condition that would likely result in a period of incapacity of more than three  
62.24 consecutive, full calendar days in the absence of medical intervention or treatment.
- 62.25 (b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care  
62.26 provider means an in-person visit or telemedicine visit with a health care provider, or by a  
62.27 provider of health care services under orders of, or on referral by, a health care provider.
- 62.28 (c) For the purposes of paragraph (a), treatment includes but is not limited to examinations  
62.29 to determine if a serious health condition exists and evaluations of the condition.
- 62.30 (d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii),  
62.31 qualify for leave under this chapter even if the employee or the family member does not

63.1 receive treatment from a health care provider during the absence, and even if the absence  
63.2 does not last more than three consecutive, full calendar days.

63.3 Subd. 38. **State's average weekly wage.** "State's average weekly wage" means the  
63.4 weekly wage calculated under section 268.035, subdivision 23.

63.5 Subd. 39. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:  
63.6 (1) a payment made by an employer to an employee as salary continuation or as paid  
63.7 time off. Such a payment must be in addition to any family or medical leave benefits the  
63.8 employee is receiving under this chapter; and

63.9 (2) a payment offered by an employer to an employee who is taking leave under this  
63.10 chapter to supplement the family or medical leave benefits the employee is receiving.

63.11 (b) Employers may, but are not required to, designate certain benefits including but not  
63.12 limited to salary continuation, vacation leave, sick leave, or other paid time off as a  
63.13 supplemental benefit payment.

63.14 (c) Nothing in this chapter requires an employee to receive supplemental benefit  
63.15 payments.

63.16 Subd. 40. **Taxable year.** "Taxable year" has the meaning given in section 290.01,  
63.17 subdivision 9.

63.18 Subd. 41. **Taxable wages.** "Taxable wages" means those wages paid to an employee in  
63.19 covered employment each calendar year up to an amount equal to the maximum wages  
63.20 subject to premium in a calendar year, which is equal to the maximum earnings in that year  
63.21 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest  
63.22 \$1,000.

63.23 Subd. 42. **Typical workweek hours.** "Typical workweek hours" means:

63.24 (1) for an hourly employee, the average number of hours worked per week by an  
63.25 employee within the high quarter during the base year; or

63.26 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried  
63.27 employee typically works.

63.28 Subd. 43. **Wage credits.** "Wage credits" means the amount of wages paid within an  
63.29 applicant's base period for covered employment, as defined in subdivision 13.

63.30 Subd. 44. **Wage detail report.** "Wage detail report" means the report on each employee  
63.31 in covered employment required from an employer on a calendar quarter basis under section  
63.32 268B.12.

64.1 Subd. 45. **Wages.** (a) "Wages" means all compensation for employment, including  
64.2 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and  
64.3 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by  
64.4 a customer of an employer and accounted for by the employee to the employer; sickness  
64.5 and accident disability payments, except as otherwise provided in this subdivision; and the  
64.6 cash value of housing, utilities, meals, exchanges of services, and any other goods and  
64.7 services provided to compensate an employee, except:

64.8 (1) the amount of any payment made to, or on behalf of, an employee under a plan  
64.9 established by an employer that makes provision for employees generally or for a class or  
64.10 classes of employees, including any amount paid by an employer for insurance or annuities,  
64.11 or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and  
64.12 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

64.13 (2) the payment by an employer of the tax imposed upon an employee under United  
64.14 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect  
64.15 to compensation paid to an employee for domestic employment in a private household of  
64.16 the employer or for agricultural employment;

64.17 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a  
64.18 trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue  
64.19 Code, that is exempt from tax under section 501(a) at the time of the payment unless the  
64.20 payment is made to an employee of the trust as compensation for services as an employee  
64.21 and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of  
64.22 the payment, is a plan described in section 403(a);

64.23 (4) the value of any special discount or markdown allowed to an employee on goods  
64.24 purchased from or services supplied by the employer where the purchases are optional and  
64.25 do not constitute regular or systematic payment for services;

64.26 (5) customary and reasonable directors' fees paid to individuals who are not otherwise  
64.27 employed by the corporation of which they are directors;

64.28 (6) the payment to employees for reimbursement of meal expenses when employees are  
64.29 required to perform work after their regular hours;

64.30 (7) the payment into a trust or plan for purposes of providing legal or dental services if  
64.31 provided for all employees generally or for a class or classes of employees;

64.32 (8) the value of parking facilities provided or paid for by an employer, in whole or in  
64.33 part, if provided for all employees generally or for a class or classes of employees;



65.1 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other  
65.2 right;

65.3 (10) advances or reimbursements for traveling or other ordinary and necessary expenses  
65.4 incurred or reasonably expected to be incurred in the business of the employer. Traveling  
65.5 and other reimbursed expenses must be identified either by making separate payments or  
65.6 by specifically indicating the separate amounts where both wages and expense allowances  
65.7 are combined in a single payment;

65.8 (11) residual payments to radio, television, and similar artists that accrue after the  
65.9 production of television commercials, musical jingles, spot announcements, radio  
65.10 transcriptions, film soundtracks, and similar activities;

65.11 (12) the income to a former employee resulting from the exercise of a nonqualified stock  
65.12 option;

65.13 (13) supplemental unemployment benefit payments under a plan established by an  
65.14 employer, if the payment is not wages under the Federal Unemployment Tax Act. The  
65.15 payments are wages unless made solely for the supplementing of weekly state or federal  
65.16 unemployment benefits. Supplemental unemployment benefit payments may not be assigned,  
65.17 nor may any consideration be required from the applicant, other than a release of claims in  
65.18 order to be excluded from wages;

65.19 (14) sickness or accident disability payments made by the employer after the expiration  
65.20 of six calendar months following the last calendar month that the individual worked for the  
65.21 employer;

65.22 (15) disability payments made under the provisions of any workers' compensation law;

65.23 (16) sickness or accident disability payments made by a third-party payer such as an  
65.24 insurance company; or

65.25 (17) payments made into a trust fund, or for the purchase of insurance or an annuity, to  
65.26 provide for sickness or accident disability payments to employees under a plan or system  
65.27 established by the employer that provides for the employer's employees generally or for a  
65.28 class or classes of employees.

65.29 (b) Nothing in this subdivision excludes from the term "wages" any payment made under  
65.30 any type of salary reduction agreement, including payments made under a cash or deferred  
65.31 arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k)  
65.32 and 125 of the federal Internal Revenue Code, to the extent that the employee has the option  
65.33 to receive the payment in cash.

66.1 (c) Wages includes the total payment to the operator and supplier of a vehicle or other  
66.2 equipment where the payment combines compensation for personal services as well as  
66.3 compensation for the cost of operating and hiring the equipment in a single payment. This  
66.4 paragraph does not apply if:

66.5 (1) there is a preexisting written agreement providing for allocation of specific amounts;  
66.6 or

66.7 (2) at the time of each payment there is a written acknowledgment indicating the separate  
66.8 allocated amounts.

66.9 (d) Wages includes payments made for services as a caretaker. Unless there is a contract  
66.10 or other proof to the contrary, compensation is considered as being equally received by a  
66.11 married couple where the employer makes payment to only one spouse, or by all tenants of  
66.12 a household who perform services where two or more individuals share the same dwelling  
66.13 and the employer makes payment to only one individual.

66.14 (e) Wages includes payments made for services by a migrant family. Where services  
66.15 are performed by a married couple or a family and an employer makes payment to only one  
66.16 individual, each worker is considered as having received an equal share of the compensation  
66.17 unless there is a contract or other proof to the contrary.

66.18 (f) Wages includes advances or draws against future earnings, when paid, unless the  
66.19 payments are designated as a loan or return of capital on the books and records of the  
66.20 employer at the time of payment.

66.21 (g) Wages includes payments made by a subchapter "S" corporation, as organized under  
66.22 the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable  
66.23 compensation for services performed for the corporation.

66.24 For a subchapter "S" corporation, wages does not include:

66.25 (1) a loan for business purposes to an officer or shareholder evidenced by a promissory  
66.26 note signed by an officer before the payment of the loan proceeds and recorded on the books  
66.27 and records of the corporation as a loan to an officer or shareholder;

66.28 (2) a repayment of a loan or payment of interest on a loan made by an officer to the  
66.29 corporation and recorded on the books and records of the corporation as a liability;

66.30 (3) a reimbursement of reasonable corporation expenses incurred by an officer and  
66.31 documented by a written expense voucher and recorded on the books and records of the  
66.32 corporation as corporate expenses; and

67.1 (4) a reasonable lease or rental payment to an officer who owns property that is leased  
67.2 or rented to the corporation.

67.3 Subd. 46. **Wages paid.** (a) "Wages paid" means the amount of wages:

67.4 (1) that have been actually paid; or

67.5 (2) that have been credited to or set apart so that payment and disposition is under the  
67.6 control of the employee.

67.7 (b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on  
67.8 the missed pay date. Back pay is wages paid on the date of actual payment. Any wages  
67.9 earned but not paid with no scheduled date of payment are wages paid on the last day of  
67.10 employment.

67.11 (c) Wages paid does not include wages earned but not paid except as provided for in  
67.12 this subdivision.

67.13 Subd. 47. **Week.** "Week" means calendar week ending at midnight Saturday.

67.14 Subd. 48. **Weekly benefit amount.** "Weekly benefit amount" means the amount of  
67.15 family and medical leave benefits computed under section 268B.04.

67.16 Sec. 6. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**  
67.17 **CREATION.**

67.18 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to  
67.19 be administered by the commissioner according to the terms of this chapter.

67.20 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is  
67.21 created within the department under the authority of the commissioner. The commissioner  
67.22 shall appoint a director of the division. The division shall administer and operate the benefit  
67.23 program under this chapter.

67.24 Subd. 3. **Rulemaking.** The commissioner shall adopt rules to implement the provisions  
67.25 of this chapter.

67.26 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance  
67.27 account is created in the special revenue fund in the state treasury. Money in this account  
67.28 is appropriated to the commissioner to pay benefits under and to administer this chapter,  
67.29 including outreach required under section 268B.18.

67.30 Subd. 5. **Information technology services and equipment.** The department is exempt  
67.31 from the provisions of section 16E.016 for the purposes of this chapter.

68.1 **Sec. 7. [268B.03] PAYMENT OF BENEFITS.**

68.2 Subdivision 1. **Requirements.** The commissioner must pay benefits from the family  
68.3 and medical benefit insurance account as provided under this chapter to an applicant who  
68.4 has met each of the following requirements:

68.5 (1) the applicant has filed an application for benefits and established a benefit account  
68.6 in accordance with section 268B.04;

68.7 (2) the applicant has met all of the ongoing eligibility requirements under section  
68.8 268B.06;

68.9 (3) the applicant does not have an outstanding overpayment of family or medical leave  
68.10 benefits, including any penalties or interest;

68.11 (4) the applicant has not been held ineligible for benefits under section 268.07, subdivision  
68.12 2; and

68.13 (5) the applicant is not employed exclusively by a private plan employer and has wage  
68.14 credits during the base year attributable to employers covered under the state family and  
68.15 medical leave program.

68.16 Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not  
68.17 considered paid from any special insurance plan, nor as paid by an employer. An application  
68.18 for family or medical leave benefits is not considered a claim against an employer but is  
68.19 considered a request for benefits from the family and medical benefit insurance account.  
68.20 The commissioner has the responsibility for the proper payment of benefits regardless of  
68.21 the level of interest or participation by an applicant or an employer in any determination or  
68.22 appeal. An applicant's entitlement to benefits must be determined based upon that information  
68.23 available without regard to a burden of proof. Any agreement between an applicant and an  
68.24 employer is not binding on the commissioner in determining an applicant's entitlement.  
68.25 There is no presumption of entitlement or nonentitlement to benefits.

68.26 **Sec. 8. [268B.04] BENEFIT ACCOUNT; BENEFITS.**

68.27 Subdivision 1. **Application for benefits; determination of benefit account.** (a) An  
68.28 application for benefits may be filed in person, by mail, or by electronic transmission as the  
68.29 commissioner may require. The applicant must include certification supporting a request  
68.30 for leave under this chapter. The applicant must meet eligibility requirements at the time  
68.31 the application is filed and must provide all requested information in the manner required.  
68.32 If the applicant does not meet eligibility at the time of the application or fails to provide all

69.1 requested information, the communication is not an application for family and medical leave  
69.2 benefits.

69.3 (b) The commissioner must examine each application for benefits to determine the base  
69.4 period and the benefit year, and based upon all the covered employment in the base period  
69.5 the commissioner must determine the weekly benefit amount available, if any, and the  
69.6 maximum amount of benefits available, if any. The determination, which is a document  
69.7 separate and distinct from a document titled a determination of eligibility or determination  
69.8 of ineligibility, must be titled determination of benefit account. A determination of benefit  
69.9 account must be sent to the applicant and all base period employers, by mail or electronic  
69.10 transmission.

69.11 (c) If a base period employer did not provide wage detail information for the applicant  
69.12 as required under section 268B.12, the commissioner may accept an applicant certification  
69.13 of wage credits, based upon the applicant's records, and issue a determination of benefit  
69.14 account.

69.15 (d) The commissioner may, at any time within 24 months from the establishment of a  
69.16 benefit account, reconsider any determination of benefit account and make an amended  
69.17 determination if the commissioner finds that the wage credits listed in the determination  
69.18 were incorrect for any reason. An amended determination of benefit account must be  
69.19 promptly sent to the applicant and all base period employers, by mail or electronic  
69.20 transmission. This paragraph does not apply to documents titled determinations of eligibility  
69.21 or determinations of ineligibility issued.

69.22 (e) If an amended determination of benefit account reduces the weekly benefit amount  
69.23 or maximum amount of benefits available, any benefits that have been paid greater than the  
69.24 applicant was entitled is an overpayment of benefits. A determination or amended  
69.25 determination issued under this section that results in an overpayment of benefits must set  
69.26 out the amount of the overpayment and the requirement that the overpaid benefits must be  
69.27 repaid according to section 268B.185.

69.28 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish  
69.29 a benefit account, an applicant must have wage credits of at least 5.3 percent of the state's  
69.30 average annual wage rounded down to the next lower \$100.

69.31 (b) To establish a new benefit account following the expiration of the benefit year on a  
69.32 prior benefit account, an applicant must have performed actual work in subsequent covered  
69.33 employment and have been paid wages in one or more completed calendar quarters that  
69.34 started after the effective date of the prior benefit account. The wages paid for that

70.1 employment must be at least enough to meet the requirements of paragraph (a). A benefit  
70.2 account under this paragraph must not be established effective earlier than the Sunday  
70.3 following the end of the most recent completed calendar quarter in which the requirements  
70.4 of paragraph (a) were met. An applicant must not establish a second benefit account as a  
70.5 result of one loss of employment.

70.6 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**  
70.7 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit  
70.8 is calculated by adding the amounts obtained by applying the following percentage to an  
70.9 applicant's average typical workweek and weekly wage during the high quarter of the base  
70.10 period:

70.11 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;  
70.12 plus

70.13 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but  
70.14 not 100 percent; plus

70.15 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

70.16 (b) The state's average weekly wage is the average wage as calculated under section  
70.17 268.035, subdivision 23, at the time a benefit amount is first determined.

70.18 (c) The maximum weekly benefit amount is the state's average weekly wage as calculated  
70.19 under section 268.035, subdivision 23.

70.20 (d) The state's maximum weekly benefit amount, computed in accordance with section  
70.21 268.035, subdivision 23, applies to a benefit account established effective on or after the  
70.22 last Sunday in October. Once established, an applicant's weekly benefit amount is not  
70.23 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

70.24 (e) For an employee receiving family or medical leave, a weekly benefit amount is  
70.25 prorated when:

70.26 (1) the employee works hours for wages; or

70.27 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is  
70.28 not considered a supplemental benefit payment as defined in section 268B.01, subdivision  
70.29 37.

70.30 Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits  
70.31 must be paid weekly.

71.1 Subd. 5. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a  
71.2 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter  
71.3 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits  
71.4 under this chapter for bonding, safety leave, or family care.

71.5 (b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave  
71.6 related to one or more qualifying exigencies.

71.7 Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits  
71.8 for bonding leave, any claim for benefits must be based on a single qualifying event of at  
71.9 least seven calendar days. Benefits may be paid for a minimum duration of eight consecutive  
71.10 hours in a week. If an employee on leave claims eight hours at any point during a week, the  
71.11 minimum duration is satisfied.

71.12 Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit  
71.13 account is final unless an appeal is filed by the applicant within 30 calendar days after the  
71.14 sending of the determination or amended determination, or within 60 calendar days, if an  
71.15 applicant establishes good cause for not appealing within 30 days. For the purposes of this  
71.16 paragraph, "good cause" means a reason that would have prevented an applicant from acting  
71.17 with due diligence in appealing within 30 days and includes any illness, disability, or  
71.18 linguistic and literacy limitation of the applicant, along with other relevant factors. If an  
71.19 applicant claims good cause for a late appeal, the applicant must be granted a hearing on  
71.20 the issue of timeliness. This hearing can be held at the same time as a hearing on the merits  
71.21 of the appeal. Proceedings on the appeal are conducted in accordance with section 268B.08.

71.22 (b) Any applicant may appeal from a determination or amended determination of benefit  
71.23 account on the issue of whether services performed constitute employment, whether the  
71.24 employment is covered employment, and whether money paid constitutes wages.

71.25 Subd. 8. **Limitations on applications and benefit accounts.** (a) An application for  
71.26 family or medical leave benefits is effective the Sunday of the calendar week that the  
71.27 application was filed. An application for benefits may be backdated one calendar week  
71.28 before the Sunday of the week the application was actually filed if the applicant requests  
71.29 the backdating within seven calendar days of the date the application is filed. An application  
71.30 may be backdated only if the applicant was eligible for the benefit during the period of the  
71.31 backdating. If an individual attempted to file an application for benefits, but was prevented  
71.32 from filing an application by the department, the application is effective the Sunday of the  
71.33 calendar week the individual first attempted to file an application.

72.1 (b) A benefit account established under subdivision 2 is effective the date the application  
72.2 for benefits was effective.

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

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

72.5 (2) a new application for benefits is filed and a new benefit account is established at the  
72.6 time of the withdrawal.

72.7 A benefit account may be withdrawn after the expiration of the benefit year, and the  
72.8 new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was  
72.9 not paid any benefits on the benefit account that is being withdrawn.

72.10 A determination or amended determination of eligibility or ineligibility issued under  
72.11 section 268B.07 that was sent before the withdrawal of the benefit account, remains in effect  
72.12 and is not voided by the withdrawal of the benefit account.

72.13 **Sec. 9. [268B.05] CONTINUED REQUEST FOR BENEFITS.**

72.14 A continued request for family or medical leave benefits is a certification by an applicant,  
72.15 done on a weekly basis, that the applicant is unable to perform usual work due to a qualifying  
72.16 event and meets the ongoing eligibility requirements for benefits under section 268B.06. A  
72.17 continued request must include information on possible issues of ineligibility.

72.18 **Sec. 10. [268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT**  
72.19 **BENEFITS.**

72.20 Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family  
72.21 or medical leave benefits for any week if:

72.22 (1) the applicant has filed a continued request for benefits for that week under section  
72.23 268B.05;

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

72.25 (3) the applicant was unable to perform regular work due to a serious health condition,  
72.26 a qualifying exigency, safety leave, family care, bonding, pregnancy, or recovery from  
72.27 pregnancy for the period required under subdivision 2;

72.28 (4) the applicant has sufficient wage credits from an employer or employers as defined  
72.29 in section 268B.01, subdivision 41, to establish a benefit account under section 268B.04;  
72.30 and



73.1 (5) an applicant requesting benefits under this chapter must fulfill certification  
73.2 requirements under subdivision 3.

73.3 (b) A self-employed individual or independent contractor who has elected and been  
73.4 approved for coverage under section 268B.11 need not fulfill the requirement of paragraph  
73.5 (a), clause (4).

73.6 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking  
73.7 benefits must be or have been based on a single event of at least seven calendar days' duration  
73.8 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety  
73.9 leave, or the applicant's serious health condition. The days need not be consecutive.

73.10 (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

73.11 (c) The commissioner shall use the rulemaking authority under section 268B.02,  
73.12 subdivision 3, to adopt rules regarding what serious health conditions and other events are  
73.13 prospectively presumed to constitute seven-day qualifying events under this chapter.

73.14 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the  
73.15 applicant's serious health condition shall be sufficient if the certification states the date on  
73.16 which the serious health condition began, the probable duration of the condition, and the  
73.17 appropriate medical facts within the knowledge of the health care provider as required by  
73.18 the commissioner.

73.19 (b) Certification for an applicant taking leave to care for a family member with a serious  
73.20 health condition shall be sufficient if the certification states the date on which the serious  
73.21 health condition commenced, the probable duration of the condition, the appropriate medical  
73.22 facts within the knowledge of the health care provider as required by the commissioner, a  
73.23 statement that the family member requires care, and an estimate of the amount of time that  
73.24 the family member will require care.

73.25 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if  
73.26 the certification states the expected due date and recovery period based on appropriate  
73.27 medical facts within the knowledge of the health care provider.

73.28 (d) Certification for an applicant taking bonding leave because of the birth of the  
73.29 applicant's child shall be sufficient if the certification includes either the child's birth  
73.30 certificate or a document issued by the health care provider of the child or the health care  
73.31 provider of the person who gave birth, stating the child's birth date.

73.32 (e) Certification for an applicant taking bonding leave because of the placement of a  
73.33 child with the applicant for adoption or foster care shall be sufficient if the applicant provides

74.1 a document issued by the health care provider of the child, an adoption or foster care agency  
74.2 involved in the placement, or by other individuals as determined by the commissioner that  
74.3 confirms the placement and the date of placement. To the extent that the status of an applicant  
74.4 as an adoptive or foster parent changes while an application for benefits is pending, or while  
74.5 the covered individual is receiving benefits, the applicant must notify the department of  
74.6 such change in status in writing.

74.7 (f) Certification for an applicant taking leave because of a qualifying exigency shall be  
74.8 sufficient if the certification includes:

74.9 (1) a copy of the family member's active-duty orders;

74.10 (2) other documentation issued by the United States armed forces; or

74.11 (3) other documentation permitted by the commissioner.

74.12 (g) Certification for an applicant taking safety leave is sufficient if the certification  
74.13 includes a court record or documentation signed by a volunteer or employee of a victim's  
74.14 services organization, an attorney, a police officer, or an antiviolence counselor. The  
74.15 commissioner must not require disclosure of details relating to an applicant's or applicant's  
74.16 family member's domestic abuse, sexual assault, or stalking.

74.17 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health  
74.18 care provider with knowledge of the qualifying event associated with the leave.

74.19 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious  
74.20 health condition of an applicant or applicant's family member, the certification under this  
74.21 subdivision must include an explanation of how such leave would be medically beneficial  
74.22 to the individual with the serious health condition.

74.23 Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for  
74.24 any portion of a typical workweek:

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

74.26 (2) that the applicant has an outstanding misrepresentation overpayment balance under  
74.27 section 268B.185, subdivision 5, including any penalties and interest;

74.28 (3) that the applicant fails or refuses to provide information on an issue of ineligibility  
74.29 required under section 268B.07, subdivision 2; or

74.30 (4) for which the applicant worked for pay.

74.31 Subd. 5. **Vacation, sick leave, and supplemental benefit payments.** (a) An applicant  
74.32 is not eligible to receive benefits for any portion of a typical workweek the applicant is

75.1 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also  
75.2 known as "PTO."

75.3 (b) Paragraph (a) does not apply:

75.4 (1) upon a permanent separation from employment;

75.5 (2) to payments from a vacation fund administered by a union or a third party not under  
75.6 the control of the employer; or

75.7 (3) to supplemental benefit payments, as defined in section 268B.01, subdivision 37.

75.8 (c) Payments under this subdivision are applied to the period immediately following the  
75.9 later of the date of separation from employment or the date the applicant first becomes  
75.10 aware that the employer will be making a payment. The date the payment is actually made  
75.11 or received, or that an applicant must agree to a release of claims, does not affect the  
75.12 application of this subdivision.

75.13 Subd. 6. **Workers' compensation and disability insurance offset.** (a) An applicant is  
75.14 not eligible to receive benefits for any portion of a week in which the applicant is receiving  
75.15 or has received compensation for loss of wages equal to or in excess of the applicant's  
75.16 weekly family or medical leave benefit amount under:

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

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

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

75.20 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
75.21 wages under paragraph (a). If the applicant later receives compensation as a result of the  
75.22 pending claim, the applicant is subject to paragraph (a) and the family or medical leave  
75.23 benefits paid are overpaid benefits under section 268B.185.

75.24 (c) If the amount of compensation described under paragraph (a) for any week is less  
75.25 than the applicant's weekly family or medical leave benefit amount, benefits requested for  
75.26 that week are reduced by the amount of that compensation payment.

75.27 Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible  
75.28 to receive benefits for any week the applicant is receiving, has received, or will receive  
75.29 separation pay, severance pay, bonus pay, or any other payments paid by an employer  
75.30 because of, upon, or after separation from employment. This subdivision applies if the  
75.31 payment is:

75.32 (1) considered wages under section 268B.01, subdivision 43; or

76.1 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
76.2 Security and Medicare.

76.3 (b) Payments under this subdivision are applied to the period immediately following the  
76.4 later of the date of separation from employment or the date the applicant first becomes  
76.5 aware that the employer will be making a payment. The date the payment is actually made  
76.6 or received, or that an applicant must agree to a release of claims, does not affect the  
76.7 application of this paragraph.

76.8 (c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or  
76.9 supplemental benefit payment under subdivision 4.

76.10 (d) This subdivision applies to all the weeks of payment.

76.11 (e) Under this subdivision, if the payment with respect to a week is equal to or more  
76.12 than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that  
76.13 week. If the payment with respect to a week is less than the applicant's weekly benefit  
76.14 amount, benefits are reduced by the amount of the payment.

76.15 Subd. 8. **Social Security disability benefits.** (a) An applicant who is receiving, has  
76.16 received, or has filed for primary Social Security disability benefits for any week is ineligible  
76.17 for benefits for that week, unless:

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

76.20 (2) the applicant provides a statement from an appropriate health care professional who  
76.21 is aware of the applicant's Social Security disability claim and the basis for that claim,  
76.22 certifying that the applicant is available for suitable employment.

76.23 (b) If an applicant meets the requirements of paragraph (a), clause (1), there is no  
76.24 deduction from the applicant's weekly benefit amount for any Social Security disability  
76.25 benefits.

76.26 (c) If an applicant meets the requirements of paragraph (a), clause (2), there must be  
76.27 deducted from the applicant's weekly benefit amount 50 percent of the weekly equivalent  
76.28 of the primary Social Security disability benefits the applicant is receiving, has received,  
76.29 or has filed for, with respect to that week.

76.30 If the Social Security Administration determines that the applicant is not entitled to receive  
76.31 primary Social Security disability benefits for any week the applicant has applied for those  
76.32 benefits, this paragraph does not apply to that week.

77.1 (d) Information from the Social Security Administration is conclusive, absent specific  
77.2 evidence showing that the information was erroneous.

77.3 Sec. 11. **[268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

77.4 Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is  
77.5 entitled to benefits, the commissioner must promptly send a notification to each current  
77.6 employer of the applicant, if any, in accordance with paragraph (b).

77.7 (b) The notification under paragraph (a) must include, at a minimum:

77.8 (1) the name of the applicant;

77.9 (2) that the applicant has applied for and received benefits;

77.10 (3) the week the benefits commence;

77.11 (4) the weekly benefit amount payable; and

77.12 (5) the maximum duration of benefits.

77.13 Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility  
77.14 raised by information required from an applicant and send to the applicant and any current  
77.15 base period employer, by mail or electronic transmission, a document titled a determination  
77.16 of eligibility or a determination of ineligibility, as is appropriate, within two weeks.

77.17 (b) If an applicant obtained benefits through misrepresentation, the department is  
77.18 authorized to issue a determination of ineligibility within 48 months of the establishment  
77.19 of the benefit account.

77.20 (c) If the department has filed an intervention in a worker's compensation matter under  
77.21 section 176.361, the department is authorized to issue a determination of ineligibility within  
77.22 48 months of the establishment of the benefit account.

77.23 (d) A determination of eligibility or determination of ineligibility is final unless an appeal  
77.24 is filed by the applicant within 20 calendar days after sending. The determination must  
77.25 contain a prominent statement indicating the consequences of not appealing. Proceedings  
77.26 on the appeal are conducted in accordance with section 268B.08.

77.27 (e) An issue of ineligibility required to be determined under this section includes any  
77.28 question regarding the denial or allowing of benefits under this chapter.

77.29 Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner,  
77.30 on the commissioner's own motion, may reconsider a determination of eligibility or  
77.31 determination of ineligibility that has not become final and issue an amended determination.

78.1 Any amended determination must be sent to the applicant and any employer in the current  
78.2 base period by mail or electronic transmission. Any amended determination is final unless  
78.3 an appeal is filed by the applicant within 30 calendar days after sending, or within 60 calendar  
78.4 days, if the applicant establishes good cause for not appealing within 30 days. For the  
78.5 purposes of this paragraph, "good cause" means a reason that would have prevented an  
78.6 applicant from acting with due diligence in appealing within 30 days and includes any  
78.7 illness, disability, or linguistic and literacy limitation of the applicant, along with other  
78.8 relevant factors. If an applicant claims good cause for a late appeal, the applicant must be  
78.9 granted a hearing on the issue of timeliness. This hearing can be held at the same time as a  
78.10 hearing on the merits of the appeal. Proceedings on the appeal are conducted in accordance  
78.11 with section 268B.08.

78.12 Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits  
78.13 to an applicant, the family or medical leave benefits must be paid regardless of any appeal  
78.14 period or any appeal having been filed.

78.15 Subd. 5. **Overpayment.** A determination or amended determination that holds an  
78.16 applicant ineligible for benefits for periods an applicant has been paid benefits is an  
78.17 overpayment of those family or medical leave benefits. A determination or amended  
78.18 determination issued under this section that results in an overpayment of benefits must set  
78.19 out the amount of the overpayment and the requirement that the overpaid benefits must be  
78.20 repaid according to section 268B.185.

78.21 Sec. 12. **[268B.08] APPEAL PROCESS.**

78.22 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

78.23 (b) Upon a timely appeal to a determination having been filed or upon a referral for  
78.24 direct hearing, the chief benefit judge must set a time and date for a de novo due-process  
78.25 hearing and send notice to an applicant and an employer, by mail or electronic transmission,  
78.26 not less than ten calendar days before the date of the hearing.

78.27 (c) The commissioner may adopt rules on procedures for hearings. The rules need not  
78.28 conform to common law or statutory rules of evidence and other technical rules of procedure.

78.29 (d) The chief benefit judge has discretion regarding the method by which the hearing is  
78.30 conducted.

78.31 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,  
78.32 the benefit judge must serve by mail or electronic transmission to all parties the decision,  
78.33 reasons for the decision, and written findings of fact.

79.1 (b) Decisions of a benefit judge are not precedential.

79.2 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within  
79.3 30 calendar days after service of the benefit judge's decision, file a request for reconsideration  
79.4 asking the judge to reconsider that decision.

79.5 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for  
79.6 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

79.7 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed  
79.8 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who  
79.9 are supervisors, or benefit judges.

79.10 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may  
79.11 transfer to another benefit judge any proceedings pending before another benefit judge.

79.12 Sec. 13. **[268B.085] LEAVE.**

79.13 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee  
79.14 has a right to leave from employment for any day, or portion of a day, for which the employee  
79.15 would be eligible for benefits under this chapter, regardless of whether the employee actually  
79.16 applied for benefits and regardless of whether the employee is covered under a private plan  
79.17 or the public program under this chapter.

79.18 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must  
79.19 provide the employer at least 30 days' advance notice before leave under this chapter is to  
79.20 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately  
79.21 when leave will be required to begin, a change in circumstances, or a medical emergency,  
79.22 notice must be given as soon as practicable. Whether leave is to be continuous or is to be  
79.23 taken intermittently or on a reduced-schedule basis, notice need only be given one time, but  
79.24 the employee must advise the employer as soon as practicable if dates of scheduled leave  
79.25 change or are extended, or were initially unknown. In those cases where the employee is  
79.26 required to provide at least 30 days' notice of foreseeable leave and does not do so, the  
79.27 employee must explain the reasons why notice was not practicable upon request from the  
79.28 employer.

79.29 (b) "As soon as practicable" means as soon as both possible and practical, taking into  
79.30 account all of the facts and circumstances in the individual case. When an employee becomes  
79.31 aware of a need for leave under this chapter less than 30 days in advance, it should be  
79.32 practicable for the employee to provide notice of the need for leave either the same day or  
79.33 the next day, unless the need for leave is based on a medical emergency. In all cases,

80.1 however, the determination of when an employee could practicably provide notice must  
80.2 take into account the individual facts and circumstances.

80.3 (c) An employee shall provide at least oral, telephone, or text message notice sufficient  
80.4 to make the employer aware that the employee needs leave allowed under this chapter and  
80.5 the anticipated timing and duration of the leave. An employer may require an employee  
80.6 giving notice of leave to include a certification for the leave as described in section 268B.06,  
80.7 subdivision 3. Such certification, if required by an employer, is timely when the employee  
80.8 delivers it as soon as practicable given the circumstances requiring the need for leave, and  
80.9 the required contents of the certification.

80.10 (d) An employer may require an employee to comply with the employer's usual and  
80.11 customary notice and procedural requirements for requesting leave, absent unusual  
80.12 circumstances or other circumstances caused by the reason for the employee's need for  
80.13 leave. Leave under this chapter must not be delayed or denied where an employer's usual  
80.14 and customary notice or procedural requirements require notice to be given sooner than set  
80.15 forth in this subdivision.

80.16 (e) If an employer has failed to provide notice to the employee as required under section  
80.17 268B.26, paragraph (a), (b), or (c), the employee is not required to comply with the notice  
80.18 requirements of this subdivision.

80.19 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested  
80.20 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or  
80.21 placement of a foster child, except that, in the case where the child must remain in the  
80.22 hospital longer than the mother, the leave must begin within 12 months after the child leaves  
80.23 the hospital.

80.24 Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based  
80.25 on a serious health condition, may be taken intermittently or on a reduced-leave schedule  
80.26 if such leave is reasonable and appropriate to the needs of the individual with the serious  
80.27 health condition. For all other leaves under this chapter, leave may be taken intermittently  
80.28 or on a reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time  
80.29 due to a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule  
80.30 that reduces an employee's usual number of working hours per workweek or hours per  
80.31 workday.

80.32 (b) Leave taken intermittently or on a reduced-schedule basis counts toward the  
80.33 maximums described in section 268B.04, subdivision 5.



81.1 Sec. 14. [268B.09] EMPLOYMENT PROTECTIONS.

81.2 Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an  
81.3 employee for requesting or obtaining benefits, or for exercising any other right under this  
81.4 chapter.

81.5 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an  
81.6 application for leave or benefits or the exercise of any other right under this chapter.

81.7 Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights  
81.8 to benefits or any other right under this chapter is void.

81.9 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits  
81.10 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided  
81.11 for the collection of debt. Any waiver of this subdivision is void.

81.12 Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to  
81.13 benefits under this chapter, the employer must maintain coverage under any group insurance  
81.14 policy, group subscriber contract, or health care plan for the employee and any dependents  
81.15 as if the employee was not on leave, provided, however, that the employee must continue  
81.16 to pay any employee share of the cost of such benefits.

81.17 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,  
81.18 an employee is entitled to be returned to the same position the employee held when leave  
81.19 commenced or to an equivalent position with equivalent benefits, pay, and other terms and  
81.20 conditions of employment. An employee is entitled to reinstatement even if the employee  
81.21 has been replaced or the employee's position has been restructured to accommodate the  
81.22 employee's absence.

81.23 (b)(1) An equivalent position is one that is virtually identical to the employee's former  
81.24 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,  
81.25 and status. It must involve the same or substantially similar duties and responsibilities,  
81.26 which must entail substantially equivalent skill, effort, responsibility, and authority.

81.27 (2) If an employee is no longer qualified for the position because of the employee's  
81.28 inability to attend a necessary course, renew a license, fly a minimum number of hours, or  
81.29 similar condition, as a result of the leave, the employee must be given a reasonable  
81.30 opportunity to fulfill those conditions upon return from leave.

81.31 (c)(1) An employee is entitled to any unconditional pay increases which may have  
81.32 occurred during the leave period, such as cost of living increases. Pay increases conditioned  
81.33 upon seniority, length of service, or work performed must be granted in accordance with

82.1 the employer's policy or practice with respect to other employees on an equivalent leave  
82.2 status for a reason that does not qualify for leave under this chapter. An employee is entitled  
82.3 to be restored to a position with the same or equivalent pay premiums, such as a shift  
82.4 differential. If an employee departed from a position averaging ten hours of overtime, and  
82.5 corresponding overtime pay, each week an employee is ordinarily entitled to such a position  
82.6 on return from leave under this chapter.

82.7 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or  
82.8 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment  
82.9 is based on the achievement of a specified goal such as hours worked, products sold, or  
82.10 perfect attendance, and the employee has not met the goal due to leave under this chapter,  
82.11 the payment may be denied, unless otherwise paid to employees on an equivalent leave  
82.12 status for a reason that does not qualify for leave under this chapter.

82.13 (d) Benefits under this section include all benefits provided or made available to  
82.14 employees by an employer, including group life insurance, health insurance, disability  
82.15 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether  
82.16 benefits are provided by a practice or written policy of an employer through an employee  
82.17 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

82.18 (1) At the end of an employee's leave under this chapter, benefits must be resumed in  
82.19 the same manner and at the same levels as provided when the leave began, and subject to  
82.20 any changes in benefit levels that may have taken place during the period of leave affecting  
82.21 the entire workforce, unless otherwise elected by the employee. Upon return from a leave  
82.22 under this chapter, an employee must not be required to requalify for any benefits the  
82.23 employee enjoyed before leave began, including family or dependent coverages.

82.24 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority  
82.25 during a leave under this chapter. Benefits accrued at the time leave began must be available  
82.26 to an employee upon return from leave.

82.27 (3) With respect to pension and other retirement plans, leave under this chapter must  
82.28 not be treated as or counted toward a break in service for purposes of vesting and eligibility  
82.29 to participate. If the plan requires an employee to be employed on a specific date in order  
82.30 to be credited with a year of service for vesting, contributions, or participation purposes,  
82.31 an employee on leave under this chapter must be treated as employed on that date. Periods  
82.32 of leave under this chapter need not be treated as credited service for purposes of benefit  
82.33 accrual, vesting, and eligibility to participate.

83.1 (4) Employees on leave under this chapter must be treated as if they continued to work  
83.2 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled  
83.3 to changes in benefit plans, except those which may be dependent upon seniority or accrual  
83.4 during the leave period, immediately upon return from leave or to the same extent they  
83.5 would have qualified if no leave had been taken.

83.6 (e) An equivalent position must have substantially similar duties, conditions,  
83.7 responsibilities, privileges, and status as the employee's original position.

83.8 (1) The employee must be reinstated to the same or a geographically proximate worksite  
83.9 from where the employee had previously been employed. If the employee's original worksite  
83.10 has been closed, the employee is entitled to the same rights as if the employee had not been  
83.11 on leave when the worksite closed.

83.12 (2) The employee is ordinarily entitled to return to the same shift or the same or an  
83.13 equivalent work schedule.

83.14 (3) The employee must have the same or an equivalent opportunity for bonuses,  
83.15 profit-sharing, and other similar discretionary and nondiscretionary payments.

83.16 (4) This chapter does not prohibit an employer from accommodating an employee's  
83.17 request to be restored to a different shift, schedule, or position which better suits the  
83.18 employee's personal needs on return from leave, or to offer a promotion to a better position.  
83.19 However, an employee must not be induced by the employer to accept a different position  
83.20 against the employee's wishes.

83.21 (f) The requirement that an employee be restored to the same or equivalent job with the  
83.22 same or equivalent pay, benefits, and terms and conditions of employment does not extend  
83.23 to de minimis, intangible, or unmeasurable aspects of the job.

83.24 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no  
83.25 greater right to reinstatement or to other benefits and conditions of employment than if the  
83.26 employee had been continuously employed during the period of leave under this chapter.  
83.27 An employer must be able to show that an employee would not otherwise have been  
83.28 employed at the time reinstatement is requested in order to deny restoration to employment.

83.29 (1) If an employee is laid off during the course of taking a leave under this chapter and  
83.30 employment is terminated, the employer's responsibility to continue the leave, maintain  
83.31 group health plan benefits, and restore the employee cease at the time the employee is laid  
83.32 off, provided the employer has no continuing obligations under a collective bargaining  
83.33 agreement or otherwise. An employer has the burden of proving that an employee would

84.1 have been laid off during the period of leave under this chapter and, therefore, would not  
84.2 be entitled to restoration to a job slated for layoff when the employee's original position  
84.3 would not meet the requirements of an equivalent position.

84.4 (2) If a shift has been eliminated or overtime has been decreased, an employee would  
84.5 not be entitled to return to work that shift or the original overtime hours upon restoration.  
84.6 However, if a position on, for example, a night shift has been filled by another employee,  
84.7 the employee is entitled to return to the same shift on which employed before taking leave  
84.8 under this chapter.

84.9 (3) If an employee was hired for a specific term or only to perform work on a discrete  
84.10 project, the employer has no obligation to restore the employee if the employment term or  
84.11 project is over and the employer would not otherwise have continued to employ the employee.

84.12 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in  
84.13 law or equity, an employer who violates the provisions of this section is liable to any  
84.14 employee affected for:

84.15 (1) damages equal to the amount of:

84.16 (i) any wages, salary, employment benefits, or other compensation denied or lost to such  
84.17 employee by reason of the violation, or, in cases in which wages, salary, employment  
84.18 benefits, or other compensation have not been denied or lost to the employee, any actual  
84.19 monetary losses sustained by the employee as a direct result of the violation; and

84.20 (ii) reasonable interest on the amount described in item (i); and

84.21 (2) such equitable relief as may be appropriate, including employment, reinstatement,  
84.22 and promotion.

84.23 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be  
84.24 maintained against any employer in any federal or state court of competent jurisdiction by  
84.25 any one or more employees for and on behalf of:

84.26 (1) the employees; or

84.27 (2) the employees and other employees similarly situated.

84.28 (c) The court in an action under this section must, in addition to any judgment awarded  
84.29 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,  
84.30 and other costs of the action to be paid by the defendant.

85.1 (d) Nothing in this section shall be construed to allow an employee to recover damages  
85.2 from an employer for the denial of benefits under this chapter by the department, unless the  
85.3 employer unlawfully interfered with the application for benefits under subdivision 2.

85.4 Sec. 15. **[268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

85.5 Subdivision 1. **Application for substitution.** Employers may apply to the commissioner  
85.6 for approval to meet their obligations under this chapter through the substitution of a private  
85.7 plan that provides paid family, paid medical, or paid family and medical benefits. In order  
85.8 to be approved as meeting an employer's obligations under this chapter, a private plan must  
85.9 confer all of the same rights, protections, and benefits provided to employees under this  
85.10 chapter, including but not limited to benefits under section 268B.04 and employment  
85.11 protections under section 268B.09. An employee covered by a private plan under this section  
85.12 retains all applicable rights and remedies under section 268B.09.

85.13 Subd. 2. **Private plan requirements; medical benefit program.** (a) The commissioner  
85.14 must approve an application for private provision of the medical benefit program if the  
85.15 commissioner determines:

85.16 (1) all of the employees of the employer are to be covered under the provisions of the  
85.17 employer plan;

85.18 (2) eligibility requirements for benefits and leave are no more restrictive than as provided  
85.19 under this chapter;

85.20 (3) the weekly benefits payable under the private plan for any week are at least equal to  
85.21 the weekly benefit amount payable under this chapter, taking into consideration any coverage  
85.22 with respect to concurrent employment by another employer;

85.23 (4) the total number of weeks for which benefits are payable under the private plan is  
85.24 at least equal to the total number of weeks for which benefits would have been payable  
85.25 under this chapter;

85.26 (5) no greater amount is required to be paid by employees toward the cost of benefits  
85.27 under the employer plan than by this chapter;

85.28 (6) wage replacement benefits are stated in the plan separately and distinctly from other  
85.29 benefits;

85.30 (7) the private plan will provide benefits and leave for any serious health condition or  
85.31 pregnancy for which benefits are payable, and leave provided, under this chapter;

86.1 (8) the private plan will impose no additional condition or restriction on the use of  
86.2 medical benefits beyond those explicitly authorized by this chapter or regulations  
86.3 promulgated pursuant to this chapter;

86.4 (9) the private plan will allow any employee covered under the private plan who is  
86.5 eligible to receive medical benefits under this chapter to receive medical benefits under the  
86.6 employer plan; and

86.7 (10) coverage will continue under the private plan while an employee remains employed  
86.8 by the employer.

86.9 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave  
86.10 and benefit eligibility if the total dollar value of wage replacement benefits under the private  
86.11 plan for an employee for any particular qualifying event meets or exceeds what the total  
86.12 dollar value would be under the public family and medical benefit program.

86.13 Subd. 3. **Private plan requirements; family benefit program.** (a) The commissioner  
86.14 must approve an application for private provision of the family benefit program if the  
86.15 commissioner determines:

86.16 (1) all of the employees of the employer are to be covered under the provisions of the  
86.17 employer plan;

86.18 (2) eligibility requirements for benefits and leave are no more restrictive than as provided  
86.19 under this chapter;

86.20 (3) the weekly benefits payable under the private plan for any week are at least equal to  
86.21 the weekly benefit amount payable under this chapter, taking into consideration any coverage  
86.22 with respect to concurrent employment by another employer;

86.23 (4) the total number of weeks for which benefits are payable under the private plan is  
86.24 at least equal to the total number of weeks for which benefits would have been payable  
86.25 under this chapter;

86.26 (5) no greater amount is required to be paid by employees toward the cost of benefits  
86.27 under the employer plan than by this chapter;

86.28 (6) wage replacement benefits are stated in the plan separately and distinctly from other  
86.29 benefits;

86.30 (7) the private plan will provide benefits and leave for any care for a family member  
86.31 with a serious health condition, bonding with a child, qualifying exigency, or safety leave  
86.32 event for which benefits are payable, and leave provided, under this chapter;

87.1 (8) the private plan will impose no additional condition or restriction on the use of family  
87.2 benefits beyond those explicitly authorized by this chapter or regulations promulgated  
87.3 pursuant to this chapter;

87.4 (9) the private plan will allow any employee covered under the private plan who is  
87.5 eligible to receive medical benefits under this chapter to receive medical benefits under the  
87.6 employer plan; and

87.7 (10) coverage will continue under the private plan while an employee remains employed  
87.8 by the employer.

87.9 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave  
87.10 and benefit eligibility if the total dollar value of wage replacement benefits under the private  
87.11 plan for an employee for any particular qualifying event meets or exceeds what the total  
87.12 dollar value would be under the public family and medical benefit program.

87.13 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an  
87.14 employer from meeting the requirements of a private plan through a private insurance  
87.15 product. If the employer plan involves a private insurance product, that insurance product  
87.16 must conform to any applicable law or rule.

87.17 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved  
87.18 private plan is not required to pay premiums established under section 268B.14. An employer  
87.19 with an approved private plan is responsible for a private plan approval and oversight fee  
87.20 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to  
87.21 499 employees, and \$1,000 for employers with 500 or more employees. The employer must  
87.22 pay this fee (1) upon initial application for private plan approval, and (2) any time the  
87.23 employer applies to amend the private plan. The commissioner must review and report on  
87.24 the adequacy of this fee to cover private plan administrative costs annually beginning  
87.25 December 1, 2024, as part of the annual report established in section 268B.24.

87.26 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period  
87.27 of at least one year and, thereafter, continuously unless the commissioner finds that the  
87.28 employer has given notice of withdrawal from the plan in a manner specified by the  
87.29 commissioner in this section or rule. The plan may be withdrawn by the employer within  
87.30 30 days of the effective date of any law increasing the benefit amounts or within 30 days  
87.31 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be  
87.32 amended to conform to provide the increased benefit amount or change in the rate of the  
87.33 employee's premium on the date of the increase or change.

88.1 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's  
88.2 private plan to the commissioner, in a manner specified by the commissioner.

88.3 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an  
88.4 approved private plan if a leave under this chapter occurs after the employment relationship  
88.5 with the private plan employer ends, or if the commissioner revokes the approval of the  
88.6 private plan.

88.7 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,  
88.8 immediately entitled to benefits under this chapter to the same extent as though there had  
88.9 been no approval of the private plan.

88.10 Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan  
88.11 must provide a notice prepared by or approved by the commissioner regarding the private  
88.12 plan consistent with section 268B.26.

88.13 Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private  
88.14 plan adjusting the provisions thereof, if the commissioner determines:

88.15 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

88.16 (2) that notice of the amendment has been delivered to all affected employees at least  
88.17 ten days before the submission of the amendment.

88.18 (b) Any amendments approved under this subdivision are effective on the date of the  
88.19 commissioner's approval, unless the commissioner and the employer agree on a later date.

88.20 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires  
88.21 the employer organization, trade, or business, or substantially all the assets thereof, or a  
88.22 distinct and severable portion of the organization, trade, or business, and continues its  
88.23 operation without substantial reduction of personnel resulting from the acquisition, must  
88.24 continue the approved private plan and must not withdraw the plan without a specific request  
88.25 for withdrawal in a manner and at a time specified by the commissioner. A successor may  
88.26 terminate a private plan with notice to the commissioner and within 90 days from the date  
88.27 of the acquisition.

88.28 Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may  
88.29 terminate any private plan if the commissioner determines the employer:

88.30 (1) failed to pay benefits;

88.31 (2) failed to pay benefits in a timely manner, consistent with the requirements of this  
88.32 chapter;



89.1 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;

89.2 or

89.3 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

89.4 (b) The commissioner must give notice of the intention to terminate a plan to the employer  
89.5 at least ten days before taking any final action. The notice must state the effective date and  
89.6 the reason for the termination.

89.7 (c) The employer may, within ten days from mailing or personal service of the notice,  
89.8 file an appeal to the commissioner in the time, manner, method, and procedure provided by  
89.9 the commissioner under subdivision 7.

89.10 (d) The payment of benefits must not be delayed during an employer's appeal of the  
89.11 revocation of approval of a private plan.

89.12 (e) If the commissioner revokes approval of an employer's private plan, that employer  
89.13 is ineligible to apply for approval of another private plan for a period of three years, beginning  
89.14 on the date of revocation.

89.15 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary  
89.16 penalties against an employer with an approved private plan found to have violated this  
89.17 chapter:

89.18 (1) \$1,000 for the first violation; and

89.19 (2) \$2,000 for the second, and each successive violation.

89.20 (b) The commissioner must waive collection of any penalty if the employer corrects the  
89.21 violation within 30 days of receiving a notice of the violation and the notice is for a first  
89.22 violation.

89.23 (c) The commissioner may waive collection of any penalty if the commissioner determines  
89.24 the violation to be an inadvertent error by the employer.

89.25 (d) Monetary penalties collected under this section shall be deposited in the family and  
89.26 medical benefit insurance account.

89.27 (e) Assessment of penalties under this subdivision may be appealed as provided by the  
89.28 commissioner under subdivision 7.

89.29 Subd. 14. **Reports, information, and records.** Employers with an approved private  
89.30 plan must maintain all reports, information, and records as relating to the private plan and  
89.31 claims for a period of six years from creation and provide to the commissioner upon request.

90.1 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans  
90.2 approved under this section both before and after the plans are approved.

90.3 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**  
90.4 **ELECTION OF COVERAGE.**

90.5 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent  
90.6 contractor may file with the commissioner by electronic transmission in a format prescribed  
90.7 by the commissioner an application to be entitled to benefits under this chapter for a period  
90.8 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent  
90.9 by United States mail or electronic transmission, the individual is entitled to benefits under  
90.10 this chapter beginning the calendar quarter after the date of approval or beginning in a later  
90.11 calendar quarter if requested by the self-employed individual or independent contractor.  
90.12 The individual ceases to be entitled to benefits as of the first day of January of any calendar  
90.13 year only if, at least 30 calendar days before the first day of January, the individual has filed  
90.14 with the commissioner by electronic transmission in a format prescribed by the commissioner  
90.15 a notice to that effect.

90.16 (b) The commissioner may terminate any application approved under this section with  
90.17 30 calendar days' notice sent by United States mail or electronic transmission if the  
90.18 self-employed individual is delinquent on any premiums due under this chapter. If an  
90.19 approved application is terminated in this manner during the first 104 consecutive calendar  
90.20 weeks of election, the self-employed individual remains obligated to pay the premium under  
90.21 subdivision 3 for the remainder of that 104-week period.

90.22 Subd. 2. **Application.** A self-employed individual who applies for coverage under this  
90.23 section must provide the commissioner with (1) the amount of the individual's net earnings  
90.24 from self-employment, if any, from the two most recent taxable years and all tax documents  
90.25 necessary to prove the accuracy of the amounts reported, and (2) any other documentation  
90.26 the commissioner requires. A self-employed individual who is covered under this chapter  
90.27 must annually provide the commissioner with the amount of the individual's net earnings  
90.28 from self-employment within 30 days of filing a federal income tax return.

90.29 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under  
90.30 this chapter must annually pay a premium equal to one-half the percentage in section  
90.31 268B.14, subdivision 5, clause (1), times the lesser of:

90.32 (1) the individual's self-employment premium base; or

91.1 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability  
91.2 Insurance tax.

91.3 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual  
91.4 who has applied to and been approved for coverage by the commissioner under this section  
91.5 is entitled to benefits on the same basis as an employee under this chapter, except that a  
91.6 self-employed individual's weekly benefit amount under section 268B.04, subdivision 1,  
91.7 must be calculated as a percentage of the self-employed individual's self-employment  
91.8 premium base, rather than wages.

91.9 Sec. 17. **[268B.12] WAGE REPORTING.**

91.10 Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer  
91.11 premium account described in section 268B.13, a quarterly wage detail report by electronic  
91.12 transmission, in a format prescribed by the commissioner. The report must include for each  
91.13 employee in covered employment during the calendar quarter, the employee's name, Social  
91.14 Security number, the total wages paid to the employee, and total number of paid hours  
91.15 worked. For employees exempt from the definition of employee in section 177.23,  
91.16 subdivision 7, clause (6), the employer must report 40 hours worked for each week any  
91.17 duties were performed by a full-time employee and must report a reasonable estimate of  
91.18 the hours worked for each week duties were performed by a part-time employee. In addition,  
91.19 the wage detail report must include the number of employees employed during the payroll  
91.20 period that includes the 12th day of each calendar month and, if required by the  
91.21 commissioner, the report must be broken down by business location and separate business  
91.22 unit. The report is due and must be received by the commissioner on or before the last day  
91.23 of the month following the end of the calendar quarter. The commissioner may delay the  
91.24 due date on a specific calendar quarter in the event the department is unable to accept wage  
91.25 detail reports electronically.

91.26 (b) The employer may report the wages paid to the next lower whole dollar amount.

91.27 (c) An employer need not include the name of the employee or other required information  
91.28 on the wage detail report if disclosure is specifically exempted from being reported by  
91.29 federal law.

91.30 (d) A wage detail report must be submitted for each calendar quarter even though no  
91.31 wages were paid, unless the business has been terminated.

91.32 Subd. 2. **Electronic transmission of report required.** Each employer must submit the  
91.33 quarterly wage detail report by electronic transmission in a format prescribed by the

92.1 commissioner. The commissioner has the discretion to accept wage detail reports that are  
92.2 submitted by any other means or the commissioner may return the report submitted by other  
92.3 than electronic transmission to the employer, and reports returned are considered as not  
92.4 submitted and the late fees under subdivision 3 may be imposed.

92.5 Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
92.6 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
92.7 based upon the highest of:

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

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

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

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

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

92.21 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
92.22 section 268B.16.

92.23 Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage  
92.24 detail report, but fails to include all required employee information or enters erroneous  
92.25 information, is subject to an administrative service fee of \$25 for each employee for whom  
92.26 the information is partially missing or erroneous.

92.27 (b) Any employer that submits the wage detail report, but fails to include an employee,  
92.28 is subject to an administrative service fee equal to two percent of the total wages for each  
92.29 employee for whom the information is completely missing.

92.30 Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest  
92.31 and other penalties imposed by this chapter and are collected in the same manner as  
92.32 delinquent taxes and credited to the family and medical benefit insurance account.

93.1 Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

93.2 The commissioner must maintain a premium account for each employer. The  
93.3 commissioner must assess the premium account for all the premiums due under section  
93.4 268B.14, and credit the family and medical benefit insurance account with all premiums  
93.5 paid.

93.6 Sec. 19. **[268B.14] PREMIUMS.**

93.7 Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become  
93.8 payable by each employer for each calendar year on the taxable wages that the employer  
93.9 paid to employees in covered employment.

93.10 Each employer must pay premiums quarterly, at the premium rate defined under this  
93.11 section, on the taxable wages paid to each employee. The commissioner must compute the  
93.12 premium due from the wage detail report required under section 268B.12 and notify the  
93.13 employer of the premium due. The premiums must be paid to the family and medical benefit  
93.14 insurance account and must be received by the department on or before the last day of the  
93.15 month following the end of the calendar quarter.

93.16 (b) If for any reason the wages on the wage detail report under section 268B.12 are  
93.17 adjusted for any quarter, the commissioner must recompute the premiums due for that quarter  
93.18 and assess the employer for any amount due or credit the employer as appropriate.

93.19 Subd. 2. **Payments by electronic payment required.** (a) Every employer must make  
93.20 any payments due under this chapter by electronic payment.

93.21 (b) All third-party processors, paying on behalf of a client company, must make any  
93.22 payments due under this chapter by electronic payment.

93.23 (c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept  
93.24 payment by other means.

93.25 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or  
93.26 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent  
93.27 of annual premiums paid under this section from employee wages. Such deductions for any  
93.28 given employee must be in equal proportion to the premiums paid based on the wages of  
93.29 that employee, and all employees of an employer must be subject to the same percentage  
93.30 deduction. Deductions under this section must not cause an employee's wage, after the  
93.31 deduction, to fall below the rate required to be paid to the worker by law, including any  
93.32 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or  
93.33 other legal authority, whichever rate of pay is greater.

94.1 Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to  
94.2 premium in a calendar year is equal to the maximum earnings in that year subject to the  
94.3 FICA Old-Age, Survivors, and Disability Insurance tax.

94.4 Subd. 5. **Annual premium rates.** The employer premium rates for the calendar year  
94.5 beginning January 1, 2024, shall be as follows:

94.6 (1) for employers participating in both family and medical benefit programs, 0.6 percent;

94.7 (2) for an employer participating in only the medical benefit program and with an  
94.8 approved private plan for the family benefit program, 0.486 percent; and

94.9 (3) for an employer participating in only the family benefit program and with an approved  
94.10 private plan for the medical benefit program, 0.114 percent.

94.11 Subd. 6. **Premium rate adjustments.** (a) Beginning January 1, 2026, and each calendar  
94.12 year thereafter, the commissioner must adjust the annual premium rates using the formula  
94.13 in paragraph (b).

94.14 (b) To calculate the employer rates for a calendar year, the commissioner must:

94.15 (1) multiply 1.45 times the amount disbursed from the family and medical benefit  
94.16 insurance account for the 52-week period ending September 30 of the prior year;

94.17 (2) subtract the amount in the family and medical benefit insurance account on that  
94.18 September 30 from the resulting figure;

94.19 (3) divide the resulting figure by twice the total wages in covered employment of  
94.20 employees of employers without approved private plans under section 268B.10 for either  
94.21 the family or medical benefit program. For employers with an approved private plan for  
94.22 either the medical benefit program or the family benefit program, but not both, count only  
94.23 the proportion of wages in covered employment associated with the program for which the  
94.24 employer does not have an approved private plan; and

94.25 (4) round the resulting figure down to the nearest one-hundredth of one percent.

94.26 (c) The commissioner must apportion the premium rate between the family and medical  
94.27 benefit programs based on the relative proportion of expenditures for each program during  
94.28 the preceding year.

94.29 Subd. 7. **Deposit of premiums.** All premiums collected under this section must be  
94.30 deposited into the family and medical benefit insurance account.

95.1 Subd. 8. **Nonpayment of premiums by employer.** The failure of an employer to pay  
95.2 premiums does not impact the right of an employee to benefits, or any other right, under  
95.3 this chapter.

95.4 Sec. 20. **[268B.145] INCOME TAX WITHHOLDING.**

95.5 If the Internal Revenue Service determines that benefits are subject to federal income  
95.6 tax, and an applicant elects to have federal income tax deducted and withheld from the  
95.7 applicant's benefits, the commissioner must deduct and withhold the amount specified in  
95.8 the Internal Revenue Code in a manner consistent with state law.

95.9 Sec. 21. **[268B.15] COLLECTION OF PREMIUMS.**

95.10 Subdivision 1. **Amount computed presumed correct.** Any amount due from an  
95.11 employer, as computed by the commissioner, is presumed to be correctly determined and  
95.12 assessed, and the burden is upon the employer to show its incorrectness. A statement by the  
95.13 commissioner of the amount due is admissible in evidence in any court or administrative  
95.14 proceeding and is prima facie evidence of the facts in the statement.

95.15 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be  
95.16 applied in the following order:

95.17 (1) family and medical leave premiums under this chapter; then

95.18 (2) interest on past due premiums; then

95.19 (3) penalties, late fees, administrative service fees, and costs.

95.20 (b) Paragraph (a) is the priority used for all payments received from an employer,  
95.21 regardless of how the employer may designate the payment to be applied, except when:

95.22 (1) there is an outstanding lien and the employer designates that the payment made  
95.23 should be applied to satisfy the lien;

95.24 (2) the payment is specifically designated by the employer to be applied to an outstanding  
95.25 overpayment of benefits of an applicant;

95.26 (3) a court or administrative order directs that the payment be applied to a specific  
95.27 obligation;

95.28 (4) a preexisting payment plan provides for the application of payment; or

95.29 (5) the commissioner, under the compromise authority of section 268B.16, agrees to  
95.30 apply the payment to a different priority.

96.1 Subd. 3. **Estimating the premium due.** Only if an employer fails to make all necessary  
96.2 records available for an audit under section 268B.21 and the commissioner has reason to  
96.3 believe the employer has not reported all the required wages on the quarterly wage detail  
96.4 reports, may the commissioner then estimate the amount of premium due and assess the  
96.5 employer the estimated amount due.

96.6 Subd. 4. **Costs.** (a) Any employer and any applicant subject to section 268B.185,  
96.7 subdivision 2, that fails to pay any amount when due under this chapter is liable for any  
96.8 filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private  
96.9 collection agency, or litigation costs, including attorney fees, incurred in the collection of  
96.10 the amounts due.

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

96.14 (c) Costs and fees collected under this subdivision are credited to the enforcement account  
96.15 under section 268B.185, subdivision 3.

96.16 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under  
96.17 this chapter are not received on the date due, the commissioner must assess interest on any  
96.18 amount that remains unpaid. Interest is assessed at the rate of one percent per month or any  
96.19 part of a month. Interest is not assessed on unpaid interest. Interest collected under this  
96.20 subdivision is credited to the account.

96.21 Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered  
96.22 upon any past due amounts from an employer under this chapter, the unpaid judgment bears  
96.23 interest at the rate specified in subdivision 5 until the date of payment.

96.24 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a  
96.25 credit adjustment of any amount paid under this chapter within four years of the date that  
96.26 the payment was due, in a manner and format prescribed by the commissioner, and the  
96.27 commissioner determines that the payment or any portion thereof was erroneous, the  
96.28 commissioner must make an adjustment and issue a credit without interest. If a credit cannot  
96.29 be used, the commissioner must refund, without interest, the amount erroneously paid. The  
96.30 commissioner, on the commissioner's own motion, may make a credit adjustment or refund  
96.31 under this subdivision.

96.32 (b) Any refund returned to the commissioner is considered unclaimed property under  
96.33 chapter 345.



97.1 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial  
97.2 must be sent to the employer by mail or electronic transmission. The determination of denial  
97.3 is final unless an employer files an appeal within 20 calendar days after sending. Proceedings  
97.4 on the appeal are conducted in accordance with section 268B.08.

97.5 (d) If an employer receives a credit adjustment or refund under this section, the employer  
97.6 must determine the amount of any overpayment attributable to a deduction from employee  
97.7 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted  
97.8 to each affected employee.

97.9 Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any  
97.10 distribution of an employer's assets according to an order of any court, including any  
97.11 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar  
97.12 proceeding, premiums then or thereafter due must be paid in full before all other claims  
97.13 except claims for wages of not more than \$1,000 per former employee, earned within six  
97.14 months of the commencement of the proceedings. In the event of an employer's adjudication  
97.15 in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority  
97.16 provided in that law for taxes due in any state.

97.17 Sec. 22. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

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

97.19 (1) "child support agency" means the public agency responsible for child support  
97.20 enforcement, including federally approved comprehensive Tribal IV-D programs; and

97.21 (2) "child support obligations" means obligations that are being enforced by a child  
97.22 support agency in accordance with a plan described in United States Code, title 42, sections  
97.23 454 and 455 of the Social Security Act that has been approved by the secretary of health  
97.24 and human services under part D of title IV of the Social Security Act. This does not include  
97.25 any type of spousal maintenance or foster care payments.

97.26 Subd. 2. **Notice upon application.** In an application for family or medical leave benefits,  
97.27 the applicant must disclose if child support obligations are owed and, if so, in what state  
97.28 and county. If child support obligations are owed, the commissioner must, if the applicant  
97.29 establishes a benefit account, notify the child support agency.

97.30 Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from  
97.31 any family or medical leave benefits payable to an applicant who owes child support  
97.32 obligations:

97.33 (1) the amount required under a proper order of a court or administrative agency; or

98.1 (2) if clause (1) is not applicable, the amount determined under an agreement under  
98.2 United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or  
98.3 (3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

98.4 Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support  
98.5 agency, must for all purposes be treated as if it were paid to the applicant as family or  
98.6 medical leave benefits and paid by the applicant to the child support agency in satisfaction  
98.7 of the applicant's child support obligations.

98.8 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by  
98.9 the commissioner in the implementation and administration of this section and sections  
98.10 518A.50 and 518A.53.

98.11 Sec. 23. **[268B.16] COMPROMISE.**

98.12 (a) The commissioner may compromise in whole or in part any action, determination,  
98.13 or decision that affects only an employer and not an applicant. This paragraph applies if it  
98.14 is determined by a court of law, or a confession of judgment, that an applicant, while  
98.15 employed, wrongfully took from the employer \$500 or more in money or property.

98.16 (b) The commissioner may at any time compromise any premium or reimbursement due  
98.17 from an employer under this chapter.

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

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

98.22 Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

98.23 From January 1, 2024, through December 31, 2024, the commissioner may spend up to  
98.24 seven percent of premiums collected under section 268B.15 for administration of this chapter.  
98.25 Beginning January 1, 2025, and each calendar year thereafter, the commissioner may spend  
98.26 up to seven percent of projected benefit payments for that calendar year for the administration  
98.27 of this chapter. The department may enter into interagency agreements with the Department  
98.28 of Labor and Industry, including agreements to transfer funds, subject to the limit in this  
98.29 section, for the Department of Labor and Industry to fulfill its enforcement authority of this  
98.30 chapter.

99.1 Sec. 25. **[268B.18] PUBLIC OUTREACH.**

99.2 Beginning January 1, 2024, the commissioner must use at least 0.5 percent of revenue  
99.3 collected under this chapter for the purpose of outreach, education, and technical assistance  
99.4 for employees, employers, and self-employed individuals eligible to elect coverage under  
99.5 section 268B.11. The department may enter into interagency agreements with the Department  
99.6 of Labor and Industry, including agreements to transfer funds, subject to the limit in section  
99.7 268B.17, to accomplish the requirements of this section. At least one-half of the amount  
99.8 spent under this section must be used for grants to community-based groups.

99.9 Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

99.10 Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a  
99.11 determination or amended determination issued under this chapter, or (2) because of a  
99.12 benefit law judge's decision under section 268B.08, has received any family or medical  
99.13 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must  
99.14 promptly repay the benefits to the family and medical benefit insurance account.

99.15 (b) If the applicant fails to repay the benefits overpaid, including any penalty and interest  
99.16 assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed  
99.17 under state and federal law.

99.18 Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed  
99.19 misrepresentation if the applicant is overpaid benefits by making a false statement or  
99.20 representation without a good faith belief as to the correctness of the statement or  
99.21 representation.

99.22 (b) After the discovery of facts indicating misrepresentation, the commissioner must  
99.23 issue a determination of overpayment penalty assessing a penalty equal to 20 percent of the  
99.24 amount overpaid. This penalty is in addition to penalties under section 268B.19.

99.25 (c) Unless the applicant files an appeal within 30 calendar days after the sending of a  
99.26 determination of overpayment penalty to the applicant by mail or electronic transmission,  
99.27 or within 60 calendar days, if the applicant establishes good cause for not appealing within  
99.28 30 days, the determination is final. For the purposes of this paragraph, "good cause" means  
99.29 a reason that would have prevented an applicant from acting with due diligence in appealing  
99.30 within 30 days and includes any illness, disability, or linguistic and literacy limitation of  
99.31 the applicant, along with other relevant factors. If an applicant claims good cause for a late  
99.32 appeal, the applicant must be granted a hearing on the issue of timeliness. This hearing can

100.1 be held at the same time as a hearing on the merits of the appeal. Proceedings on the appeal  
100.2 are conducted in accordance with section 268B.08.

100.3 (d) A determination of overpayment penalty must state the methods of collection the  
100.4 commissioner may use to recover the overpayment, penalty, and interest assessed. Money  
100.5 received in repayment of overpaid benefits, penalties, and interest is first applied to the  
100.6 benefits overpaid, second to the penalty amount due, and third to any interest due.

100.7 (e) The department is authorized to issue a determination of overpayment penalty under  
100.8 this subdivision within 48 months of the establishment of the benefit account upon which  
100.9 the benefits were obtained through misrepresentation.

100.10 Subd. 3. **Family and medical benefit insurance enforcement account created.** The  
100.11 family and medical benefit insurance enforcement account is created in the state treasury.  
100.12 Any penalties and interest collected under this section shall be deposited into the account  
100.13 under this subdivision and shall be used only for the purposes of administering and enforcing  
100.14 this chapter. Only the commissioner may authorize expenditures from the account under  
100.15 this subdivision.

100.16 Subd. 4. **Interest.** For any family and medical leave benefits obtained by  
100.17 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner  
100.18 must assess interest on any amount that remains unpaid beginning 30 calendar days after  
100.19 the date of a determination of overpayment penalty. Interest is assessed at the rate of one  
100.20 percent per month or any part of a month. A determination of overpayment penalty must  
100.21 state that interest will be assessed. Interest is not assessed on unpaid interest. Interest collected  
100.22 under this subdivision is credited to the family and medical benefit insurance enforcement  
100.23 account.

100.24 Subd. 5. **Offset of benefits.** The commissioner may offset from any future family and  
100.25 medical leave benefits otherwise payable the amount of a nonmisrepresentation overpayment.  
100.26 Except when the nonmisrepresentation overpayment resulted because the applicant failed  
100.27 to report deductible earnings or deductible or benefit delaying payments, no single offset  
100.28 may exceed 50 percent of the amount of the payment from which the offset is made.

100.29 Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits overpaid  
100.30 for reasons other than misrepresentation are not repaid or offset from subsequent benefits  
100.31 within six years after the date of the determination or decision holding the applicant overpaid,  
100.32 the commissioner must cancel the overpayment balance, and no administrative or legal  
100.33 proceedings may be used to enforce collection of those amounts.

101.1 (b) If family and medical leave benefits overpaid because of misrepresentation including  
101.2 penalties and interest are not repaid within ten years after the date of the determination of  
101.3 overpayment penalty, the commissioner must cancel the overpayment balance and any  
101.4 penalties and interest due, and no administrative or legal proceeding may be used to enforce  
101.5 collection of those amounts.

101.6 (c) The commissioner may cancel at any time any overpayment, including penalties and  
101.7 interest that the commissioner determines is uncollectible because of death or bankruptcy.

101.8 Subd. 7. **Court fees; collection fees.** (a) If the department is required to pay any court  
101.9 fees in an attempt to enforce collection of overpaid family and medical leave benefits,  
101.10 penalties, or interest, the amount of the court fees may be added to the total amount due.

101.11 (b) If an applicant who has been overpaid family and medical leave benefits because of  
101.12 misrepresentation seeks to have any portion of the debt discharged under the federal  
101.13 bankruptcy code, and the department files an objection in bankruptcy court to the discharge,  
101.14 the cost of any court fees may be added to the debt if the bankruptcy court does not discharge  
101.15 the debt.

101.16 (c) If the Internal Revenue Service assesses the department a fee for offsetting from a  
101.17 federal tax refund the amount of any overpayment, including penalties and interest, the  
101.18 amount of the fee may be added to the total amount due. The offset amount must be put in  
101.19 the family and medical benefit insurance enforcement account and that amount credited to  
101.20 the total amount due from the applicant.

101.21 Subd. 8. **Collection of overpayments.** (a) The commissioner has discretion regarding  
101.22 the recovery of any overpayment for reasons other than misrepresentation. Regardless of  
101.23 any law to the contrary, the commissioner is not required to refer any overpayment for  
101.24 reasons other than misrepresentation to a public or private collection agency, including  
101.25 agencies of this state.

101.26 (b) Amounts overpaid for reasons other than misrepresentation are not considered a  
101.27 "debt" to the state of Minnesota for purposes of any reporting requirements to the  
101.28 commissioner of management and budget.

101.29 (c) A pending appeal under section 268B.08 does not suspend the assessment of interest,  
101.30 penalties, or collection of an overpayment.

101.31 (d) Section 16A.626 applies to the repayment by an applicant of any overpayment,  
101.32 penalty, or interest.

102.1 **Sec. 27. [268B.19] APPLICANT ADMINISTRATIVE PENALTIES.**

102.2 (a) Any applicant who makes a false statement or representation without a good faith  
102.3 belief as to the correctness of the statement or representation in order to obtain or in an  
102.4 attempt to obtain benefits may be assessed, in addition to any other penalties, an  
102.5 administrative penalty of being ineligible for benefits for 13 to 104 weeks.

102.6 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must  
102.7 be sent to the applicant by mail or electronic transmission. The department is authorized to  
102.8 issue a determination of ineligibility under this subdivision within 48 months of the  
102.9 establishment of the benefit account upon which the benefits were obtained, or attempted  
102.10 to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination  
102.11 is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

102.12 **Sec. 28. [268B.20] EMPLOYER MISCONDUCT; PENALTY.**

102.13 (a) The commissioner must penalize an employer if that employer or any employee,  
102.14 officer, or agent of that employer is in collusion with any applicant for the purpose of  
102.15 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount  
102.16 of benefits determined to be overpaid, whichever is greater.

102.17 (b) The commissioner must penalize an employer if that employer or any employee,  
102.18 officer, or agent of that employer:

102.19 (1) made a false statement or representation knowing it to be false;

102.20 (2) made a false statement or representation without a good-faith belief as to the  
102.21 correctness of the statement or representation; or

102.22 (3) knowingly failed to disclose a material fact.

102.23 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the  
102.24 employer's action:

102.25 (1) the amount of any overpaid benefits to an applicant;

102.26 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;

102.27 or

102.28 (3) the amount of any payment required from the employer under this chapter that was  
102.29 not paid.

102.30 (d) Penalties must be paid within 30 calendar days of issuance of the determination of  
102.31 penalty and credited to the family and medical benefit insurance account.

103.1 (e) The determination of penalty is final unless the employer files an appeal within 30  
103.2 calendar days after the sending of the determination of penalty to the employer by United  
103.3 States mail or electronic transmission.

103.4 Sec. 29. **[268B.21] RECORDS; AUDITS.**

103.5 Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate  
103.6 records on individuals performing services for the employer, containing the information  
103.7 the commissioner may require under this chapter. The records must be kept for a period of  
103.8 not less than four years in addition to the current calendar year.

103.9 (b) For the purpose of administering this chapter, the commissioner has the power to  
103.10 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,  
103.11 records, or memoranda that are the property of, or in the possession of, an employer or any  
103.12 other person at any reasonable time and as often as may be necessary. Subpoenas may be  
103.13 issued under section 268B.22 as necessary, for an audit.

103.14 (c) An employer or other person that refuses to allow an audit of its records by the  
103.15 department or that fails to make all necessary records available for audit in the state upon  
103.16 request of the commissioner may be assessed an administrative penalty of \$500. The penalty  
103.17 collected is credited to the family and medical benefit insurance account.

103.18 (d) An employer, or other person, that fails to provide a weekly breakdown of money  
103.19 earned by an applicant upon request of the commissioner, information necessary for the  
103.20 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be  
103.21 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown  
103.22 must clearly state that a \$100 penalty may be assessed for failure to provide the information.  
103.23 The penalty collected is credited to the family and medical benefit insurance account.

103.24 Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries,  
103.25 compilations, duplications, or reproductions of any records pertaining to this chapter that  
103.26 the commissioner considers advisable for the preservation of the information.

103.27 (b) Regardless of any law to the contrary, the commissioner may destroy any records  
103.28 that are no longer necessary for the administration of this chapter. In addition, the  
103.29 commissioner may destroy any record from which the information has been electronically  
103.30 captured and stored.

104.1 Sec. 30. [268B.22] SUBPOENAS; OATHS.

104.2 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,  
104.3 take depositions, certify to official acts, and issue subpoenas to compel the attendance of  
104.4 individuals and the production of documents and other personal property necessary in  
104.5 connection with the administration of this chapter.

104.6 (b) Individuals subpoenaed, other than applicants or officers and employees of an  
104.7 employer that is the subject of the inquiry, are paid witness fees the same as witness fees  
104.8 in civil actions in district court. The fees need not be paid in advance.

104.9 (c) The subpoena is enforceable through the district court in Ramsey County.

104.10 Sec. 31. [268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.

104.11 Subdivision 1. Lien. (a) Any amount due under this chapter, from an applicant or an  
104.12 employer, becomes a lien upon all the property, within this state, both real and personal, of  
104.13 the person liable, from the date of assessment. For the purposes of this section, "date of  
104.14 assessment" means the date the obligation was due.

104.15 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a  
104.16 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,  
104.17 until a notice of lien has been filed with the county recorder of the county where the property  
104.18 is situated, or in the case of personal property belonging to a nonresident person in the Office  
104.19 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee  
104.20 for filing and indexing is as provided in sections 272.483 and 272.484.

104.21 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the  
104.22 commissioner, may be filed with the county recorder or the secretary of state by mail,  
104.23 personal delivery, or electronic transmission into the computerized filing system of the  
104.24 secretary of state. The secretary of state must, on any notice filed with that office, transmit  
104.25 the notice electronically to the appropriate county recorder. The filing officer, whether the  
104.26 county recorder or the secretary of state, must endorse and index a printout of the notice as  
104.27 if the notice had been mailed or delivered.

104.28 (d) County recorders and the secretary of state must enter information on lien notices,  
104.29 renewals, and releases into the central database of the secretary of state. For notices filed  
104.30 electronically with the county recorders, the date and time of receipt of the notice and county  
104.31 recorder's file number, and for notices filed electronically with the secretary of state, the  
104.32 secretary of state's recording information, must be entered into the central database before  
104.33 the close of the working day following the day of the original data entry by the commissioner.



105.1 (e) The lien imposed on personal property, even though properly filed, is not enforceable  
105.2 against a purchaser of tangible personal property purchased at retail or personal property  
105.3 listed as exempt in sections 550.37, 550.38, and 550.39.

105.4 (f) A notice of lien filed has priority over any security interest arising under chapter 336,  
105.5 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

105.6 (1) the perfected security interest secures property not in existence at the time the notice  
105.7 of lien is filed; and

105.8 (2) the property comes into existence after the 45th calendar day following the day the  
105.9 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien  
105.10 filing, whichever is earlier.

105.11 (g) The lien is enforceable from the time the lien arises and for ten years from the date  
105.12 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional  
105.13 ten years.

105.14 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure  
105.15 under chapter 550.

105.16 (i) The lien may be imposed upon property defined as homestead property in chapter  
105.17 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead  
105.18 property.

105.19 (j) The commissioner may sell and assign to a third party the commissioner's right of  
105.20 redemption in specific real property for liens filed under this subdivision. The assignee is  
105.21 limited to the same rights of redemption as the commissioner, except that in a bankruptcy  
105.22 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from  
105.23 the sale of the right of redemption are credited to the family and medical benefit insurance  
105.24 account.

105.25 Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer,  
105.26 is not paid when due, the amount may be collected by the commissioner by direct levy upon  
105.27 all property and rights of property of the person liable for the amount due except property  
105.28 exempt from execution under section 550.37. For the purposes of this section, "levy" includes  
105.29 the power of distraint and seizure by any means.

105.30 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of  
105.31 any county who must proceed within 60 calendar days to levy upon the property or rights  
105.32 to property of the delinquent person within the county, except property exempt under section  
105.33 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together

106.1 with the commissioner's and sheriff's costs. The sales are governed by the law applicable  
106.2 to sales of like property on execution of a judgment.

106.3 (c) Notice and demand for payment of the total amount due must be mailed to the  
106.4 delinquent person at least ten calendar days before action being taken under paragraphs (a)  
106.5 and (b).

106.6 (d) If the commissioner has reason to believe that collection of the amount due is in  
106.7 jeopardy, notice and demand for immediate payment may be made. If the total amount due  
106.8 is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without  
106.9 regard to the ten calendar day period.

106.10 (e) In executing the levy, the commissioner must have all of the powers provided in  
106.11 chapter 550 or any other law that provides for execution against property in this state. The  
106.12 sale of property levied upon and the time and manner of redemption is as provided in chapter  
106.13 550. The seal of the court is not required. The levy may be made whether or not the  
106.14 commissioner has commenced a legal action for collection.

106.15 (f) Where any assessment has been made by the commissioner, the property seized for  
106.16 collection of the total amount due must not be sold until any determination of liability has  
106.17 become final. No sale may be made unless a portion of the amount due remains unpaid for  
106.18 a period of more than 30 calendar days after the determination of liability becomes final.  
106.19 Seized property may be sold at any time if:

106.20 (1) the delinquent person consents in writing to the sale; or

106.21 (2) the commissioner determines that the property is perishable or may become greatly  
106.22 reduced in price or value by keeping, or that the property cannot be kept without great  
106.23 expense.

106.24 (g) Where a levy has been made to collect the amount due and the property seized is  
106.25 properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505  
106.26 and maintained under full supervision of the court, the property may not be sold until the  
106.27 probate proceedings are completed or until the court orders.

106.28 (h) The property seized must be returned if the owner:

106.29 (1) gives a surety bond equal to the appraised value of the owner's interest in the property,  
106.30 as determined by the commissioner; or

106.31 (2) deposits with the commissioner security in a form and amount the commissioner  
106.32 considers necessary to insure payment of the liability.

107.1 (i) If a levy or sale would irreparably injure rights in property that the court determines  
107.2 superior to rights of the state, the court may grant an injunction to prohibit the enforcement  
107.3 of the levy or to prohibit the sale.

107.4 (j) Any person who fails or refuses to surrender without reasonable cause any property  
107.5 or rights to property subject to levy is personally liable in an amount equal to the value of  
107.6 the property or rights not so surrendered, but not exceeding the amount due.

107.7 (k) If the commissioner has seized the property of any individual, that individual may,  
107.8 upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable  
107.9 relief before the district court for the release of the property upon terms and conditions the  
107.10 court considers equitable.

107.11 (l) Any person in control or possession of property or rights to property upon which a  
107.12 levy has been made who surrenders the property or rights to property, or who pays the  
107.13 amount due is discharged from any obligation or liability to the person liable for the amount  
107.14 due with respect to the property or rights to property.

107.15 (m) The notice of any levy may be served personally or by mail.

107.16 (n) The commissioner may release the levy upon all or part of the property or rights to  
107.17 property levied upon if the commissioner determines that the release will facilitate the  
107.18 collection of the liability, but the release does not prevent any subsequent levy. If the  
107.19 commissioner determines that property has been wrongfully levied upon, the commissioner  
107.20 must return:

107.21 (1) the specific property levied upon, at any time; or

107.22 (2) an amount of money equal to the amount of money levied upon, at any time before  
107.23 the expiration of nine months from the date of levy.

107.24 (o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial  
107.25 institution located in this state, has priority over any unexercised right of setoff of the  
107.26 financial institution to apply the levied funds toward the balance of an outstanding loan or  
107.27 loans owed by the person to the financial institution. A claim by the financial institution  
107.28 that it exercised its right to setoff before the levy must be substantiated by evidence of the  
107.29 date of the setoff, and verified by an affidavit from a corporate officer of the financial  
107.30 institution. For purposes of determining the priority of any levy under this subdivision, the  
107.31 levy is treated as if it were an execution under chapter 550.

107.32 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner  
107.33 of management and budget, or to any state agency that disburses its own funds, that a person,

108.1 applicant, or employer has a liability under this chapter, and that the state has purchased  
108.2 personal services, supplies, contract services, or property from that person, the commissioner  
108.3 of management and budget or the state agency must set off and pay to the commissioner an  
108.4 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the  
108.5 obligation of the state otherwise due the person. No amount may be set off from any funds  
108.6 exempt under section 550.37 or funds due an individual who receives assistance under  
108.7 chapter 256.

108.8 (b) All funds, whether general or dedicated, are subject to setoff.

108.9 (c) Regardless of any law to the contrary, the commissioner has first priority to setoff  
108.10 from any funds otherwise due from the department to a delinquent person.

108.11 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an  
108.12 applicant or employer, may be collected by civil action in the name of the state of Minnesota.  
108.13 Civil actions brought under this subdivision must be heard as provided under section 16D.14.  
108.14 In any action, judgment must be entered in default for the relief demanded in the complaint  
108.15 without proof, together with costs and disbursements, upon the filing of an affidavit of  
108.16 default.

108.17 (b) Any person that is not a resident of this state and any resident person removed from  
108.18 this state, is considered to appoint the secretary of state as its agent for the acceptance of  
108.19 process in any civil action. The commissioner must file process with the secretary of state,  
108.20 together with a payment of a fee of \$15 and that service is considered sufficient service and  
108.21 has the same force and validity as if served personally within this state. Notice of the service  
108.22 of process, together with a copy of the process, must be sent by certified mail to the person's  
108.23 last known address. An affidavit of compliance with this subdivision, and a copy of the  
108.24 notice of service must be appended to the original of the process and filed in the court.

108.25 (c) No court filing fees, docketing fees, or release of judgment fees may be assessed  
108.26 against the state for actions under this subdivision.

108.27 Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the  
108.28 determination, assessment, or collection of any amounts due under this chapter, from an  
108.29 applicant or employer, are allowed.

108.30 Sec. 32. **[268B.24] CONCILIATION SERVICES.**

108.31 The Department of Labor and Industry may offer conciliation services to employers and  
108.32 employees to resolve disputes concerning alleged violations of employment protections  
108.33 identified in section 268B.09.

109.1 Sec. 33. [268B.25] ANNUAL REPORTS.

109.2 (a) Beginning on or before December 1, 2024, the commissioner must annually report  
109.3 to the Department of Management and Budget and the house of representatives and senate  
109.4 committee chairs with jurisdiction over this chapter on program administrative expenditures  
109.5 and revenue collection for the prior fiscal year, including but not limited to:

109.6 (1) total revenue raised through premium collection;

109.7 (2) the number of self-employed individuals or independent contractors electing coverage  
109.8 under section 268B.11 and amount of associated revenue;

109.9 (3) the number of covered business entities paying premiums under this chapter and  
109.10 associated revenue;

109.11 (4) administrative expenditures including transfers to other state agencies expended in  
109.12 the administration of the chapter;

109.13 (5) summary of contracted services expended in the administration of this chapter;

109.14 (6) grant amounts and recipients under sections 268B.29 and 268B.18;

109.15 (7) an accounting of required outreach expenditures;

109.16 (8) summary of private plan approvals including the number of employers and employees  
109.17 covered under private plans; and

109.18 (9) adequacy and use of the private plan approval and oversight fee.

109.19 (b) Beginning on or before December 1, 2025, the commissioner must annually publish  
109.20 a publicly available report providing the following information for the previous fiscal year:

109.21 (1) total eligible claims;

109.22 (2) the number and percentage of claims attributable to each category of benefit;

109.23 (3) claimant demographics by age, gender, average weekly wage, occupation, and the  
109.24 type of leave taken;

109.25 (4) the percentage of claims denied and the reasons therefor, including but not limited  
109.26 to insufficient information and ineligibility and the reason therefor;

109.27 (5) average weekly benefit amount paid for all claims and by category of benefit;

109.28 (6) changes in the benefits paid compared to previous fiscal years;

109.29 (7) processing times for initial claims processing, initial determinations, and final  
109.30 decisions;

110.1 (8) average duration for cases completed; and

110.2 (9) the number of cases remaining open at the close of such year.

110.3 **Sec. 34. [268B.26] NOTICE REQUIREMENTS.**

110.4 (a) Each employer must post in a conspicuous place on each of its premises a workplace  
110.5 notice prepared or approved by the commissioner providing notice of benefits available  
110.6 under this chapter. The required workplace notice must be in English and each language  
110.7 other than English which is the primary language of five or more employees or independent  
110.8 contractors of that workplace, if such notice is available from the department.

110.9 (b) Each employer must issue to each employee not more than 30 days from the beginning  
110.10 date of the employee's employment, or 30 days before premium collection begins, whichever  
110.11 is later, the following written information provided or approved by the department in the  
110.12 primary language of the employee:

110.13 (1) an explanation of the availability of family and medical leave benefits provided under  
110.14 this chapter, including rights to reinstatement and continuation of health insurance;

110.15 (2) the amount of premium deductions made by the employer under this chapter;

110.16 (3) the employer's premium amount and obligations under this chapter;

110.17 (4) the name and mailing address of the employer;

110.18 (5) the identification number assigned to the employer by the department;

110.19 (6) instructions on how to file a claim for family and medical leave benefits;

110.20 (7) the mailing address, e-mail address, and telephone number of the department; and

110.21 (8) any other information required by the department.

110.22 Delivery is made when an employee provides written acknowledgment of receipt of the  
110.23 information, or signs a statement indicating the employee's refusal to sign such  
110.24 acknowledgment.

110.25 (c) Each employer shall provide to each independent contractor with whom it contracts,  
110.26 at the time such contract is made or, for existing contracts, within 30 days of the effective  
110.27 date of this section, the following written information provided or approved by the department  
110.28 in the self-employed individual's primary language:

110.29 (1) the address and telephone number of the department; and

110.30 (2) any other information required by the department.

111.1 (d) An employer that fails to comply with this subdivision may be issued, for a first  
111.2 violation, a civil penalty of \$50 per employee and per independent contractor with whom  
111.3 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee  
111.4 or self-employed individual with whom it has contracted. The employer shall have the  
111.5 burden of demonstrating compliance with this section.

111.6 (e) Employer notice to an employee under this section may be provided in paper or  
111.7 electronic format. For notice provided in electronic format only, the employer must provide  
111.8 employee access to an employer-owned computer during an employee's regular working  
111.9 hours to review and print required notices.

111.10 **Sec. 35. [268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

111.11 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this  
111.12 chapter to run concurrently with leave taken for the same purpose under section 181.941  
111.13 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,  
111.14 as amended.

111.15 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

111.16 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,  
111.17 or personal time before or while taking leave under this chapter;

111.18 (2) except as provided under section 268B.01, subdivision 37, prohibit an employer  
111.19 from providing additional benefits, including but not limited to covering the portion of  
111.20 earnings not provided under this chapter during periods of leave covered under this chapter;  
111.21 or

111.22 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing  
111.23 with respect to leave benefits and related procedures and employee protections that meet  
111.24 or exceed, and do not otherwise conflict with, the minimum standards and requirements in  
111.25 this chapter.

111.26 **Sec. 36. [268B.28] SEVERABLE.**

111.27 If the United States Department of Labor or a court of competent jurisdiction determines  
111.28 that any provision of the family and medical benefit insurance program under this chapter  
111.29 is not in conformity with, or is inconsistent with, the requirements of federal law, the  
111.30 provision has no force or effect. If only a portion of the provision, or the application to any  
111.31 person or circumstances, is determined not in conformity, or determined inconsistent, the

112.1 remainder of the provision and the application of the provision to other persons or  
112.2 circumstances are not affected.

112.3 **Sec. 37. [268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

112.4 (a) Employers with 50 or fewer employees may apply to the department for grants under  
112.5 this section.

112.6 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a  
112.7 temporary worker to replace an employee on family or medical leave for a period of seven  
112.8 days or more.

112.9 (c) For an employee's family or medical leave, the commissioner may approve a grant  
112.10 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the  
112.11 employee's leave.

112.12 (d) To be eligible for consideration for a grant under this section, the employer must  
112.13 provide the department written documentation showing the temporary worker hired or  
112.14 significant wage-related costs incurred are due to an employee's use of leave under this  
112.15 chapter.

112.16 (e) The grants under this section may be funded from the family and medical benefit  
112.17 insurance account.

112.18 (f) For the purposes of this section, the commissioner shall average the number of  
112.19 employees reported by an employer over the last four completed calendar quarters to  
112.20 determine the size of the employer.

112.21 (g) An employer who has an approved private plan is not eligible to receive a grant under  
112.22 this section.

112.23 (h) The commissioner may award grants under this section only up to a maximum of  
112.24 \$5,000,000 per calendar year.

112.25 **Sec. 38. EFFECTIVE DATES.**

112.26 (a) Sections 1, 4, 5, 6, and 36 are effective July 1, 2022.

112.27 (b) Section 15 is effective July 1, 2023.

112.28 (c) Section 34 is effective December 1, 2023.

112.29 (d) Sections 2, 3, 16 to 19, 21, 23 to 25, 28 to 31, and 33 are effective January 1, 2024.

112.30 (e) Sections 7 to 14, 20, 22, 26 to 27, 32, 35, and 37 are effective January 1, 2025.



113.1

**ARTICLE 4**

113.2

**FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

113.3

Section 1. Minnesota Statutes 2020, section 256J.561, is amended by adding a subdivision

113.4

to read:

113.5

Subd. 4. Parents receiving family and medical leave benefits. A parent who meets

113.6

the criteria under subdivision 2 and who receives benefits under chapter 268B is not required

113.7

to participate in employment services.

113.8

Sec. 2. Minnesota Statutes 2020, section 256J.95, subdivision 3, is amended to read:

113.9

**Subd. 3. Eligibility for diversionary work program.** (a) Except for the categories of

113.10

family units listed in clauses (1) to (8), all family units who apply for cash benefits and who

113.11

meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must

113.12

participate in the diversionary work program. Family units or individuals that are not eligible

113.13

for the diversionary work program include:

113.14

(1) child only cases;

113.15

(2) single-parent family units that include a child under 12 months of age. A parent is

113.16

eligible for this exception once in a parent's lifetime;

113.17

(3) family units with a minor parent without a high school diploma or its equivalent;

113.18

(4) family units with an 18- or 19-year-old caregiver without a high school diploma or

113.19

its equivalent who chooses to have an employment plan with an education option;

113.20

(5) family units with a caregiver who received DWP benefits within the 12 months prior

113.21

to the month the family applied for DWP, except as provided in paragraph (c);

113.22

(6) family units with a caregiver who received MFIP within the 12 months prior to the

113.23

month the family applied for DWP;

113.24

(7) family units with a caregiver who received 60 or more months of TANF assistance;

113.25

~~and~~

113.26

(8) family units with a caregiver who is disqualified from the work participation cash

113.27

benefit program, DWP, or MFIP due to fraud; and

113.28

(9) single-parent family units where a parent is receiving family and medical leave

113.29

benefits under chapter 268B.

114.1 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria  
114.2 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a  
114.3 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

114.4 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant  
114.5 leaves the program for any reason and reapplies during the four-month period, the county  
114.6 must redetermine eligibility for DWP.

114.7 Sec. 3. Minnesota Statutes 2020, section 256J.95, subdivision 11, is amended to read:

114.8 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers  
114.9 who meet the criteria in paragraph (d), are required to participate in DWP employment  
114.10 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,  
114.11 at a minimum, meet the requirements in section 256J.55, subdivision 1.

114.12 (b) A caregiver who is a member of a two-parent family that is required to participate  
114.13 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed  
114.14 to develop an employment plan under section 256J.521, subdivision 2, that may contain  
114.15 alternate activities and reduced hours.

114.16 (c) A participant who is a victim of family violence shall be allowed to develop an  
114.17 employment plan under section 256J.521, subdivision 3. A claim of family violence must  
114.18 be documented by the applicant or participant by providing a sworn statement which is  
114.19 supported by collateral documentation in section 256J.545, paragraph (b).

114.20 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~  
114.21 ~~of age is not required to have an employment plan until the child reaches 12 months of age~~  
114.22 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~  
114.23 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~  
114.24 ~~(a), clause (5).~~ if that parent:

114.25 (1) receives family and medical leave benefits under chapter 268B; or

114.26 (2) has a natural born child under 12 months of age until the child reaches 12 months  
114.27 of age unless the family unit has already used the exclusion under section 256J.561,  
114.28 subdivision 3, or the previously allowed child under age one exemption under section  
114.29 256J.56, paragraph (a), clause (5).

114.30 (e) The provision in paragraph (d) ends the first full month after the child reaches 12  
114.31 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent  
114.32 household, only one parent shall be allowed to use this category.

115.1 (f) The participant and job counselor must meet in the month after the month the child  
115.2 reaches 12 months of age to revise the participant's employment plan. The employment plan  
115.3 for a family unit that has a child under 12 months of age that has already used the exclusion  
115.4 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

115.5 Sec. 4. Minnesota Statutes 2021 Supplement, section 256P.01, subdivision 3, is amended  
115.6 to read:

115.7 Subd. 3. **Earned income.** "Earned income" means income earned through the receipt  
115.8 of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities,  
115.9 net profit from self-employment activities, payments made by an employer for regularly  
115.10 accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid  
115.11 under chapter 268B, royalties, honoraria, or other profit from activity that results from the  
115.12 client's work, effort, or labor for purposes other than student financial assistance,  
115.13 rehabilitation programs, student training programs, or service programs such as AmeriCorps.  
115.14 The income must be in return for, or as a result of, legal activity.

115.15 Sec. 5. **EFFECTIVE DATES.**

115.16 Sections 1 to 4 are effective January 1, 2025.

115.17 **ARTICLE 5**  
115.18 **UNEMPLOYMENT INSURANCE FOR HOURLY SCHOOL WORKERS AND USE**  
115.19 **OF DATA**

115.20 Section 1. Minnesota Statutes 2020, section 126C.43, subdivision 2, is amended to read:

115.21 Subd. 2. **Payment to unemployment insurance program trust fund by state and**  
115.22 **political subdivisions.** (a) A district may levy the amount necessary (1) to pay the district's  
115.23 obligations under section 268.052, subdivision 1, and (2) to pay for job placement services  
115.24 offered to employees who may become eligible for benefits pursuant to section 268.085 for  
115.25 the fiscal year the levy is certified.

115.26 (b) Districts with a balance remaining in their reserve for reemployment as of June 30,  
115.27 2003, may not expend the reserved funds for future reemployment expenditures. Each year  
115.28 a levy reduction must be made to return these funds to taxpayers. The amount of the levy  
115.29 reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment,  
115.30 or (2) the amount of the district's current levy under paragraph (a).

115.31 (c) The amount in paragraph (a) must be reduced by any amount received by the district  
115.32 from the account established under section 268.193.

116.1 Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 7, is amended to read:

116.2 Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment  
116.3 with an educational institution or institutions may not be used for unemployment benefit  
116.4 purposes for any week during the period between two successive academic years or terms  
116.5 if:

116.6 (1) the applicant had employment for an educational institution or institutions in the  
116.7 prior academic year or term; and

116.8 (2) there is a reasonable assurance that the applicant will have employment for an  
116.9 educational institution or institutions in the following academic year or term.

116.10 This paragraph applies to a vacation period or holiday recess if the applicant was  
116.11 employed immediately before the vacation period or holiday recess, and there is a reasonable  
116.12 assurance that the applicant will be employed immediately following the vacation period  
116.13 or holiday recess. This paragraph also applies to the period between two regular but not  
116.14 successive terms if there is an agreement for that schedule between the applicant and the  
116.15 educational institution.

116.16 This paragraph does not apply if the subsequent employment is substantially less  
116.17 favorable than the employment of the prior academic year or term, or the employment prior  
116.18 to the vacation period or holiday recess.

116.19 (b) Paragraph (a) does not apply to:

116.20 (1) an applicant who, at the end of the prior academic year or term, had an agreement  
116.21 for a definite period of employment between academic years or terms in other than an  
116.22 instructional, research, or principal administrative capacity and the educational institution  
116.23 or institutions failed to provide that employment; or

116.24 (2) an applicant in a position for which no license is required by the Professional Educator  
116.25 Licensing and Standards Board or the Board of School Administrators whose last employment  
116.26 was with an employer defined in section 123A.55 or 123A.24, subdivision 2.

116.27 (c) If unemployment benefits are denied to any applicant under paragraph (a) who was  
116.28 employed in the prior academic year or term in other than an instructional, research, or  
116.29 principal administrative capacity and who was not offered an opportunity to perform the  
116.30 employment in the following academic year or term, the applicant is entitled to retroactive  
116.31 unemployment benefits for each week during the period between academic years or terms  
116.32 that the applicant filed a timely continued request for unemployment benefits, but  
116.33 unemployment benefits were denied solely because of paragraph (a).

117.1 (d) This subdivision applies to employment with an educational service agency if the  
117.2 applicant performed the services at an educational institution or institutions. "Educational  
117.3 service agency" means a governmental entity established and operated for the purpose of  
117.4 providing services to one or more educational institutions.

117.5 (e) This subdivision applies to employment with Minnesota, a political subdivision, or  
117.6 a nonprofit organization, if the services are provided to or on behalf of an educational  
117.7 institution or institutions.

117.8 (f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable  
117.9 assurance of employment.

117.10 (g) Employment and a reasonable assurance with multiple education institutions must  
117.11 be aggregated for purposes of application of this subdivision.

117.12 (h) If all of the applicant's employment with any educational institution or institutions  
117.13 during the prior academic year or term consisted of on-call employment, and the applicant  
117.14 has a reasonable assurance of any on-call employment with any educational institution or  
117.15 institutions for the following academic year or term, it is not considered substantially less  
117.16 favorable employment.

117.17 (i) A "reasonable assurance" may be written, oral, implied, or established by custom or  
117.18 practice.

117.19 (j) An "educational institution" is a school, college, university, or other educational entity  
117.20 operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit  
117.21 organization.

117.22 (k) An "instructional, research, or principal administrative capacity" does not include  
117.23 an educational assistant.

117.24 Sec. 3. Minnesota Statutes 2020, section 268.19, subdivision 1, is amended to read:

117.25 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from  
117.26 any person under the administration of the Minnesota Unemployment Insurance Law are  
117.27 private data on individuals or nonpublic data not on individuals as defined in section 13.02,  
117.28 subdivisions 9 and 12, and may not be disclosed except according to a district court order  
117.29 or section 13.05. A subpoena is not considered a district court order. These data may be  
117.30 disseminated to and used by the following agencies without the consent of the subject of  
117.31 the data:

- 118.1 (1) state and federal agencies specifically authorized access to the data by state or federal  
118.2 law;
- 118.3 (2) any agency of any other state or any federal agency charged with the administration  
118.4 of an unemployment insurance program;
- 118.5 (3) any agency responsible for the maintenance of a system of public employment offices  
118.6 for the purpose of assisting individuals in obtaining employment;
- 118.7 (4) the public authority responsible for child support in Minnesota or any other state in  
118.8 accordance with section 256.978;
- 118.9 (5) human rights agencies within Minnesota that have enforcement powers;
- 118.10 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
118.11 laws;
- 118.12 (7) public and private agencies responsible for administering publicly financed assistance  
118.13 programs for the purpose of monitoring the eligibility of the program's recipients;
- 118.14 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the  
118.15 Department of Commerce for uses consistent with the administration of their duties under  
118.16 Minnesota law;
- 118.17 (9) the Department of Human Services and the Office of Inspector General and its agents  
118.18 within the Department of Human Services, including county fraud investigators, for  
118.19 investigations related to recipient or provider fraud and employees of providers when the  
118.20 provider is suspected of committing public assistance fraud;
- 118.21 (10) local and state welfare agencies for monitoring the eligibility of the data subject  
118.22 for assistance programs, or for any employment or training program administered by those  
118.23 agencies, whether alone, in combination with another welfare agency, or in conjunction  
118.24 with the department or to monitor and evaluate the statewide Minnesota family investment  
118.25 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,  
118.26 and the Supplemental Nutrition Assistance Program Employment and Training program by  
118.27 providing data on recipients and former recipients of Supplemental Nutrition Assistance  
118.28 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
118.29 care assistance under chapter 119B, or medical programs under chapter 256B or 256L or  
118.30 formerly codified under chapter 256D;
- 118.31 (11) local and state welfare agencies for the purpose of identifying employment, wages,  
118.32 and other information to assist in the collection of an overpayment debt in an assistance  
118.33 program;

119.1 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining  
119.2 the last known address and employment location of an individual who is the subject of a  
119.3 criminal investigation;

119.4 (13) the United States Immigration and Customs Enforcement has access to data on  
119.5 specific individuals and specific employers provided the specific individual or specific  
119.6 employer is the subject of an investigation by that agency;

119.7 (14) the Department of Health for the purposes of epidemiologic investigations;

119.8 (15) the Department of Corrections for the purposes of case planning and internal research  
119.9 for preprobation, probation, and postprobation employment tracking of offenders sentenced  
119.10 to probation and preconfinement and postconfinement employment tracking of committed  
119.11 offenders;

119.12 (16) the state auditor to the extent necessary to conduct audits of job opportunity building  
119.13 zones as required under section 469.3201; ~~and~~

119.14 (17) the Office of Higher Education for purposes of supporting program improvement,  
119.15 system evaluation, and research initiatives including the Statewide Longitudinal Education  
119.16 Data System;

119.17 (18) the Department of Education for the purposes of reimbursement under section  
119.18 268.193; and

119.19 (19) the attorney general for the purpose of conducting an investigation pursuant to  
119.20 section 177.45 or 181.1721.

119.21 (b) Data on individuals and employers that are collected, maintained, or used by the  
119.22 department in an investigation under section 268.182 are confidential as to data on individuals  
119.23 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3  
119.24 and 13, and must not be disclosed except under statute or district court order or to a party  
119.25 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

119.26 (c) Data gathered by the department in the administration of the Minnesota unemployment  
119.27 insurance program must not be made the subject or the basis for any suit in any civil  
119.28 proceedings, administrative or judicial, unless the action is initiated by the department.

119.29 Sec. 4. [268.193] SCHOOL REIMBURSEMENT ACCOUNT.

119.30 Subdivision 1. Definitions. For the purposes of this section only, the following terms  
119.31 have the meanings given:

119.32 (1) "educational institution" means a:

- 120.1 (i) school district;  
120.2 (ii) charter school; or  
120.3 (iii) school cooperative, as defined in section 123A.24, subdivision 2; and

120.4 (2) "qualifying unemployment benefits" means unemployment benefits charged to an  
120.5 educational institution under section 268.047 for an applicant who is in a position for which  
120.6 no license is required by the Professional Educator Licensing and Standards Board or the  
120.7 Board of School Administrators, and whose last employment was with an employer defined  
120.8 in section 123A.55 or 123A.24, subdivision 2.

120.9 Subd. 2. **School reimbursement account.** (a) There is created in the special revenue  
120.10 fund an account to be known as the "school reimbursement account," that does not lapse  
120.11 nor revert to any other fund or account. This account consists of all money appropriated for  
120.12 the purposes of this section, unless otherwise appropriated by session law. Funds appropriated  
120.13 for the purposes of reimbursement under this section must be transferred to the school  
120.14 reimbursement account in the special revenue fund.

120.15 (b) Money in the account is appropriated to the commissioner of education to reimburse  
120.16 educational institutions for payments of qualifying unemployment benefits as provided  
120.17 under subdivision 3.

120.18 (c) The commissioner of education may spend up to one percent of the amount  
120.19 appropriated to the school reimbursement account for costs associated with administering  
120.20 and monitoring payments under this section.

120.21 Subd. 3. **Reimbursement administered.** (a) The commissioner of employment and  
120.22 economic development shall compute and certify the total qualifying unemployment benefit  
120.23 payments credited to the reimbursable account of an educational institution under section  
120.24 268.045 each calendar quarter, and share and transmit that certified amount to the  
120.25 commissioner of education for the purpose of reimbursement under this subdivision.

120.26 (b) The commissioner of education shall issue payment of the reimbursement amounts  
120.27 certified under paragraph (a) to each educational institution on or before the last day of the  
120.28 month following the end of the next calendar quarter, as provided under this subdivision.

120.29 (c) The commissioner of education shall use money deposited in the school  
120.30 reimbursement account to reimburse educational institutions for the qualifying unemployment  
120.31 benefits certified under this subdivision.



121.1 (d) If the certified reimbursement amounts under this subdivision exceed the money  
 121.2 available in the school reimbursement account, reimbursement amounts shall be dispersed  
 121.3 to educational institutions on a pro rata basis.

121.4 Sec. 5. **REPEALER.**

121.5 Minnesota Statutes 2020, section 268.085, subdivision 8, is repealed.

121.6 Sec. 6. **EFFECTIVE DATE.**

121.7 Sections 1 to 5 are effective September 1, 2022.

121.8 **ARTICLE 6**

121.9 **LABOR AND INDUSTRY APPROPRIATIONS**

121.10 Section 1. **APPROPRIATIONS.**

121.11 The sums shown in the columns under "Appropriations" are added to the appropriations  
 121.12 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The  
 121.13 appropriations are from the general fund, or another named fund, and are available for the  
 121.14 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article  
 121.15 mean that the appropriations listed under them are available for the fiscal year ending June  
 121.16 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,  
 121.17 2022, are effective the day following final enactment.

121.18 **APPROPRIATIONS**

121.19 **Available for the Year**

121.20 **Ending June 30**

121.21 **2022**

**2023**

121.22 Sec. 2. **DEPARTMENT OF LABOR AND**  
 121.23 **INDUSTRY**

121.24 Subdivision 1. Total Appropriation **\$** **-0-** **\$** **10,332,000**

121.25 Appropriations by Fund

121.26		<u>2022</u>	<u>2023</u>
121.27	<u>General</u>	<u>-0-</u>	<u>7,117,000</u>
121.28	<u>Workers'</u>		
121.29	<u>Compensation</u>	<u>-0-</u>	<u>82,000</u>
121.30	<u>Workforce</u>		
121.31	<u>Development</u>	<u>-0-</u>	<u>3,133,000</u>

122.1	<b><u>Subd. 2. Labor Standards and Apprenticeship</u></b>	<b><u>-0-</u></b>	<b><u>5,996,000</u></b>
122.2	<u>Appropriations by Fund</u>		
122.3		<u>2022</u>	<u>2023</u>
122.4	<u>General Fund</u>	<u>-0-</u>	<u>2,863,000</u>
122.5	<u>Workforce</u>		
122.6	<u>Development</u>	<u>-0-</u>	<u>3,133,000</u>
122.7	<u>(a) \$1,059,000 in fiscal year 2023 is from the</u>		
122.8	<u>workforce development fund for labor</u>		
122.9	<u>education and advancement program grants</u>		
122.10	<u>under Minnesota Statutes, section 178.11, to</u>		
122.11	<u>expand and promote registered apprenticeship</u>		
122.12	<u>training for people of color, Indigenous</u>		
122.13	<u>people, and women. Of this amount:</u>		
122.14	<u>(1) \$159,000 is available for program</u>		
122.15	<u>administration; and</u>		
122.16	<u>(2) at least \$500,000 must be awarded to</u>		
122.17	<u>community-based organizations.</u>		
122.18	<u>(b) \$316,000 is from the workforce</u>		
122.19	<u>development fund for administration of the</u>		
122.20	<u>apprenticeship program under Minnesota</u>		
122.21	<u>Statutes, chapter 178.</u>		
122.22	<u>(c) \$1,758,000 in fiscal year 2023 is from the</u>		
122.23	<u>workforce development fund for prevailing</u>		
122.24	<u>wage education and compliance.</u>		
122.25	<u>(d) \$196,000 in fiscal year 2023 is to expand</u>		
122.26	<u>and strengthen fair labor standards for</u>		
122.27	<u>agricultural and food processing workers. In</u>		
122.28	<u>fiscal year 2024 and beyond, the base is</u>		
122.29	<u>\$146,000.</u>		
122.30	<u>(e) \$500,000 in fiscal year 2023 is for the</u>		
122.31	<u>loggers safety grant program under Laws</u>		
122.32	<u>2021, First Special Session chapter 10, article</u>		
122.33	<u>3, section 21. This is a onetime appropriation.</u>		

- 123.1 (f) \$200,000 in fiscal year 2023 is to establish  
123.2 a Veterans Liaison Coordinator position in the  
123.3 Registered Apprenticeship Division. The  
123.4 position is responsible for collaborating with  
123.5 Minnesota stakeholders and state and federal  
123.6 agencies to: promote and increase veterans in  
123.7 the trades; support initiatives for veterans  
123.8 seeking a living wage and sustainable  
123.9 employment; and increase awareness of  
123.10 registered apprenticeship opportunities in  
123.11 Minnesota. Of this amount, up to \$150,000 is  
123.12 for salary and benefits for the position, and  
123.13 \$50,000 is for administrative support services,  
123.14 marketing, and paid communications. The  
123.15 base for this appropriation is \$180,000 in fiscal  
123.16 year 2024 and \$160,000 in fiscal year 2025.
- 123.17 (g) \$1,367,000 in fiscal year 2023 is for  
123.18 enforcement and other duties regarding earned  
123.19 sick and safe time under Minnesota Statutes,  
123.20 sections 181.9445 to 181.9448, and chapter  
123.21 177. In fiscal year 2024, the base for this  
123.22 appropriation is \$2,018,000. In fiscal year  
123.23 2025, the base for this appropriation is  
123.24 \$1,708,000.
- 123.25 (h) \$300,000 in fiscal year 2023 is for earned  
123.26 sick and safe time grants to community  
123.27 organizations under Minnesota Statutes,  
123.28 section 177.50, subdivision 4. In fiscal year  
123.29 2024, the base for this appropriation is  
123.30 \$300,000. In fiscal year 2025, the base for this  
123.31 appropriation is \$0.
- 123.32 (i) \$300,000 in fiscal year 2023 is for a grant  
123.33 to Building Strong Communities, Inc., for a  
123.34 statewide apprenticeship readiness program  
123.35 to prepare women, BIPOC community

124.1	<u>members, and veterans to enter the building</u>		
124.2	<u>and construction trades. This is a onetime</u>		
124.3	<u>appropriation.</u>		
124.4	<b><u>Subd. 3. Workforce Development Initiatives</u></b>	<u>-0-</u>	<u>747,000</u>
124.5	<u>(a) \$500,000 in fiscal year 2023 is for youth</u>		
124.6	<u>skills training grants under Minnesota Statutes,</u>		
124.7	<u>section 175.46.</u>		
124.8	<u>(b) \$247,000 in fiscal year 2023 is for</u>		
124.9	<u>administration of the youth skills training</u>		
124.10	<u>grants under Minnesota Statutes, section</u>		
124.11	<u>175.46. In fiscal year 2024, the base for this</u>		
124.12	<u>appropriation is \$258,000. In fiscal year 2025,</u>		
124.13	<u>the base for this appropriation is \$270,000.</u>		
124.14	<b><u>Subd. 4. Combative Sports</u></b>	<u>-0-</u>	<u>150,000</u>
124.15	<b><u>Subd. 5. Transfer to Construction Code Fund</u></b>	<u>-0-</u>	<u>2,850,000</u>
124.16	<u>\$2,850,000 in fiscal year 2023 is for transfer</u>		
124.17	<u>to the construction code fund under Minnesota</u>		
124.18	<u>Statutes, section 326B.04, subdivision 1. In</u>		
124.19	<u>fiscal year 2024, the base for this appropriation</u>		
124.20	<u>is \$4,477,000. In fiscal year 2025, the base for</u>		
124.21	<u>this appropriation is \$0.</u>		
124.22	<b><u>Subd. 6. Agricultural Worker Wellness</u></b>	<u>-0-</u>	<u>507,000</u>
124.23	<u>(a) \$255,000 in fiscal year 2023 is for the</u>		
124.24	<u>ombudsperson for the safety, health, and</u>		
124.25	<u>well-being of agricultural and food processing</u>		
124.26	<u>workers under Minnesota Statutes, section</u>		
124.27	<u>179.911.</u>		
124.28	<u>(b) \$252,000 in fiscal year 2023 is for the</u>		
124.29	<u>agricultural worker wellness committee under</u>		
124.30	<u>Minnesota Statutes, section 179.912.</u>		
124.31	<b><u>Subd. 7. Warehouse Distribution Worker Safety</u></b>	<u>-0-</u>	<u>82,000</u>
124.32	<u>\$82,000 in fiscal year 2023 is from the</u>		
124.33	<u>workers' compensation fund for enforcement</u>		

125.1 and other duties regarding warehouse  
125.2 distribution workers safety under Minnesota  
125.3 Statutes, section 182.6526. In fiscal year 2024  
125.4 and beyond, the base is \$56,000 each year.

125.5 **Sec. 3. WORKERS' COMPENSATION COURT**  
125.6 **OF APPEALS**

**\$ -0- \$ 300,000**

125.7 (a) This appropriation is from the workers'  
125.8 compensation fund. Of this amount, \$100,000  
125.9 is for rulemaking. This appropriation is  
125.10 onetime.

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

125.13 **Sec. 4. BUREAU OF MEDIATION SERVICES**

**\$ -0- \$ 400,000**

125.14 This appropriation is for purposes of the  
125.15 Public Employment Relations Board under  
125.16 Minnesota Statutes, section 179A.041. In  
125.17 fiscal years 2024 and 2025, the base is  
125.18 \$525,000.

125.19 **Sec. 5. MINNESOTA MANAGEMENT AND**  
125.20 **BUDGET**

**\$ -0- \$ 54,000**

125.21 (a) \$3,000 in fiscal year 2023 is for printing  
125.22 costs associated with earned sick and safe  
125.23 time. This is a onetime appropriation.

125.24 (b) \$51,000 in fiscal year 2023 is to allocate  
125.25 money to executive branch state agencies,  
125.26 boards, and commissions to offset the cost of  
125.27 earned sick and safe time leave required under  
125.28 Minnesota Statutes, sections 181.9445 to  
125.29 181.9448. The commissioner of management  
125.30 and budget must determine an allocation of  
125.31 the amount appropriated for each executive  
125.32 branch state agency, board, and commission.  
125.33 In fiscal year 2024 and beyond, the base for  
125.34 this appropriation is \$102,000.

126.1 **Sec. 6. HOUSE OF REPRESENTATIVES**                    **\$**                    **-0-** **\$**                    **18,000**

126.2 \$18,000 in fiscal year 2023 is for modifying  
126.3 the timecard and human resources systems as  
126.4 necessary to comply with earned sick and safe  
126.5 time requirements under Minnesota Statutes,  
126.6 sections 181.9445 to 181.9448. This is a  
126.7 onetime appropriation.

126.8 **Sec. 7. SUPREME COURT**                                    **\$**                    **-0-** **\$**                    **1,000**

126.9 \$1,000 in fiscal year 2023 is for purposes of  
126.10 earned sick and safe time under Minnesota  
126.11 Statutes, sections 181.9445 to 181.9448. In  
126.12 fiscal year 2024, the base for this appropriation  
126.13 is \$492,000. In fiscal year 2025, the base for  
126.14 this appropriation is \$459,000.

126.15 Sec. 8. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to  
126.16 read:

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

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

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

126.28 ~~(e)~~ (b) \$47,000 each year is for rulemaking,  
126.29 staffing, and other costs associated with peace  
126.30 officer grievance procedures.

127.1 Sec. 9. DUPLICATE APPROPRIATIONS GIVEN EFFECT ONCE.

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

127.4 **ARTICLE 7**

127.5 **LABOR AND INDUSTRY POLICY AND TECHNICAL**

127.6 Section 1. Minnesota Statutes 2020, section 175.16, subdivision 1, is amended to read:

127.7 Subdivision 1. **Established.** The Department of Labor and Industry shall consist of the  
127.8 following divisions: Division of Workers' Compensation, Division of Construction Codes  
127.9 and Licensing, Division of Occupational Safety and Health, Division of Statistics, Division  
127.10 of Labor Standards, and Division of Apprenticeship, and such other divisions as the  
127.11 commissioner of the Department of Labor and Industry may deem necessary and establish.  
127.12 Each division of the department and persons in charge thereof shall be subject to the  
127.13 supervision of the commissioner of the Department of Labor and Industry and, in addition  
127.14 to such duties as are or may be imposed on them by statute, shall perform such other duties  
127.15 as may be assigned to them by the commissioner. Notwithstanding any other law to the  
127.16 contrary, the commissioner is the administrator and supervisor of all of the department's  
127.17 dispute resolution functions and personnel and may delegate authority to compensation  
127.18 judges and others to make determinations under sections 176.106, 176.238, and 176.239  
127.19 and to approve settlement of claims under section 176.521.

127.20 Sec. 2. Minnesota Statutes 2020, section 177.26, is amended to read:

127.21 **177.26 DIVISION OF LABOR STANDARDS.**

127.22 Subdivision 1. **Creation.** The Division of Labor Standards and Apprenticeship in the  
127.23 Department of Labor and Industry is supervised and controlled by the commissioner of  
127.24 labor and industry.

127.25 Subd. 2. **Powers and duties.** The Division of Labor Standards and Apprenticeship shall  
127.26 administer this chapter and chapters 178, 181, 181A, and 184.

127.27 ~~Subd. 3. **Employees; transfer from Division of Women and Children.** All persons~~  
127.28 ~~employed by the department in the Division of Women and Children are transferred to the~~  
127.29 ~~Division of Labor Standards. A transferred person does not lose rights acquired by reason~~  
127.30 ~~of employment at the time of transfer.~~

128.1 Sec. 3. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

128.2 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
128.3 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
128.4 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
128.5 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, ~~or~~ 181.991, and with any rule  
128.6 promulgated under section 177.28. The commissioner shall issue an order requiring an  
128.7 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes  
128.8 of this subdivision only, a violation is repeated if at any time during the two years that  
128.9 preceded the date of violation, the commissioner issued an order to the employer for violation  
128.10 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer  
128.11 have entered into a settlement agreement that required the employer to pay back wages that  
128.12 were required by sections 177.41 to 177.435. The department shall serve the order upon the  
128.13 employer or the employer's authorized representative in person or by certified mail at the  
128.14 employer's place of business. An employer who wishes to contest the order must file written  
128.15 notice of objection to the order with the commissioner within 15 calendar days after being  
128.16 served with the order. A contested case proceeding must then be held in accordance with  
128.17 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the  
128.18 employer fails to file a written notice of objection with the commissioner, the order becomes  
128.19 a final order of the commissioner.

128.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
128.21 applies to franchise agreements entered into or amended on or after that date.

128.22 Sec. 4. Minnesota Statutes 2020, section 178.01, is amended to read:

128.23 **178.01 PURPOSES.**

128.24 The purposes of this chapter are: to open to all people regardless of race, sex, creed,  
128.25 color or national origin, the opportunity to obtain training and on-the-job learning that will  
128.26 equip them for profitable employment and citizenship; to establish as a means to this end,  
128.27 a program of voluntary apprenticeship under approved apprenticeship agreements providing  
128.28 facilities for their training and guidance in the arts, skills, and crafts of industry and trade  
128.29 or occupation, with concurrent, supplementary instruction in related subjects; to promote  
128.30 apprenticeship opportunities under conditions providing adequate training and on-the-job  
128.31 learning and reasonable earnings; to relate the supply of skilled workers to employment  
128.32 demands; to establish standards for apprentice training; to establish an Apprenticeship Board  
128.33 and apprenticeship committees to assist in effectuating the purposes of this chapter; to  
128.34 provide for a Division of ~~Labor Standards and Apprenticeship~~ within the Department of



129.1 Labor and Industry; to provide for reports to the legislature regarding the status of apprentice  
129.2 training in the state; to establish a procedure for the determination of apprenticeship  
129.3 agreement controversies; and to accomplish related ends.

129.4 Sec. 5. Minnesota Statutes 2020, section 178.011, subdivision 7, is amended to read:

129.5 Subd. 7. **Division.** "Division" means the department's ~~Labor Standards and Apprenticeship~~  
129.6 Division, established under sections 175.16 and 178.03, and the State Apprenticeship Agency  
129.7 as defined in Code of Federal Regulations, title 29, part 29, section 29.2.

129.8 Sec. 6. Minnesota Statutes 2020, section 178.03, subdivision 1, is amended to read:

129.9 Subdivision 1. **Establishment of division.** There is established a Division of ~~Labor~~  
129.10 ~~Standards and Apprenticeship~~ in the Department of Labor and Industry. This division shall  
129.11 be administered by a director, and be under the supervision of the commissioner.

129.12 Sec. 7. Minnesota Statutes 2020, section 178.11, is amended to read:

129.13 **178.11 LABOR EDUCATION ADVANCEMENT GRANT PROGRAM.**

129.14 The commissioner shall establish the labor education advancement grant program for  
129.15 the purpose of facilitating the participation or retention of ~~minorities~~ people of color,  
129.16 Indigenous people, and women in ~~apprenticeable trades and occupations~~ registered  
129.17 apprenticeship programs. The commissioner shall award grants to community-based and  
129.18 nonprofit organizations and Minnesota Tribal governments as defined in section 10.65,  
129.19 serving the targeted populations on a competitive request-for-proposal basis. Interested  
129.20 organizations shall apply for the grants in a form prescribed by the commissioner. As part  
129.21 of the application process, applicants must provide a statement of need for the grant, a  
129.22 description of the targeted population and apprenticeship opportunities, a description of  
129.23 activities to be funded by the grant, evidence supporting the ability to deliver services,  
129.24 information related to coordinating grant activities with other employment and learning  
129.25 programs, identification of matching funds, a budget, and performance objectives. Each  
129.26 submitted application shall be evaluated for completeness and effectiveness of the proposed  
129.27 grant activity.

129.28 Sec. 8. Minnesota Statutes 2020, section 181.9435, subdivision 1, is amended to read:

129.29 Subdivision 1. **Investigation.** The Division of Labor Standards ~~and Apprenticeship~~ shall  
129.30 receive complaints of employees against employers relating to sections 181.172, paragraph  
129.31 (a) or (d), and 181.939 to 181.9436 and investigate informally whether an employer may

130.1 be in violation of sections 181.172, paragraph (a) or (d), and 181.939 to 181.9436. The  
130.2 division shall attempt to resolve employee complaints by informing employees and employers  
130.3 of the provisions of the law and directing employers to comply with the law. For complaints  
130.4 related to section 181.939, the division must contact the employer within two business days  
130.5 and investigate the complaint within ten days of receipt of the complaint.

130.6 Sec. 9. Minnesota Statutes 2020, section 181.9436, is amended to read:

130.7 **181.9436 POSTING OF LAW.**

130.8 The Division of Labor Standards and Apprenticeship shall develop, with the assistance  
130.9 of interested business and community organizations, an educational poster stating employees'  
130.10 rights under sections 181.940 to 181.9436. The department shall make the poster available,  
130.11 upon request, to employers for posting on the employer's premises.

130.12 Sec. 10. **181.988 COVENANTS NOT TO COMPETE VOID IN EMPLOYMENT**  
130.13 **AGREEMENTS; SUBSTANTIVE PROTECTIONS OF MINNESOTA LAW APPLY.**

130.14 **Subdivision 1. Definitions.** (a) "Covenant not to compete" means an agreement between  
130.15 an employee and employer that restricts the employee, after termination of the employment,  
130.16 from performing:

130.17 (1) work for another employer for a specified period of time;

130.18 (2) work in a specified geographical area; or

130.19 (3) work for another employer in a capacity that is similar to the employee's work for  
130.20 the employer that is party to the agreement.

130.21 (b) "Employer" means any individual, partnership, association, corporation, business  
130.22 trust, or any person or group of persons acting directly or indirectly in the interest of an  
130.23 employer in relation to an employee.

130.24 **Subd. 2. Covenants not to compete void and unenforceable.** (a) Subject to the exception  
130.25 in paragraph (b), any covenant not to compete contained in a contract or agreement is void  
130.26 and unenforceable.

130.27 (b) Notwithstanding paragraph (a), a covenant not to compete between an employer and  
130.28 employee is valid and enforceable if:

130.29 (1) the employee earned an annual salary from the employer at least equal to the median  
130.30 family income for a four-person family in Minnesota, as determined by the United States

131.1 Census Bureau, for the most recent year available at the time of the employee's termination;  
131.2 and

131.3 (2) the employer agrees to pay the employee on a pro rata basis during the entirety of  
131.4 the restricted period of the covenant not to compete at least 50 percent of the employee's  
131.5 highest annualized base salary paid by the employer within the two years preceding the  
131.6 employee's separation from employment.

131.7 (c) Nothing in this subdivision shall be construed to render void or unenforceable any  
131.8 other provisions in a contract or agreement containing a void or unenforceable covenant  
131.9 not to compete.

131.10 (d) In addition to injunctive relief and any other remedies available, a court may award  
131.11 an employee who is enforcing rights under this section reasonable attorney fees.

131.12 Subd. 3. **Choice of law; venue.** (a) An employer must not require an employee who  
131.13 primarily resides and works in Minnesota, as a condition of employment, to agree to a  
131.14 provision in an agreement or contract that would do either of the following:

131.15 (1) require the employee to adjudicate outside of Minnesota a claim arising in Minnesota;  
131.16 or

131.17 (2) deprive the employee of the substantive protection of Minnesota law with respect to  
131.18 a controversy arising in Minnesota.

131.19 (b) Any provision of a contract or agreement that violates paragraph (a) is voidable at  
131.20 any time by the employee and if a provision is rendered void at the request of the employee,  
131.21 the matter shall be adjudicated in Minnesota and Minnesota law shall govern the dispute.

131.22 (c) In addition to injunctive relief and any other remedies available, a court may award  
131.23 an employee who is enforcing rights under this section reasonable attorney fees.

131.24 (d) For purposes of this section, adjudication includes litigation and arbitration.

131.25 (e) This subdivision shall not apply to a contract with an employee who is in fact  
131.26 individually represented by legal counsel in negotiating the terms of an agreement to  
131.27 designate either the venue or forum in which a controversy arising from the employment  
131.28 contract may be adjudicated or the choice of law to be applied.

131.29 Subd. 4. **Severability.** If any provision of this section is found to be unconstitutional  
131.30 and void, the remaining provisions of this section are valid.

131.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
131.32 applies to contracts and agreements entered into on or after that date.

132.1 Sec. 11. **[181.991] RESTRICTIVE FRANCHISE AGREEMENTS PROHIBITED.**

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

132.4 (b) "Employee" means an individual employed by an employer and includes independent  
132.5 contractors.

132.6 (c) "Employer" has the meaning given in section 177.23, subdivision 6.

132.7 (d) "Franchise," "franchisee," and "franchisor" have the meanings given in section  
132.8 80C.01, subdivisions 4 to 6.

132.9 Subd. 2. **Prohibition on restrictive franchise agreements.** (a) No franchisor may  
132.10 restrict, restrain, or prohibit in any way a franchisee from soliciting or hiring an employee  
132.11 of a franchisee of the same franchisor.

132.12 (b) No franchisor may restrict, restrain, or prohibit in any way a franchisee from soliciting  
132.13 or hiring an employee of the franchisor.

132.14 Subd. 3. **Franchise agreement amendment.** Notwithstanding any law to the contrary,  
132.15 no later than one year from the effective date of this section, franchisors shall amend existing  
132.16 franchise agreements to remove any restrictive employment provision that violates  
132.17 subdivision 2.

132.18 Subd. 4. **Civil action; penalties.** (a) An employee alleging a violation of this section  
132.19 may bring a civil action for damages and injunctive relief against the employer.

132.20 (b) If the court finds that a franchisor has violated this section, the court shall enter  
132.21 judgment, grant injunctive relief as deemed appropriate, and award the employee plaintiff  
132.22 the greater of:

132.23 (1) the actual damages incurred by the plaintiff, plus any injunctive relief, costs, and  
132.24 reasonable attorney fees; or

132.25 (2) a \$5,000 penalty.

132.26 (c) If no civil action is commenced, the commissioner of labor and industry shall assess  
132.27 a \$5,000 per employee penalty for violations of this section. This assessment is in addition  
132.28 to the commissioner's authority under section 177.27, subdivisions 4 and 7. Any penalty  
132.29 assessed under this subdivision shall be awarded to the employee plaintiff and not to the  
132.30 commissioner or the department.

132.31 Subd. 5. **Severability.** If any provision of this section is found to be unconstitutional  
132.32 and void, the remaining provisions of this section are valid.

133.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
133.2 applies to franchise agreements entered into or amended on or after that date.

133.3 Sec. 12. Minnesota Statutes 2021 Supplement, section 326B.092, subdivision 7, is amended  
133.4 to read:

133.5 Subd. 7. **License fees and license renewal fees.** (a) The license fee for each license is  
133.6 the base license fee plus any applicable board fee, continuing education fee, and contractor  
133.7 recovery fund fee and additional assessment, as set forth in this subdivision.

133.8 (b) For purposes of this section, "license duration" means the number of years for which  
133.9 the license is issued except that if the initial license is not issued for a whole number of  
133.10 years, the license duration shall be rounded up to the next whole number.

133.11 (c) If there is a continuing education requirement for renewal of the license, then a  
133.12 continuing education fee must be included in the renewal license fee. The continuing  
133.13 education fee for all license classifications is \$5.

133.14 (d) The base license fee shall depend on whether the license is classified as an entry  
133.15 level, master, journeyworker, or business license, and on the license duration. The base  
133.16 license fee shall be:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$20	\$40
Master	\$40	\$80
Business		\$180

133.23 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925,  
133.24 then a board fee must be included in the license fee and the renewal license fee. The board  
133.25 fee for all license classifications shall be: \$4 if the license duration is one year; and \$8 if  
133.26 the license duration is two years.

133.27 (f) If the application is for the renewal of a license issued under sections 326B.802 to  
133.28 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision  
133.29 3, and any additional assessment required under section 326B.89, subdivision 16, must be  
133.30 included in the license renewal fee.

133.31 (g) Notwithstanding the fee amounts described in paragraphs (d) to (f), for the period  
133.32 October 1, 2021, through ~~September~~ June 30, 2023 ~~2022~~, the following fees apply:

134.1	License Classification	License Duration	
134.2		1 year	2 years
134.3	Entry level	\$10	\$20
134.4	Journeyworker	\$15	\$30
134.5	Master	\$30	\$60
134.6	Business		\$120

134.7 (h) For the period of July 1, 2022, through June 30, 2024, no fees described in paragraphs  
134.8 (c) to (e) shall apply, except as described in paragraph (i).

134.9 (i) Notwithstanding the fee amounts described in paragraphs (d) to (f), for the period of  
134.10 October 1, 2021, through September 30, 2023, the base license fee for business licenses  
134.11 shall be \$120.

134.12 Sec. 13. Minnesota Statutes 2020, section 326B.103, subdivision 13, is amended to read:

134.13 Subd. 13. **State licensed facility.** "State licensed facility" means a building and its  
134.14 grounds that are licensed by the state as a hospital, nursing home, supervised living facility,  
134.15 free-standing outpatient surgical center, correctional facility, boarding care home, ~~or~~  
134.16 residential hospice, or assisted living facility, including assisted living facility with dementia  
134.17 care.

134.18 Sec. 14. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

134.19 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections  
134.20 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the  
134.21 Construction Codes Advisory Council establish a code of standards for the construction,  
134.22 reconstruction, alteration, and repair of buildings, governing matters of structural materials,  
134.23 design and construction, fire protection, health, sanitation, and safety, including design and  
134.24 construction standards regarding heat loss control, illumination, and climate control. The  
134.25 code must also include duties and responsibilities for code administration, including  
134.26 procedures for administrative action, penalties, and suspension and revocation of certification.  
134.27 The code must conform insofar as practicable to model building codes generally accepted  
134.28 and in use throughout the United States, including a code for building conservation. In the  
134.29 preparation of the code, consideration must be given to the existing statewide specialty  
134.30 codes presently in use in the state. Model codes with necessary modifications and statewide  
134.31 specialty codes may be adopted by reference. The code must be based on the application  
134.32 of scientific principles, approved tests, and professional judgment. To the extent possible,  
134.33 the code must be adopted in terms of desired results instead of the means of achieving those

135.1 results, avoiding wherever possible the incorporation of specifications of particular methods  
135.2 or materials. To that end the code must encourage the use of new methods and new materials.  
135.3 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall  
135.4 administer and enforce the provisions of those sections.

135.5 (b) The commissioner shall develop rules addressing the plan review fee assessed to  
135.6 similar buildings without significant modifications including provisions for use of building  
135.7 systems as specified in the industrial/modular program specified in section 326B.194.  
135.8 Additional plan review fees associated with similar plans must be based on costs  
135.9 commensurate with the direct and indirect costs of the service.

135.10 (c) Beginning with the 2018 edition of the model building codes and every six years  
135.11 thereafter, the commissioner shall review the new model building codes and adopt the model  
135.12 codes as amended for use in Minnesota, within two years of the published edition date. The  
135.13 commissioner may adopt amendments to the building codes prior to the adoption of the  
135.14 new building codes to advance construction methods, technology, or materials, or, where  
135.15 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency  
135.16 or the use of a building.

135.17 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model  
135.18 residential energy code and the new model commercial energy code in accordance with  
135.19 federal law for which the United States Department of Energy has issued an affirmative  
135.20 determination in compliance with United States Code, title 42, section 6833. The  
135.21 commissioner shall act on the new model commercial energy code by adopting each new  
135.22 published edition and amending it as necessary to achieve a minimum of eight percent  
135.23 energy efficiency. The commissioner may adopt amendments prior to adoption of the new  
135.24 energy codes, as amended for use in Minnesota, to advance construction methods, technology,  
135.25 or materials, or, where necessary to protect the health, safety, and welfare of the public, or  
135.26 to improve the efficiency or use of a building.

135.27 Sec. 15. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

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

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

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

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

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

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

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

136.25 (h) **Relocated residential buildings.** A residential building relocated within or into a  
136.26 political subdivision of the state need not comply with the State Energy Code or section  
136.27 326B.439 provided that, where available, an energy audit is conducted on the relocated  
136.28 building.

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

136.32 (j) **Exterior wood decks, patios, and balconies.** The code must permit the decking  
136.33 surface and upper portions of exterior wood decks, patios, and balconies to be constructed



137.1 of (1) heartwood from species of wood having natural resistance to decay or termites,  
137.2 including redwood and cedars, (2) grades of lumber which contain sapwood from species  
137.3 of wood having natural resistance to decay or termites, including redwood and cedars, or  
137.4 (3) treated wood. The species and grades of wood products used to construct the decking  
137.5 surface and upper portions of exterior decks, patios, and balconies must be made available  
137.6 to the building official on request before final construction approval.

137.7 (k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be  
137.8 imposed by municipalities under the State Building Code, except as required under section  
137.9 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92  
137.10 administered by the Department of Labor and Industry. All data regarding the material  
137.11 production processes, including the bioprocess system's structural design and layout, are  
137.12 nonpublic data as provided by section 13.7911.

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

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

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

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

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

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

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

138.1 Sec. 16. Minnesota Statutes 2020, section 326B.145, is amended to read:

138.2 **326B.145 ANNUAL REPORT.**

138.3 (a) Each municipality shall annually report by June 30 to the department, in a format  
138.4 prescribed by the department, all construction and development-related fees collected by  
138.5 the municipality from developers, builders, and subcontractors if the cumulative fees collected  
138.6 exceeded ~~\$5,000~~ \$7,000 in the reporting year, except that, for reports due June 30, 2009,  
138.7 to June 30, 2013, the reporting threshold is \$10,000.

138.8 (b) The report must include:

138.9 (1) the number and valuation of units for which fees were paid;

138.10 (2) the amount of building permit fees, plan review fees, administrative fees, engineering  
138.11 fees, infrastructure fees, and other construction and development-related fees; and

138.12 (3) the expenses associated with the municipal activities for which fees were collected.

138.13 (c) A municipality that fails to report to the department in accordance with this section  
138.14 is subject to the remedies provided by section 326B.082.

138.15 Sec. 17. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended  
138.16 to read:

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

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

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

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

138.23 (1) \$1 to \$500, ~~\$29.50~~ \$21;

138.24 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100  
138.25 or fraction thereof, to and including \$2,000;

138.26 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each  
138.27 additional \$1,000 or fraction thereof, to and including \$25,000;

138.28 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each  
138.29 additional \$1,000 or fraction thereof, to and including \$50,000;

139.1 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for  
139.2 each additional \$1,000 or fraction thereof, to and including \$100,000;

139.3 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for  
139.4 each additional \$1,000 or fraction thereof, to and including \$500,000;

139.5 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25  
139.6 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

139.7 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75  
139.8 for each additional \$1,000 or fraction thereof.

139.9 (c) Other inspections and fees are:

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

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

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

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

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

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

139.22 Sec. 18. Minnesota Statutes 2020, section 326B.153, is amended by adding a subdivision  
139.23 to read:

139.24 Subd. 5. Valuation. The commissioner shall establish a cost per square foot valuation  
139.25 of new one-family and two-family, townhouse, and accessory utility buildings for the purpose  
139.26 of setting building permit fees by municipalities.

139.27 Sec. 19. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

139.28 Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical  
139.29 transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters,  
139.30 hand-powered elevators, endless belt lifts, and ~~wheelchair~~ platform lifts. Elevator does not

140.1 include external temporary material lifts or temporary construction personnel elevators at  
140.2 sites of construction of new or remodeled buildings.

140.3 Sec. 20. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision  
140.4 to read:

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

140.7 Sec. 21. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

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

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

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

140.18 (1) conveyors, including vertical reciprocating conveyors;

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

140.20 (3) dock levelers.

140.21 Sec. 22. Minnesota Statutes 2020, section 326B.36, subdivision 7, is amended to read:

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

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

140.27 (2) when owned or leased, and operated and maintained by any electrical,  
140.28 communications, or railway utility, cable communications company as defined in section  
140.29 238.02, or telephone company as defined under section 237.01, in the exercise of its utility,  
140.30 antenna, or telephone function; and

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

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

141.8 (iii) are not on the load side of the service point or point of entrance for communication  
141.9 systems, except for replacement or repair of load management equipment located on the  
141.10 exterior of a building for an electric utility other than a public utility as defined in section  
141.11 216B.02, subdivision 4, before December 31, 2027, by a Class A electrical contractor  
141.12 licensed under section 326B.33;

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

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

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

141.20 (6) when the installation, material, and equipment is part of an elevator installation for  
141.21 which the elevator contractor, licensed under section 326B.164, is required to obtain a permit  
141.22 from the authority having jurisdiction as provided by section 326B.184, and the inspection  
141.23 has been or will be performed by an elevator inspector certified and licensed by the  
141.24 department. This exemption shall apply only to installations, material, and equipment  
141.25 permitted or required to be connected on the load side of the disconnecting means required  
141.26 for elevator equipment under National Electrical Code Article 620, and elevator  
141.27 communications and alarm systems within the machine room, car, hoistway, or elevator  
141.28 lobby.

141.29 Sec. 23. LAWS CHAPTER 32 EFFECTIVE DATE.

141.30 Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2,  
141.31 sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter  
141.32 32, article 1, section 1, applies to appointments made on or after that date.

142.1 **ARTICLE 8**

142.2 **OSHA PENALTY CONFORMANCE**

142.3 Section 1. Minnesota Statutes 2020, section 182.666, subdivision 1, is amended to read:

142.4 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly  
142.5 violates the requirements of section 182.653, or any standard, rule, or order adopted under  
142.6 the authority of the commissioner as provided in this chapter, may be assessed a fine not to  
142.7 exceed ~~\$70,000~~ \$145,027 for each violation. The minimum fine for a willful violation is  
142.8 ~~\$5,000~~ \$10,360.

142.9 **EFFECTIVE DATE.** This section is effective July 1, 2022.

142.10 Sec. 2. Minnesota Statutes 2020, section 182.666, subdivision 2, is amended to read:

142.11 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious  
142.12 violation of its duties under section 182.653, or any standard, rule, or order adopted under  
142.13 the authority of the commissioner as provided in this chapter, shall be assessed a fine not  
142.14 to exceed ~~\$7,000~~ \$14,502 for each violation. If a serious violation under section 182.653,  
142.15 subdivision 2, causes or contributes to the death of an employee, the employer shall be  
142.16 assessed a fine of up to \$25,000 for each violation.

142.17 **EFFECTIVE DATE.** This section is effective July 1, 2022.

142.18 Sec. 3. Minnesota Statutes 2020, section 182.666, subdivision 3, is amended to read:

142.19 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation  
142.20 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically  
142.21 determined not to be of a serious nature as provided in section 182.651, subdivision 12,  
142.22 may be assessed a fine of up to ~~\$7,000~~ \$14,502 for each violation.

142.23 **EFFECTIVE DATE.** This section is effective July 1, 2022.

142.24 Sec. 4. Minnesota Statutes 2020, section 182.666, subdivision 4, is amended to read:

142.25 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation  
142.26 for which a citation has been issued under section 182.66 within the period permitted for  
142.27 its correction, which period shall not begin to run until the date of the final order of the  
142.28 commissioner in the case of any review proceedings under this chapter initiated by the  
142.29 employer in good faith and not solely for delay or avoidance of penalties, may be assessed  
142.30 a fine of not more than ~~\$7,000~~ \$14,502 for each day during which the failure or violation  
142.31 continues.

143.1 **EFFECTIVE DATE.** This section is effective July 1, 2022.

143.2 Sec. 5. Minnesota Statutes 2020, section 182.666, subdivision 5, is amended to read:

143.3 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,  
143.4 as prescribed under this chapter, except those prescribed under section 182.661, subdivision  
143.5 3a, shall be assessed a fine of up to ~~\$7,000~~ \$14,502 for each violation.

143.6 **EFFECTIVE DATE.** This section is effective July 1, 2022.

143.7 Sec. 6. Minnesota Statutes 2020, section 182.666, is amended by adding a subdivision to  
143.8 read:

143.9 Subd. 6a. **Increases for inflation.** (a) Each year, beginning in 2022, the commissioner  
143.10 shall determine the percentage change in the Minneapolis-St. Paul-Bloomington, MN-WI,  
143.11 Consumer Price Index for All Urban Consumers (CPI-U) from the month of October in the  
143.12 preceding calendar year to the month of October in the current calendar year.

143.13 (b) The commissioner shall increase the fines in subdivisions 1 through 5, except for  
143.14 the fine for a serious violation under section 182.653, subdivision 2, that causes or contributes  
143.15 to the death of an employee, by the percentage change determined by the commissioner  
143.16 under paragraph (a), if the percentage change is greater than zero. The fines shall be increased  
143.17 to the nearest one dollar.

143.18 (c) If the percentage change determined by the commissioner under paragraph (a) is not  
143.19 greater than zero, the commissioner shall not change any of the fines in subdivisions 1  
143.20 through 5.

143.21 (d) A fine increased under this subdivision takes effect on the next January 15 after the  
143.22 commissioner determines the percentage change under paragraph (a) and applies to all fines  
143.23 assessed on or after the next January 15.

143.24 (e) No later than December 1 of each year, the commissioner shall give notice in the  
143.25 State Register of any increase to the fines in subdivisions 1 through 5.

143.26 **EFFECTIVE DATE.** This section is effective July 1, 2022.

144.1

**ARTICLE 9**

144.2

**FAIR LABOR STANDARDS FOR AGRICULTURAL AND FOOD PROCESSING  
WORKERS**

144.3

144.4 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

144.5 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
144.6 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
144.7 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
144.8 subdivision 2a, 181.722, 181.79, 181.86 to 181.88, and 181.939 to 181.943, or with any  
144.9 rule promulgated under section 177.28. The commissioner shall issue an order requiring an  
144.10 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes  
144.11 of this subdivision only, a violation is repeated if at any time during the two years that  
144.12 preceded the date of violation, the commissioner issued an order to the employer for violation  
144.13 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer  
144.14 have entered into a settlement agreement that required the employer to pay back wages that  
144.15 were required by sections 177.41 to 177.435. The department shall serve the order upon the  
144.16 employer or the employer's authorized representative in person or by certified mail at the  
144.17 employer's place of business. An employer who wishes to contest the order must file written  
144.18 notice of objection to the order with the commissioner within 15 calendar days after being  
144.19 served with the order. A contested case proceeding must then be held in accordance with  
144.20 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the  
144.21 employer fails to file a written notice of objection with the commissioner, the order becomes  
144.22 a final order of the commissioner.

144.23 Sec. 2. Minnesota Statutes 2020, section 179.86, subdivision 1, is amended to read:

144.24 Subdivision 1. **Definition.** For the purpose of this section, "employer" means an employer  
144.25 in the meatpacking or poultry processing industry.

144.26 Sec. 3. Minnesota Statutes 2020, section 179.86, subdivision 3, is amended to read:

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

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

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



145.1 (3) a description of leave policies;

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

145.3 (5) a description of the occupational hazards known to exist for the position; and

145.4 (6) the name of the employer's workers' compensation insurance carrier, the carrier's  
145.5 phone number, and the insurance policy number.

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

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

145.11 (2) the right to a safe workplace; ~~and~~

145.12 (3) the right to be free from discrimination; and

145.13 (4) the right to workers' compensation insurance coverage.

145.14 (c) The requirements under this subdivision are in addition to the requirements under  
145.15 section 181.032.

145.16 Sec. 4. Minnesota Statutes 2020, section 179.86, is amended by adding a subdivision to  
145.17 read:

145.18 Subd. 5. **Civil action.** An employee injured by a violation of this section has a cause of  
145.19 action for damages for the greater of \$1,000 per violation or twice the employee's actual  
145.20 damages, plus costs and reasonable attorney fees. A damage award shall be the greater of  
145.21 \$1,400 or three times actual damages for an employee injured by an intentional violation  
145.22 of this section.

145.23 Sec. 5. Minnesota Statutes 2020, section 179.86, is amended by adding a subdivision to  
145.24 read:

145.25 Subd. 6. **Fine.** The commissioner of labor and industry shall fine an employer not less  
145.26 than \$400 or more than \$1,000 for each violation of subdivision 3.

145.27 Sec. 6. Minnesota Statutes 2020, section 181.14, subdivision 1, is amended to read:

145.28 Subdivision 1. **Prompt payment required.** (a) When any such employee quits or resigns  
145.29 employment, the wages or commissions earned and unpaid at the time the employee quits  
145.30 or resigns shall be paid in full not later than the first regularly scheduled payday following

146.1 the employee's final day of employment, unless an employee is subject to a collective  
146.2 bargaining agreement with a different provision. Wages are earned and unpaid if the  
146.3 employee was not paid for all time worked at the employee's regular rate of pay or at the  
146.4 rate required by law, including any applicable statute, regulation, rule, ordinance, government  
146.5 resolution or policy, contract, or other legal authority, whichever rate of pay is greater. If  
146.6 the first regularly scheduled payday is less than five calendar days following the employee's  
146.7 final day of employment, full payment may be delayed until the second regularly scheduled  
146.8 payday but shall not exceed a total of 20 calendar days following the employee's final day  
146.9 of employment.

146.10 (b) Notwithstanding the provisions of paragraph (a), in the case of migrant workers, as  
146.11 defined in section 181.85, the wages or commissions earned and unpaid at the time the  
146.12 employee quits or resigns shall become due and payable within ~~five~~ three days thereafter.

146.13 Sec. 7. Minnesota Statutes 2020, section 181.635, subdivision 1, is amended to read:

146.14 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

146.15 (a) "Employer" means a person who employs another to perform a service for hire.  
146.16 Employer includes any agent or attorney of an employer who, for money or other valuable  
146.17 consideration paid or promised to be paid, performs any recruiting.

146.18 (b) "Person" means a corporation, partnership, limited liability company, limited liability  
146.19 partnership, association, individual, or group of persons.

146.20 (c) "Recruits" means to induce an individual, directly or through an agent, to relocate  
146.21 to Minnesota or within Minnesota to work in food processing by an offer of employment  
146.22 or of the possibility of employment.

146.23 (d) "Food processing" means canning, packing, or otherwise processing poultry or meat  
146.24 for consumption.

146.25 (e) "Terms and conditions of employment" means the following:

146.26 (1) nature of the work to be performed;

146.27 (2) wage rate, nature and amount of deductions for tools, clothing, supplies, or other  
146.28 items;

146.29 (3) anticipated hours of work per week, including overtime;

146.30 (4) anticipated slowdown or shutdown or if hours of work per week vary more than 25  
146.31 percent from clause (3);

- 147.1 (5) duration of the work;
- 147.2 (6) workers' compensation coverage and name, address, and telephone number of insurer  
147.3 and Department of Labor and Industry;
- 147.4 (7) employee benefits available, including any health plans, sick leave, or paid vacation;
- 147.5 (8) transportation and relocation arrangements with allocation of costs between employer  
147.6 and employee;
- 147.7 (9) availability and description of housing and any costs to employee associated with  
147.8 housing; and
- 147.9 (10) any other item of value offered, and allocation of costs of item between employer  
147.10 and employee.

147.11 Sec. 8. Minnesota Statutes 2020, section 181.635, subdivision 2, is amended to read:

147.12 Subd. 2. **Recruiting; required disclosure.** (a) An employer shall provide written  
147.13 disclosure of the terms and conditions of employment to a person at the time it recruits the  
147.14 person to relocate to work in the food processing industry. The disclosure requirement does  
147.15 not apply to an exempt employee as defined in United States Code, title 29, section 213(a)(1).  
147.16 The disclosure must be written in English and Spanish, or another language if the person's  
147.17 preferred language is not Spanish, dated and signed by the employer and the person recruited,  
147.18 and maintained by the employer for ~~two~~ three years. A copy of the signed and completed  
147.19 disclosure must be delivered immediately to the recruited person. The disclosure may not  
147.20 be construed as an employment contract.

147.21 (b) The requirements under this subdivision are in addition to the requirements under  
147.22 section 181.032.

147.23 Sec. 9. Minnesota Statutes 2020, section 181.635, subdivision 3, is amended to read:

147.24 Subd. 3. **Civil action.** A person injured by a violation of this section has a cause of action  
147.25 for damages for the greater of ~~\$500~~ \$1,000 per violation or twice their actual damages, plus  
147.26 costs and reasonable attorney's fees. A damage award shall be the greater of ~~\$750~~ \$1,400  
147.27 or three times actual damages for a person injured by an intentional violation of this section.

147.28 Sec. 10. Minnesota Statutes 2020, section 181.635, subdivision 4, is amended to read:

147.29 Subd. 4. **Fine.** The Department of Labor and Industry shall fine an employer not less  
147.30 than ~~\$200~~ \$400 or more than ~~\$500~~ \$1,000 for each violation of this section.

148.1 Sec. 11. Minnesota Statutes 2020, section 181.635, subdivision 6, is amended to read:

148.2 Subd. 6. **Standard disclosure form.** The Department of Labor and Industry shall provide  
148.3 a standard form for use at the employer's option in making the disclosure required in  
148.4 subdivision 2. The form shall be available in English and Spanish and additional languages  
148.5 upon request.

148.6 Sec. 12. Minnesota Statutes 2020, section 181.85, subdivision 2, is amended to read:

148.7 Subd. 2. **Agricultural labor.** "Agricultural labor" means field labor associated with the  
148.8 cultivation and harvest of fruits and vegetables and work performed in processing fruits and  
148.9 vegetables for market, as well as labor performed in agriculture as defined in Minnesota  
148.10 Rules, part 5200.0260.

148.11 Sec. 13. Minnesota Statutes 2020, section 181.85, subdivision 4, is amended to read:

148.12 Subd. 4. **Employer.** "Employer" means ~~a processor of fruits or vegetables~~ an individual,  
148.13 partnership, association, corporation, business trust, or any person or group of persons that  
148.14 employs, either directly or indirectly through a recruiter, more than 30 migrant workers per  
148.15 day for more than seven days in any calendar year.

148.16 Sec. 14. Minnesota Statutes 2020, section 181.86, subdivision 1, is amended to read:

148.17 Subdivision 1. **Terms.** (a) An employer that recruits a migrant worker shall provide the  
148.18 migrant worker, at the time the worker is recruited, with a written employment statement  
148.19 which shall state clearly and plainly, in English and Spanish, or another language if the  
148.20 worker's preferred language is not Spanish:

148.21 (1) the date on which and the place at which the statement was completed and provided  
148.22 to the migrant worker;

148.23 (2) the name and permanent address of the migrant worker, of the employer, and of the  
148.24 recruiter who recruited the migrant worker;

148.25 (3) the date on which the migrant worker is to arrive at the place of employment, the  
148.26 date on which employment is to begin, the approximate hours of employment, and the  
148.27 minimum period of employment;

148.28 (4) the crops and the operations on which the migrant worker will be employed;

148.29 (5) the wage rates to be paid;

148.30 (6) the payment terms, as provided in section 181.87;

149.1 (7) any deduction to be made from wages; ~~and~~

149.2 (8) whether housing will be provided; and

149.3 (9) the name of the employer's workers' compensation insurance carrier, the carrier's  
149.4 phone number, and the insurance policy number.

149.5 (b) The requirements under this subdivision are in addition to the requirements under  
149.6 section 181.032.

149.7 Sec. 15. Minnesota Statutes 2020, section 181.87, subdivision 2, is amended to read:

149.8 Subd. 2. **Biweekly pay.** The employer shall pay wages due to the migrant worker at  
149.9 least every two weeks, except on termination, when the employer shall pay within three  
149.10 days unless payment is required sooner pursuant to section 181.13.

149.11 Sec. 16. Minnesota Statutes 2020, section 181.87, subdivision 3, is amended to read:

149.12 Subd. 3. **Guaranteed hours.** The employer shall guarantee to each recruited migrant  
149.13 worker a minimum of 70 hours pay for work in any two successive weeks and, should the  
149.14 pay for hours actually offered by the employer and worked by the migrant worker provide  
149.15 a sum of pay less than the minimum guarantee, the employer shall pay the migrant worker  
149.16 the difference within three days after the scheduled payday for the pay period involved.  
149.17 Payment for the guaranteed hours shall be at the hourly wage rate, if any, specified in the  
149.18 employment statement, or the federal or state minimum wage, whichever is ~~higher~~ highest.  
149.19 Any pay in addition to the hourly wage rate specified in the employment statement shall be  
149.20 applied against the guarantee. This guarantee applies for the minimum period of employment  
149.21 specified in the employment statement beginning with the date on which employment is to  
149.22 begin as specified in the employment statement. The date on which employment is to begin  
149.23 may be changed by the employer by written, telephonic, or telegraphic notice to the migrant  
149.24 worker, at the worker's last known address, no later than ten days prior to the previously  
149.25 stated beginning date. The migrant worker shall contact the recruiter to obtain the latest  
149.26 information regarding the date upon which employment is to begin no later than five days  
149.27 prior to the previously stated beginning date. This guarantee shall be reduced, when there  
149.28 is no work available for a period of seven or more consecutive days during any two-week  
149.29 period subsequent to the commencement of work, by five hours pay for each such day,  
149.30 when the unavailability of work is caused by climatic conditions or an act of God, provided  
149.31 that the employer pays the migrant worker, on the normal payday, the sum of ~~\$5~~ \$16 for  
149.32 each such day.

150.1 Sec. 17. Minnesota Statutes 2020, section 181.87, subdivision 7, is amended to read:

150.2 Subd. 7. **Statement itemizing deductions from wages.** The employer shall provide a  
150.3 written statement at the time wages are paid clearly itemizing each deduction from wages.  
150.4 The written statement shall also comply with all other requirements for an earnings statement  
150.5 in section 181.032.

150.6 Sec. 18. Minnesota Statutes 2020, section 181.88, is amended to read:

150.7 **181.88 RECORD KEEPING.**

150.8 Every employer subject to the provisions of sections 181.85 to 181.90 shall maintain  
150.9 complete and accurate records ~~of the names of, the daily hours worked by, the rate of pay~~  
150.10 ~~for and the wages paid each pay period to~~ for every individual migrant worker recruited by  
150.11 that employer; as required by section 177.30 and shall ~~preserve the records~~ also maintain  
150.12 the employment statements required under section 181.86 for a period of at least three years.

150.13 Sec. 19. Minnesota Statutes 2020, section 181.89, subdivision 2, is amended to read:

150.14 Subd. 2. **Judgment; damages.** If the court finds that any defendant has violated the  
150.15 provisions of sections 181.86 to 181.88, the court shall enter judgment for the actual damages  
150.16 incurred by the plaintiff or the appropriate penalty as provided by this subdivision, whichever  
150.17 is greater. The court may also award court costs and a reasonable attorney's fee. The penalties  
150.18 shall be as follows:

150.19 (1) whenever the court finds that an employer has violated the record-keeping  
150.20 requirements of section 181.88, ~~\$50~~ \$200;

150.21 (2) whenever the court finds that an employer has recruited a migrant worker without  
150.22 providing a written employment statement as provided in section 181.86, subdivision 1,  
150.23 ~~\$250~~ \$800;

150.24 (3) whenever the court finds that an employer has recruited a migrant worker after having  
150.25 provided a written employment statement, but finds that the employment statement fails to  
150.26 comply with the requirement of section 181.86, subdivision 1 or section 181.87, ~~\$250~~ \$800;

150.27 (4) whenever the court finds that an employer has failed to comply with the terms of an  
150.28 employment statement which the employer has provided to a migrant worker or has failed  
150.29 to comply with any payment term required by section 181.87, ~~\$500~~ \$1,600;

150.30 (5) whenever the court finds that an employer has failed to pay wages to a migrant worker  
150.31 within a time period set forth in section 181.87, subdivision 2 or 3, ~~\$500~~ \$1,600; and

151.1 (6) whenever penalties are awarded, they shall be awarded severally in favor of each  
151.2 migrant worker plaintiff and against each defendant found liable.

151.3 Sec. 20. Minnesota Statutes 2020, section 181.89, is amended by adding a subdivision to  
151.4 read:

151.5 Subd. 3. **Enforcement.** In addition to any other remedies available, the commissioner  
151.6 may assess the penalties in subdivision 2 and provide the penalty to the migrant worker  
151.7 aggrieved by the employer's noncompliance.

151.8 **ARTICLE 10**  
151.9 **COMBATIVE SPORTS**

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

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

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

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

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

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

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

151.26 **341.221 ADVISORY COUNCIL.**

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

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

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

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

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

152.13 ~~(f) The commissioner shall designate two of the members to serve until the first Monday~~  
152.14 ~~in January 2013; two members to serve until the first Monday in January 2014; two members~~  
152.15 ~~to serve until the first Monday in January 2015; and three members to serve until the first~~  
152.16 ~~Monday in January 2016.~~

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

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

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

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

152.25 **341.25 RULES.**

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

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

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



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

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

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

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

153.13 **341.28 REGULATION OF COMBATIVE SPORT CONTESTS.**

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

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

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

153.28 Subd. 3. **Regulatory authority; mixed martial arts contests; ~~similar sporting~~**  
153.29 **events.** All professional and amateur mixed martial arts contests, ~~martial arts contests except~~  
153.30 ~~amateur contests regulated by the Minnesota State High School League (MSHSL), recognized~~  
153.31 ~~martial arts studios and schools in Minnesota, and recognized national martial arts~~  
153.32 ~~organizations holding contests between students, ultimate fight contests, and similar sporting~~

154.1 ~~events~~ are subject to this chapter and all officials at these events must be licensed under this  
154.2 chapter.

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

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

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

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

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

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

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

154.31 ~~(2)~~ (1) show on the licensing application the owner or owners of the applicant entity and  
154.32 the percentage of interest held by each owner holding a 25 percent or more interest in the  
154.33 applicant;

155.1 ~~(3)~~ (2) provide the commissioner with a copy of the latest financial statement of the  
155.2 applicant;

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

155.5 ~~(5)~~ (3) provide proof, where applicable, of authorization to do business in the state of  
155.6 Minnesota; and

155.7 ~~(6)~~ (4) deposit with the commissioner a ~~cash bond or~~ surety bond in an amount set by  
155.8 the commissioner, which must not be less than \$10,000. The bond shall be executed in favor  
155.9 of this state and shall be conditioned on the faithful performance by the promoter of the  
155.10 promoter's obligations under this chapter and the rules adopted under it.

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

155.12 (1) submit to the commissioner the results of a current medical ~~examination~~ examinations  
155.13 on forms ~~furnished or approved~~ prescribed by the commissioner. ~~The medical examination~~  
155.14 ~~must include an ophthalmological and neurological examination, and documentation of test~~  
155.15 ~~results for HBV, HCV, and HIV, and any other blood test as the commissioner by rule may~~  
155.16 ~~require. The ophthalmological examination must be designed to detect any retinal defects~~  
155.17 ~~or other damage or condition of the eye that could be aggravated by combative sports. The~~  
155.18 ~~neurological examination must include an electroencephalogram or medically superior test~~  
155.19 ~~if the combatant has been knocked unconscious in a previous contest. The commissioner~~  
155.20 ~~may also order an electroencephalogram or other appropriate neurological or physical~~  
155.21 ~~examination before any contest if it determines that the examination is desirable to protect~~  
155.22 ~~the health of the combatant. The commissioner shall not issue a license to an applicant~~  
155.23 ~~submitting positive test results for HBV, HCV, or HIV; that state that the combatant is~~  
155.24 cleared to participate in a combative sport contest. The applicant must undergo and submit  
155.25 the results of the following medical examinations, which do not exempt a combatant from  
155.26 the requirements set forth in section 341.33:

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

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

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

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

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

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

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

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

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

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

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

156.28 **341.321 FEE SCHEDULE.**

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

156.31 (1) referees, \$25;

157.1 (2) promoters, \$700;

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

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

157.4 (5) timekeepers, \$25;

157.5 (6) professional combatants, \$70;

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

157.7 (8) ringside physicians, \$25.

157.8 ~~License fees for promoters are due at least six weeks prior to the combative sport contest.~~

157.9 All ~~other~~ license fees shall be paid no later than the weigh-in prior to the contest. No license

157.10 may be issued until all precicensure requirements outlined in section 341.30 are satisfied

157.11 and fees are paid.

157.12 ~~(b) The commissioner shall establish a contest fee for each combative sport contest and~~

157.13 ~~shall consider the size and type of venue when establishing a contest fee. The~~ A promoter

157.14 or event organizer of an event regulated by the Department of Labor and Industry must pay,

157.15 per event, a combative sport contest fee is of \$1,500 per event or not more than four percent

157.16 of the gross ticket sales, whichever is greater, as determined by the commissioner when the

157.17 combative sport contest is scheduled. The fee must be paid as follows:

157.18 ~~(c) A professional or amateur combative sport contest fee is nonrefundable and shall be~~

157.19 ~~paid as follows:~~

157.20 (1) \$500 at the time is due when the combative sport contest is scheduled; and

157.21 (2) \$1,000 is due at the weigh-in prior to the contest;

157.22 (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to

157.23 the commissioner within 14 days of the completed contest; and

157.24 (4) the face value of all complimentary tickets distributed for an event, to the extent they

157.25 exceed 15 percent of total event attendance, count toward gross tickets sales for the purposes

157.26 of determining a combative sport contest fee.

157.27 ~~If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the~~

157.28 ~~commissioner within seven days of the completed contest.~~

157.29 ~~(d) The commissioner may establish the maximum number of complimentary tickets~~

157.30 ~~allowed for each event by rule.~~

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

158.3 Sec. 10. [341.322] PAYMENT SCHEDULE.

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

158.6 Sec. 11. [341.323] EVENT APPROVAL.

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

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

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

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

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

158.24 Subd. 2. Proper licensure. Before the commissioner approves a combative sport contest,  
158.25 the commissioner must ensure that the promoter is properly licensed under this chapter.  
158.26 The promoter must maintain proper licensure from the time the promoter schedules a  
158.27 combative sport contest through the date of the contest.

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

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

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

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

159.5 **341.33 PHYSICAL EXAMINATION REQUIRED; FEES.**

159.6 Subdivision 1. **Examination by physician.** All combatants must be examined by a  
159.7 physician licensed by this state within 36 hours before entering the ring, and the examining  
159.8 physician shall immediately file with the commissioner a written report of the examination.  
159.9 Each female combatant shall take and submit a negative pregnancy test as part of the  
159.10 examination. The physician's examination may report on the condition of the combatant's  
159.11 heart and general physical and general neurological condition. The physician's report may  
159.12 record the condition of the combatant's nervous system and brain as required by the  
159.13 commissioner. The physician may prohibit the combatant from entering the ring if, in the  
159.14 physician's professional opinion, it is in the best interest of the combatant's health. The cost  
159.15 of the examination is payable by the promoter conducting the contest or exhibition.

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

159.20 Sec. 14. **[341.345] CHALLENGING THE OUTCOME OF A COMBATIVE SPORT**  
159.21 **CONTEST.**

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

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

159.29 Subd. 2. **Form.** A challenge must be submitted on a form prescribed by the commissioner,  
159.30 set forth all relevant facts and the basis for the challenge, and state what remedy is being  
159.31 sought. A combatant may submit photos, videos, documents, or any other evidence the

160.1 combatant would like the commissioner to consider in connection to the challenge. A  
160.2 combatant may challenge the outcome of a contest only if it is alleged that:

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

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

160.6 (3) scores were miscalculated.

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

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

160.12 (c) The challenge must be submitted to the commissioner at the address, fax number, or  
160.13 e-mail address designated on the commissioner's website. The date on which a challenge  
160.14 is submitted by mail shall be the postmark date on the envelope in which the challenge is  
160.15 mailed. If the challenge is faxed or e-mailed, it must be received by the commissioner by  
160.16 4:30 p.m. central time on the day the challenge is due.

160.17 Subd. 4. **Opponent's response.** If the requirements of subdivisions 1 to 3 are met, the  
160.18 commissioner shall send a complete copy of the challenge documents, along with any  
160.19 supporting materials submitted, to the opposing combatant by mail, fax, or e-mail. The  
160.20 opposing combatant shall have 14 days from the date the commissioner sends the challenge  
160.21 and supporting materials to submit a response to the commissioner. Additional response  
160.22 time is not added when the commissioner sends the challenge to the opposing combatant  
160.23 by mail. The opposing combatant may submit photos, videos, documents, or any other  
160.24 evidence the opposing combatant would like the commissioner to consider in connection  
160.25 to the challenge. The response must be submitted to the commissioner at the address, fax  
160.26 number, or e-mail address designated on the commissioner's website. The date on which a  
160.27 response is submitted by mail shall be the postmark date on the envelope in which the  
160.28 response is mailed. If the response is faxed or e-mailed, it must be received by the  
160.29 commissioner by 4:30 p.m. central time on the day the response is due.

160.30 Subd. 5. **Licensed official review.** The commissioner may, if the commissioner  
160.31 determines it would be helpful in resolving the issues raised in the challenge, send a complete  
160.32 copy of the challenge or response, along with any supporting materials submitted, to any



161.1 licensed official involved in the combative sport contest at issue by mail, fax, or e-mail and  
161.2 request their views on the issues raised in the challenge.

161.3 Subd. 6. **Order.** The commissioner shall issue an order on the challenge within 60 days  
161.4 after receiving the opposing combatant's response. If the opposing combatant does not  
161.5 submit a response, the commissioner shall issue an order on the challenge within 75 days  
161.6 after receiving the challenge.

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

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

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

161.16 **341.355 CIVIL PENALTIES.**

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

161.23 **ARTICLE 11**

161.24 **PUBLIC EMPLOYMENT RELATIONS BOARD**

161.25 Section 1. Minnesota Statutes 2020, section 13.43, subdivision 6, is amended to read:

161.26 Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public**  
161.27 **Employment Relations Board.** Personnel data may be disseminated to labor organizations  
161.28 and the Public Employment Relations Board to the extent that the responsible authority  
161.29 determines that the dissemination is necessary to conduct elections, notify employees of  
161.30 fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel  
161.31 data shall be disseminated to labor organizations, the Public Employment Relations Board,  
161.32 and to the Bureau of Mediation Services to the extent the dissemination is ordered or

162.1 authorized by the commissioner of the Bureau of Mediation Services or the Public  
162.2 Employment Relations Board or its designee.

162.3 **Sec. 2. [13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

162.4 **Subdivision 1. Definition.** For purposes of this section, "board" means the Public  
162.5 Employment Relations Board.

162.6 **Subd. 2. Nonpublic data.** (a) Except as provided in this subdivision, all data maintained  
162.7 by the board about a charge or complaint of unfair labor practices and appeals of  
162.8 determinations of the commissioner under section 179A.12, subdivision 11, are classified  
162.9 as protected nonpublic data or confidential data, and become public when admitted into  
162.10 evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to  
162.11 a protective order as determined by the board or a hearing officer.

162.12 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

162.13 (1) the filing date of unfair labor practice charges;

162.14 (2) the status of unfair labor practice charges as an original or amended charge;

162.15 (3) the names and job classifications of charging parties and charged parties;

162.16 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

162.17 (5) the complaint issued by the board and all data in the complaint;

162.18 (6) the full and complete record of an evidentiary hearing before a hearing officer,  
162.19 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,  
162.20 unless subject to a protective order;

162.21 (7) recommended decisions and orders of hearing officers pursuant to section 179A.13,  
162.22 subdivision 1, paragraph (i);

162.23 (8) exceptions to the hearing officer's recommended decision and order filed with the  
162.24 board pursuant to section 179A.13, subdivision 1, paragraph (k);

162.25 (9) briefs filed with the board; and

162.26 (10) decisions and orders issued by the board.

162.27 (c) Notwithstanding paragraph (a), individuals have access to their own statements  
162.28 provided to the board under paragraph (a).

163.1 (d) The board may make any data classified as protected nonpublic or confidential  
163.2 pursuant to this subdivision accessible to any person or party if the access will aid the  
163.3 implementation of chapters 179 and 179A or ensure due process protection of the parties.

163.4 Sec. 3. Minnesota Statutes 2020, section 179A.041, is amended by adding a subdivision  
163.5 to read:

163.6 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when  
163.7 it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12,  
163.8 and 179A.13; reviewing a recommended decision and order of a hearing officer under  
163.9 section 179A.13; or reviewing decisions of the commissioner of the Bureau of Mediation  
163.10 Services relating to unfair labor practices under section 179A.12, subdivision 11.

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

163.12 Sec. 4. **PUBLIC EMPLOYMENT RELATIONS BOARD.**

163.13 Notwithstanding any other law to the contrary, Laws 2014, chapter 211, sections 1 to 3  
163.14 and 6 to 11, as amended by Laws 2015, First Special Session chapter 1, article 7, section  
163.15 1; Laws 2016, chapter 189, article 7, section 42; Laws 2017, chapter 94, article 12, section  
163.16 1; and Laws 2021, First Special Session chapter 10, article 3, section 19, are effective the  
163.17 day following final enactment and apply to any claims brought on or after that date. From  
163.18 July 1, 2021, until the day following final enactment, the district court of the county in  
163.19 which the practice is alleged to have occurred retains jurisdiction over any action by any  
163.20 employee, employer, employee or employer organization, exclusive representative, or any  
163.21 other person or organization aggrieved by an unfair labor practice as defined in Minnesota  
163.22 Statutes, section 179A.13.

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

163.24 **ARTICLE 12**  
163.25 **REFINERY SAFETY**

163.26 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

163.27 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
163.28 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
163.29 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
163.30 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.987, or with any rule  
163.31 promulgated under section 177.28. The commissioner shall issue an order requiring an

164.1 employer to comply with sections 177.41 to 177.435 or 181.987 if the violation is repeated.  
164.2 For purposes of this subdivision only, a violation is repeated if at any time during the two  
164.3 years that preceded the date of violation, the commissioner issued an order to the employer  
164.4 for violation of sections 177.41 to 177.435 or 181.987 and the order is final or the  
164.5 commissioner and the employer have entered into a settlement agreement that required the  
164.6 employer to pay back wages that were required by sections 177.41 to 177.435. The  
164.7 department shall serve the order upon the employer or the employer's authorized  
164.8 representative in person or by certified mail at the employer's place of business. An employer  
164.9 who wishes to contest the order must file written notice of objection to the order with the  
164.10 commissioner within 15 calendar days after being served with the order. A contested case  
164.11 proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15  
164.12 calendar days after being served with the order, the employer fails to file a written notice  
164.13 of objection with the commissioner, the order becomes a final order of the commissioner.

164.14 **EFFECTIVE DATE.** This section is effective October 15, 2022.

164.15 Sec. 2. **[181.987] USE OF SKILLED AND TRAINED CONTRACTOR**

164.16 **WORKFORCES AT PETROLEUM REFINERIES.**

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

164.19 (b) "Contractor" means a vendor that enters into or seeks to enter into a contract with  
164.20 an owner or operator of a petroleum refinery to perform construction, alteration, demolition,  
164.21 installation, repair, maintenance, or hazardous material handling work at the site of the  
164.22 petroleum refinery. Contractor includes all contractors or subcontractors of any tier  
164.23 performing work as described in this paragraph at the site of the petroleum refinery.  
164.24 Contractor does not include employees of the owner or operator of a petroleum refinery.

164.25 (c) "Registered apprenticeship program" means an apprenticeship program providing  
164.26 each trainee with combined classroom and on-the-job training under the direct and close  
164.27 supervision of a highly skilled worker in an occupation recognized as an apprenticeable  
164.28 occupation registered with the Department of Labor and Industry under chapter 178 or with  
164.29 the United States Department of Labor Office of Apprenticeship or a recognized state  
164.30 apprenticeship agency under Code of Federal Regulations, title 29, parts 29 and 30.

164.31 (d) "Skilled and trained workforce" means a workforce in which employees of the  
164.32 contractor or subcontractor of any tier working at the site of the petroleum refinery meet  
164.33 one of the following criteria:

165.1 (1) are currently registered as apprentices in a registered apprenticeship program in the  
165.2 applicable trade;

165.3 (2) have graduated from a registered apprenticeship program in the applicable trade; or

165.4 (3) have completed all of the classroom training and work hour requirements needed to  
165.5 graduate from the registered apprenticeship program their employer participates in.

165.6 (e) A contractor's workforce must meet the requirements of paragraph (d) according to  
165.7 the following schedule:

165.8 (1) 65 percent of the contractor's workforce by October 15, 2022;

165.9 (2) 75 percent of the contractor's workforce by October 15, 2023; and

165.10 (3) 85 percent of the contractor's workforce by October 15, 2024.

165.11 (f) "Petroleum refinery" means a facility engaged in producing gasoline, kerosene,  
165.12 distillate fuel oils, residual fuel oils, lubricants, or other products through distillation of  
165.13 petroleum or through redistillation, cracking, or reforming of unfinished petroleum  
165.14 derivatives.

165.15 (g) "Apprenticeable occupation" means any trade, form of employment, or occupation  
165.16 approved for apprenticeship by the United States secretary of labor or the commissioner of  
165.17 labor and industry.

165.18 (h) "Original equipment manufacturer" or "OEM" means an organization that  
165.19 manufactures or fabricates equipment for sale directly to purchasers or other resellers.

165.20 Subd. 2. **Use of contractors by owner, operator; requirement.** (a) An owner or operator  
165.21 of a petroleum refinery shall, when contracting with contractors for the performance of  
165.22 construction, alteration, demolition, installation, repair, maintenance, or hazardous material  
165.23 handling work at the site of the petroleum refinery, require that the contractors performing  
165.24 that work, and any subcontractors of any tier, use a skilled and trained workforce when  
165.25 performing all work at the site of the petroleum refinery.

165.26 (b) The requirement under this subdivision applies only when each contractor and  
165.27 subcontractor of any tier is performing work at the site of the petroleum refinery.

165.28 (c) This subdivision does not apply to contractors or subcontractors hired to perform  
165.29 OEM work necessary to comply with equipment warranty requirements.

165.30 Subd. 3. **Penalties.** The Division of Labor Standards shall receive complaints of violations  
165.31 of this section. The commissioner of labor and industry shall fine an owner, operator,  
165.32 contractor, or subcontractor of any tier not less than \$5,000 nor more than \$10,000 for each

166.1 violation of the requirements in this section. Each shift on which a violation of this section  
166.2 occurs shall be considered a separate violation. This penalty is in addition to any penalties  
166.3 provided under section 177.27, subdivision 7. In determining the amount of a civil penalty  
166.4 under this subdivision, the appropriateness of the penalty to the size of the violator's business  
166.5 and the gravity of the violation shall be considered.

166.6 Subd. 4. **Civil actions.** A person injured by a violation of this section may bring a civil  
166.7 action for damages against an owner or operator of a petroleum refinery. The court may  
166.8 award to a prevailing plaintiff under this subdivision damages, attorney fees, costs,  
166.9 disbursements, and any other appropriate relief as otherwise provided by law.

166.10 **EFFECTIVE DATE.** This section is effective October 15, 2022.

## 166.11 **ARTICLE 13**

### 166.12 **AGRICULTURAL WORKER WELLNESS**

166.13 Section 1. **[179.911] OMBUDSPERSON FOR THE SAFETY, HEALTH, AND**  
166.14 **WELL-BEING OF AGRICULTURAL AND FOOD PROCESSING WORKERS.**

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

166.17 (b) "Agricultural work" is defined broadly to include but is not limited to farming in all  
166.18 its branches including dairy work; field production, cultivation, growing, and harvesting of  
166.19 any agricultural or horticultural commodity; and raising livestock, bees, fur-bearing animals,  
166.20 and poultry.

166.21 (c) "Food processing" has the meaning given in section 181.635, subdivision 1, paragraph  
166.22 (d). For the purposes of this section and section 179.912, food processing also includes  
166.23 meatpacking and poultry processing.

166.24 Subd. 2. **Appointment.** The governor shall appoint an ombudsperson for the safety,  
166.25 health, and well-being of agricultural and food processing workers. The ombudsperson shall  
166.26 serve in the unclassified service to assist agricultural and food processing workers with  
166.27 housing, workplace safety, fair labor standards, and other challenges. The ombudsperson  
166.28 must be selected without regard to the person's political affiliation. The ombudsperson shall  
166.29 serve a term of four years, which may be renewed, and may be removed prior to the end of  
166.30 the term for just cause.

166.31 Subd. 3. **Qualifications.** The ombudsperson must be highly competent and qualified to  
166.32 analyze questions of law, administration, and public policy regarding the safety, health, and

167.1 well-being of agricultural and food processing workers. The ombudsperson must have  
167.2 knowledge and experience in the fields of workplace safety, housing, and fair labor standards.  
167.3 The ombudsperson must be familiar with governmental entities and their roles, interpretation  
167.4 of laws and regulations, record keeping, report writing, public speaking, and management.  
167.5 In addition, the ombudsperson must have experience working with agricultural and food  
167.6 processing workers and must be knowledgeable about the needs and experiences of those  
167.7 communities. No individual may serve as the ombudsperson for the safety, health, and  
167.8 well-being of agricultural and food processing workers while running for or holding any  
167.9 other public office. The ombudsperson must speak fluently in a language in addition to  
167.10 English that is commonly used by agricultural and food processing workers.

167.11 Subd. 4. **Duties.** (a) The ombudsperson's duties shall include but are not limited to the  
167.12 following:

167.13 (1) creating and collecting educational materials in relevant languages to orient  
167.14 agricultural and food processing workers about their rights under Minnesota laws and rules  
167.15 and state services available to them;

167.16 (2) outreach to agricultural and food processing stakeholders, including workers and  
167.17 employers, to inform them of the services of the office in order to support workers in  
167.18 navigating their concerns;

167.19 (3) acting as a member of the Minnesota Migrant Services Consortium and having a  
167.20 formal relationship with any other relevant and appropriate state committees, work groups,  
167.21 or task forces engaged in work related to agricultural and food processing workers;

167.22 (4) coordinating across state agencies to develop strategies to better assist agricultural  
167.23 and food processing workers;

167.24 (5) providing recommendations to state agencies for coordinated communication strategies  
167.25 to promote workplace safety, adequate housing, fair labor standards, and other issues for  
167.26 agricultural and food processing workers;

167.27 (6) offering accessible methods of contact, including telephone, text, and virtual  
167.28 communication platforms, to answer questions, receive complaints, and discuss agency  
167.29 actions with agricultural stakeholders; and

167.30 (7) addressing complaints and requests for assistance related to workplace safety, housing,  
167.31 labor standards, and other concerns by supporting agricultural stakeholders in navigating  
167.32 regulatory authorities.

168.1 (b) The ombudsperson must report to the commissioner annually by December 31 on  
168.2 the services provided by the ombudsperson to agricultural and food processing workers,  
168.3 including the number of stakeholders served and the activities of the ombudsperson in  
168.4 carrying out the duties under this section. The commissioner shall determine the form of  
168.5 the report and may specify additional reporting requirements.

168.6 Subd. 5. **Complaints.** The ombudsperson may receive a complaint from any source  
168.7 concerning an action of an agency, facility, or program. After completing a review, the  
168.8 ombudsperson shall inform the complainant, agency, facility, or program.

168.9 Subd. 6. **Access to records.** (a) The ombudsperson or designee, excluding volunteers,  
168.10 has access to any data of a state agency necessary for the discharge of the ombudsperson's  
168.11 duties, including records classified as confidential data on individuals or private data on  
168.12 individuals under chapter 13 or any other law. The ombudsperson's data request must relate  
168.13 to a specific case and is subject to section 13.03, subdivision 4. If the data concerns an  
168.14 individual, the ombudsperson or designee shall first obtain the individual's consent. If the  
168.15 individual is unable to consent and has no parent or legal guardian, the ombudsperson's or  
168.16 designee's access to the data is authorized by this section.

168.17 (b) The ombudsperson and designee must adhere to chapter 13 and must not disseminate  
168.18 any private or confidential data on individuals unless specifically authorized by state, local,  
168.19 or federal law or pursuant to a court order.

168.20 Subd. 7. **Staff support.** The ombudsperson may appoint and compensate out of available  
168.21 funds a confidential secretary in the unclassified service as authorized by law. The  
168.22 ombudsperson and the ombudsperson's full-time staff are members of the Minnesota State  
168.23 Retirement Association. The ombudsperson may delegate to staff members any authority  
168.24 or duties of the office, except the duty to provide reports to the governor, commissioner, or  
168.25 legislature.

168.26 Subd. 8. **Independence of action.** In carrying out the duties under this section, the  
168.27 ombudsperson may provide testimony to the legislature, make periodic reports to the  
168.28 legislature, and address areas of concern to agricultural and food processing workers.

168.29 Subd. 9. **Civil actions.** The ombudsperson and designees are not civilly liable for any  
168.30 action taken under this section if the action was taken in good faith, was within the scope  
168.31 of the ombudsperson's authority, and did not constitute willful or reckless misconduct.

168.32 Subd. 10. **Posting.** (a) The commissioners of labor and industry, employment and  
168.33 economic development, health, administration, and human rights shall post on their  
168.34 departments' websites the mailing address, e-mail address, and telephone number for the



169.1 ombudsperson's office. The commissioners shall provide agricultural stakeholders with the  
169.2 mailing address, e-mail address, and telephone number of the ombudsperson's office upon  
169.3 request. Departmental programs or contractors providing services to agricultural stakeholders  
169.4 must provide those stakeholders with the mailing address, e-mail address, and telephone  
169.5 number of the ombudsperson's office upon request.

169.6 (b) The ombudsperson must approve all postings and notices required by the departments  
169.7 and counties under this subdivision.

169.8 **Sec. 2. [179.912] AGRICULTURAL WORKER WELLNESS COMMITTEE.**

169.9 Subdivision 1. **Agricultural Worker Wellness Committee established.** The Agricultural  
169.10 Worker Wellness Committee is established to carry out the work of the committee established  
169.11 by the governor's Executive Order No. 21-14. The commissioner of labor and industry shall  
169.12 hire two full-time equivalent staff to support the committee.

169.13 Subd. 2. **Definitions.** For the purposes of this section:

169.14 (1) "food processing" and "agricultural work" have the meanings given under section  
169.15 179.911, subdivision 1; and

169.16 (2) "musculoskeletal disorders" includes carpal tunnel syndrome, tendinitis, rotator cuff  
169.17 injuries, trigger finger, epicondylitis, muscle strains, and lower back injuries.

169.18 Subd. 3. **Membership.** (a) The committee shall consist of up to 21 voting members who  
169.19 shall serve three-year terms including, at a minimum:

169.20 (1) the commissioners of labor and industry, employment and economic development,  
169.21 agriculture, health, and housing finance, or their designees; and

169.22 (2) the following members appointed by the governor:

169.23 (i) one representative from the Migrant Services Consortium;

169.24 (ii) three representatives of agricultural employers;

169.25 (iii) three at-large representatives from geographic regions of the state dependent on the  
169.26 agricultural sector;

169.27 (iv) three representatives of community-based organizations with expertise in agricultural  
169.28 workers and communities;

169.29 (v) three union representatives; and

169.30 (vi) three representatives of local public health.

170.1 (b) Other commissioners or their designees not named in paragraph (a), clause (1), may  
170.2 serve on the board as nonvoting members.

170.3 Subd. 4. **Membership terms; compensation.** (a) The governor shall make initial  
170.4 appointments to the board by October 1, 2022. Initial appointees shall serve staggered terms  
170.5 of three years or as determined by the secretary of state.

170.6 (b) Members shall be compensated as provided in section 15.0575, subdivision 3.

170.7 Subd. 5. **Chairs; other officers.** The commissioners of agriculture and labor and industry  
170.8 or their designees shall serve as co-chairs of the committee. The committee may elect other  
170.9 officers as necessary from its members.

170.10 Subd. 6. **Committee responsibilities.** The committee shall:

170.11 (1) analyze and recommend policies to address housing, workplace safety, including the  
170.12 reduction and prevention of musculoskeletal disorders, and fair labor issues faced by migrant,  
170.13 food processing, and meatpacking agricultural workers;

170.14 (2) serve as an ongoing forum for the stakeholder groups represented on the committee  
170.15 and coordinate state, local, and private partners' collaborative work to maintain a healthy  
170.16 and equitable agricultural and food processing industry which is foundational to Minnesota's  
170.17 economy; and

170.18 (3) coordinate and support pandemic response and public health and safety initiatives,  
170.19 including ergonomic hazard and risk prevention, as they affect agricultural and food  
170.20 processing workers in upcoming growing, harvesting, and processing seasons.

170.21 Subd. 7. **Central inventory of reports and analyses on agricultural and food**  
170.22 **processing workers.** Within available appropriations and in collaboration with stakeholders,  
170.23 the committee shall work to establish a central inventory of data reports and analyses  
170.24 regarding agricultural and food processing workers, including demographic information  
170.25 and definitions of agricultural and food processing workers to help policymakers in state  
170.26 and local government agencies, stakeholders, and the public to understand the population  
170.27 needs and assets and to advance state and local initiatives.

170.28 Subd. 8. **Report to legislature and governor.** The committee shall present to the  
170.29 governor and chairs and ranking minority members of the legislative committees with  
170.30 jurisdiction over labor and agriculture an annual work plan and report regarding its  
170.31 accomplishments. Measurements of success must include tracking:

170.32 (1) stakeholder engagement;

171.1 (2) efficient and effective response to a pandemic or other disruptions of growing,  
171.2 harvesting, and processing seasons;

171.3 (3) increased coordination among governmental, employer, and advocacy organizations  
171.4 connected to the agricultural and food processing industry; and

171.5 (4) advancement of recommendations that strengthen the industry, including but not  
171.6 limited to procedures to identify and eliminate ergonomic hazards and contributing risk  
171.7 factors.

## ARTICLE 14

### EARNED SICK AND SAFE TIME

171.10 Section 1. Minnesota Statutes 2020, section 181.942, subdivision 1, is amended to read:

171.11 Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence  
171.12 under section 181.941 is entitled to return to employment in the employee's former position  
171.13 or in a position of comparable duties, number of hours, and pay. An employee returning  
171.14 from a leave of absence longer than one month must notify a supervisor at least two weeks  
171.15 prior to return from leave. An employee returning from a leave under section 181.9412 or  
171.16 ~~181.9413~~ sections 181.9445 to 181.9448 is entitled to return to employment in the employee's  
171.17 former position.

171.18 (b) If, during a leave under sections 181.940 to 181.944, the employer experiences a  
171.19 layoff and the employee would have lost a position had the employee not been on leave,  
171.20 pursuant to the good faith operation of a bona fide layoff and recall system, including a  
171.21 system under a collective bargaining agreement, the employee is not entitled to reinstatement  
171.22 in the former or comparable position. In such circumstances, the employee retains all rights  
171.23 under the layoff and recall system, including a system under a collective bargaining  
171.24 agreement, as if the employee had not taken the leave.

171.25 Sec. 2. **[181.9445] DEFINITIONS.**

171.26 Subdivision 1. **Definitions.** For the purposes of section 177.50 and sections 181.9445  
171.27 to 181.9447, the terms defined in this section have the meanings given them.

171.28 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of labor and industry  
171.29 or authorized designee or representative.

171.30 Subd. 3. **Domestic abuse.** "Domestic abuse" has the meaning given in section 518B.01.

172.1 Subd. 4. **Earned sick and safe time.** "Earned sick and safe time" means leave, including  
172.2 paid time off and other paid leave systems, that is paid at the same hourly rate as an employee  
172.3 earns from employment that may be used for the same purposes and under the same  
172.4 conditions as provided under section 181.9447.

172.5 Subd. 5. **Employee.** "Employee" means any person who is employed by an employer,  
172.6 including temporary and part-time employees, who performs work for at least 80 hours in  
172.7 a year for that employer in Minnesota. Employee does not include:

172.8 (1) an independent contractor; or

172.9 (2) an individual employed by an air carrier as a flight deck or cabin crew member who  
172.10 is subject to United States Code, title 45, sections 181 to 188, and who is provided with  
172.11 paid leave equal to or exceeding the amounts in section 181.9446.

172.12 Subd. 6. **Employer.** "Employer" means a person who has one or more employees.  
172.13 Employer includes an individual, a corporation, a partnership, an association, a business  
172.14 trust, a nonprofit organization, a group of persons, a state, county, town, city, school district,  
172.15 or other governmental subdivision. In the event that a temporary employee is supplied by  
172.16 a staffing agency, absent a contractual agreement stating otherwise, that individual shall be  
172.17 an employee of the staffing agency for all purposes of section 177.50 and sections 181.9445  
172.18 to 181.9448.

172.19 Subd. 7. **Family member.** "Family member" means:

172.20 (1) an employee's:

172.21 (i) child, foster child, adult child, legal ward, or child for whom the employee is legal  
172.22 guardian;

172.23 (ii) spouse or registered domestic partner;

172.24 (iii) sibling, stepsibling, or foster sibling;

172.25 (iv) parent or stepparent;

172.26 (v) grandchild, foster grandchild, or stepgrandchild; or

172.27 (vi) grandparent or stepgrandparent;

172.28 (2) any of the family members listed in clause (1) of a spouse or registered domestic  
172.29 partner;

172.30 (3) any individual related by blood or affinity whose close association with the employee  
172.31 is the equivalent of a family relationship; and

173.1 (4) up to one individual annually designated by the employee.

173.2 Subd. 8. **Health care professional.** "Health care professional" means any person licensed  
173.3 under federal or state law to provide medical or emergency services, including doctors,  
173.4 physician assistants, nurses, and emergency room personnel.

173.5 Subd. 9. **Prevailing wage rate.** "Prevailing wage rate" has the meaning given in section  
173.6 177.42 and as calculated by the Department of Labor and Industry.

173.7 Subd. 10. **Retaliatory personnel action.** "Retaliatory personnel action" means:

173.8 (1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse  
173.9 employment action, including discipline, discharge, suspension, transfer, or reassignment  
173.10 to a lesser position in terms of job classification, job security, or other condition of  
173.11 employment; reduction in pay or hours or denial of additional hours; the accumulation of  
173.12 points under an attendance point system; informing another employer that the person has  
173.13 engaged in activities protected by this chapter; or reporting or threatening to report the actual  
173.14 or suspected citizenship or immigration status of an employee, former employee, or family  
173.15 member of an employee to a federal, state, or local agency; and

173.16 (2) interference with or punishment for participating in any manner in an investigation,  
173.17 proceeding, or hearing under this chapter.

173.18 Subd. 11. **Sexual assault.** "Sexual assault" means an act that constitutes a violation  
173.19 under sections 609.342 to 609.3453 or 609.352.

173.20 Subd. 12. **Stalking.** "Stalking" has the meaning given in section 609.749.

173.21 Subd. 13. **Year.** "Year" means a regular and consecutive 12-month period, as determined  
173.22 by an employer and clearly communicated to each employee of that employer.

173.23 Sec. 3. **[181.9446] ACCRUAL OF EARNED SICK AND SAFE TIME.**

173.24 (a) An employee accrues a minimum of one hour of earned sick and safe time for every  
173.25 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year.  
173.26 Employees may not accrue more than 48 hours of earned sick and safe time in a year unless  
173.27 the employer agrees to a higher amount.

173.28 (b) Employers must permit an employee to carry over accrued but unused sick and safe  
173.29 time into the following year. The total amount of accrued but unused earned sick and safe  
173.30 time for an employee must not exceed 80 hours at any time, unless an employer agrees to  
173.31 a higher amount.

174.1 (c) Employees who are exempt from overtime requirements under United States Code,  
174.2 title 29, section 213(a)(1), as amended through the effective date of this section, are deemed  
174.3 to work 40 hours in each workweek for purposes of accruing earned sick and safe time,  
174.4 except that an employee whose normal workweek is less than 40 hours will accrue earned  
174.5 sick and safe time based on the normal workweek.

174.6 (d) Earned sick and safe time under this section begins to accrue at the commencement  
174.7 of employment of the employee.

174.8 (e) Employees may use accrued earned sick and safe time beginning 90 calendar days  
174.9 after the day their employment commenced. After 90 days from the day employment  
174.10 commenced, employees may use earned sick and safe time as it is accrued. The  
174.11 90-calendar-day period under this paragraph includes both days worked and days not worked.

174.12 **Sec. 4. [181.9447] USE OF EARNED SICK AND SAFE TIME.**

174.13 Subdivision 1. **Eligible use.** An employee may use accrued earned sick and safe time  
174.14 for:

174.15 (1) an employee's:

174.16 (i) mental or physical illness, injury, or other health condition;

174.17 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,  
174.18 or health condition; or

174.19 (iii) need for preventive medical or health care;

174.20 (2) care of a family member:

174.21 (i) with a mental or physical illness, injury, or other health condition;

174.22 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,  
174.23 injury, or other health condition; or

174.24 (iii) who needs preventive medical or health care;

174.25 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or  
174.26 employee's family member, provided the absence is to:

174.27 (i) seek medical attention related to physical or psychological injury or disability caused  
174.28 by domestic abuse, sexual assault, or stalking;

174.29 (ii) obtain services from a victim services organization;

174.30 (iii) obtain psychological or other counseling;

175.1 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or

175.2 (v) seek legal advice or take legal action, including preparing for or participating in any  
175.3 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,  
175.4 or stalking;

175.5 (4) closure of the employee's place of business due to weather or other public emergency  
175.6 or an employee's need to care for a family member whose school or place of care has been  
175.7 closed due to weather or other public emergency; and

175.8 (5) when it has been determined by the health authorities having jurisdiction or by a  
175.9 health care professional that the presence of the employee or family member of the employee  
175.10 in the community would jeopardize the health of others because of the exposure of the  
175.11 employee or family member of the employee to a communicable disease, whether or not  
175.12 the employee or family member has actually contracted the communicable disease.

175.13 Subd. 2. **Notice.** An employer may require notice of the need for use of earned sick and  
175.14 safe time as provided in this paragraph. If the need for use is foreseeable, an employer may  
175.15 require advance notice of the intention to use earned sick and safe time but must not require  
175.16 more than seven days' advance notice. If the need is unforeseeable, an employer may require  
175.17 an employee to give notice of the need for earned sick and safe time as soon as practicable.

175.18 Subd. 3. **Documentation.** When an employee uses earned sick and safe time for more  
175.19 than three consecutive days, an employer may require reasonable documentation that the  
175.20 earned sick and safe time is covered by subdivision 1. For earned sick and safe time under  
175.21 subdivision 1, clauses (1) and (2), reasonable documentation may include a signed statement  
175.22 by a health care professional indicating the need for use of earned sick and safe time. For  
175.23 earned sick and safe time under subdivision 1, clause (3), an employer must accept a court  
175.24 record or documentation signed by a volunteer or employee of a victims services organization,  
175.25 an attorney, a police officer, or an antiviolence counselor as reasonable documentation. An  
175.26 employer must not require disclosure of details relating to domestic abuse, sexual assault,  
175.27 or stalking or the details of an employee's or an employee's family member's medical  
175.28 condition as related to an employee's request to use earned sick and safe time under this  
175.29 section.

175.30 Subd. 4. **Replacement worker.** An employer may not require, as a condition of an  
175.31 employee using earned sick and safe time, that the employee seek or find a replacement  
175.32 worker to cover the hours the employee uses as earned sick and safe time.

176.1 Subd. 5. **Increment of time used.** Earned sick and safe time may be used in the smallest  
176.2 increment of time tracked by the employer's payroll system, provided such increment is not  
176.3 more than four hours.

176.4 Subd. 6. **Retaliation prohibited.** An employer shall not take retaliatory personnel action  
176.5 against an employee because the employee has requested earned sick and safe time, used  
176.6 earned sick and safe time, requested a statement of accrued sick and safe time, or made a  
176.7 complaint or filed an action to enforce a right to earned sick and safe time under this section.

176.8 Subd. 7. **Reinstatement to comparable position after leave.** An employee returning  
176.9 from a leave under this section is entitled to return to employment in a comparable position.  
176.10 If, during a leave under this section, the employer experiences a layoff and the employee  
176.11 would have lost a position had the employee not been on leave, pursuant to the good faith  
176.12 operation of a bona fide layoff and recall system, including a system under a collective  
176.13 bargaining agreement, the employee is not entitled to reinstatement in the former or  
176.14 comparable position. In such circumstances, the employee retains all rights under the layoff  
176.15 and recall system, including a system under a collective bargaining agreement, as if the  
176.16 employee had not taken the leave.

176.17 Subd. 8. **Pay and benefits after leave.** An employee returning from a leave under this  
176.18 section is entitled to return to employment at the same rate of pay the employee had been  
176.19 receiving when the leave commenced, plus any automatic adjustments in the employee's  
176.20 pay scale that occurred during the leave period. The employee returning from a leave is  
176.21 entitled to retain all accrued preleave benefits of employment and seniority as if there had  
176.22 been no interruption in service, provided that nothing under this section prevents the accrual  
176.23 of benefits or seniority during the leave pursuant to a collective bargaining or other agreement  
176.24 between the employer and employees.

176.25 Subd. 9. **Part-time return from leave.** An employee, by agreement with the employer,  
176.26 may return to work part time during the leave period without forfeiting the right to return  
176.27 to employment at the end of the leave, as provided under this section.

176.28 Subd. 10. **Notice and posting by employer.** (a) Employers must give notice to all  
176.29 employees that they are entitled to earned sick and safe time, including the amount of earned  
176.30 sick and safe time, the accrual year for the employee, and the terms of its use under this  
176.31 section; that retaliation against employees who request or use earned sick and safe time is  
176.32 prohibited; and that each employee has the right to file a complaint or bring a civil action  
176.33 if earned sick and safe time is denied by the employer or the employee is retaliated against  
176.34 for requesting or using earned sick and safe time.



177.1 (b) Employers must supply employees with a notice in English and other appropriate  
177.2 languages that contains the information required in paragraph (a) at commencement of  
177.3 employment or the effective date of this section, whichever is later.

177.4 (c) The means used by the employer must be at least as effective as the following options  
177.5 for providing notice:

177.6 (1) posting a copy of the notice at each location where employees perform work and  
177.7 where the notice must be readily observed and easily reviewed by all employees performing  
177.8 work; or

177.9 (2) providing a paper or electronic copy of the notice to employees.

177.10 The notice must contain all information required under paragraph (a). The commissioner  
177.11 shall create and make available to employers a poster and a model notice that contains the  
177.12 information required under paragraph (a) for their use in complying with this section.

177.13 (d) An employer that provides an employee handbook to its employees must include in  
177.14 the handbook notice of employee rights and remedies under this section.

177.15 Subd. 11. **Required statement to employee.** (a) Upon request of the employee, the  
177.16 employer must provide, in writing or electronically, current information stating the  
177.17 employee's amount of:

177.18 (1) earned sick and safe time available to the employee; and

177.19 (2) used earned sick and safe time.

177.20 (b) Employers may choose a reasonable system for providing the information in paragraph  
177.21 (a), including but not limited to listing information on each pay stub or developing an online  
177.22 system where employees can access their own information.

177.23 Subd. 12. **Employer records.** (a) Employers shall retain accurate records documenting  
177.24 hours worked by employees and earned sick and safe time taken and comply with all  
177.25 requirements under section 177.30.

177.26 (b) An employer must allow an employee to inspect records required by this section and  
177.27 relating to that employee at a reasonable time and place.

177.28 Subd. 13. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section,  
177.29 an employer possesses:

177.30 (1) health or medical information regarding an employee or an employee's family  
177.31 member;

178.1 (2) information pertaining to domestic abuse, sexual assault, or stalking;

178.2 (3) information that the employee has requested or obtained leave under this section; or

178.3 (4) any written or oral statement, documentation, record, or corroborating evidence

178.4 provided by the employee or an employee's family member, the employer must treat such

178.5 information as confidential.

178.6 Information given by an employee may only be disclosed by an employer if the disclosure

178.7 is requested or consented to by the employee, when ordered by a court or administrative

178.8 agency, or when otherwise required by federal or state law.

178.9 (b) Records and documents relating to medical certifications, recertifications, or medical

178.10 histories of employees or family members of employees created for purposes of section

178.11 177.50 or sections 181.9445 to 181.9448 must be maintained as confidential medical records

178.12 separate from the usual personnel files. At the request of the employee, the employer must

178.13 destroy or return the records required by sections 181.9445 to 181.9448 that are older than

178.14 three years prior to the current calendar year.

178.15 (c) Employers may not discriminate against any employee based on records created for

178.16 the purposes of section 177.50 or sections 181.9445 to 181.9448.

178.17 **Sec. 5. [181.9448] EFFECT ON OTHER LAW OR POLICY.**

178.18 **Subdivision 1. No effect on more generous sick and safe time policies.** (a) Nothing

178.19 in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting

178.20 or retaining earned sick and safe time policies that meet or exceed, and do not otherwise

178.21 conflict with, the minimum standards and requirements provided in sections 181.9445 to

178.22 181.9447.

178.23 (b) Nothing in sections 181.9445 to 181.9447 shall be construed to limit the right of

178.24 parties to a collective bargaining agreement to bargain and agree with respect to earned sick

178.25 and safe time policies or to diminish the obligation of an employer to comply with any

178.26 contract, collective bargaining agreement, or any employment benefit program or plan that

178.27 meets or exceeds, and does not otherwise conflict with, the minimum standards and

178.28 requirements provided in this section.

178.29 (c) Employers who provide earned sick and safe time to their employees under a paid

178.30 time off policy or other paid leave policy that meets or exceeds, and does not otherwise

178.31 conflict with, the minimum standards and requirements provided in sections 181.9445 to

178.32 181.9448 are not required to provide additional earned sick and safe time.

179.1 (d) An employer may opt to satisfy the requirements of sections 181.9445 to 181.9448  
179.2 for construction industry employees by:

179.3 (1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated  
179.4 by the Department of Labor and Industry; or

179.5 (2) paying at least the required rate established in a registered apprenticeship agreement  
179.6 for apprentices registered with the Department of Labor and Industry.

179.7 An employer electing this option is deemed to be in compliance with sections 181.9445 to  
179.8 181.9448 for construction industry employees who receive either at least the prevailing  
179.9 wage rate or the rate required in the applicable apprenticeship agreement regardless of  
179.10 whether the employees are working on private or public projects.

179.11 (e) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a policy  
179.12 whereby employees may donate unused accrued sick and safe time to another employee.

179.13 (f) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick and  
179.14 safe time to an employee before accrual by the employee.

179.15 Subd. 2. **Termination; separation; transfer.** Sections 181.9445 to 181.9448 do not  
179.16 require financial or other reimbursement to an employee from an employer upon the  
179.17 employee's termination, resignation, retirement, or other separation from employment for  
179.18 accrued earned sick and safe time that has not been used. If an employee is transferred to  
179.19 a separate division, entity, or location, but remains employed by the same employer, the  
179.20 employee is entitled to all earned sick and safe time accrued at the prior division, entity, or  
179.21 location and is entitled to use all earned sick and safe time as provided in sections 181.9445  
179.22 to 181.9448. When there is a separation from employment and the employee is rehired  
179.23 within 180 days of separation by the same employer, previously accrued earned sick and  
179.24 safe time that had not been used must be reinstated. An employee is entitled to use accrued  
179.25 earned sick and safe time and accrue additional earned sick and safe time at the  
179.26 commencement of reemployment.

179.27 Subd. 3. **Employer succession.** (a) When a different employer succeeds or takes the  
179.28 place of an existing employer, all employees of the original employer who remain employed  
179.29 by the successor employer are entitled to all earned sick and safe time accrued but not used  
179.30 when employed by the original employer, and are entitled to use all earned sick and safe  
179.31 time previously accrued but not used.

179.32 (b) If, at the time of transfer of the business, employees are terminated by the original  
179.33 employer and hired within 30 days by the successor employer following the transfer, those

180.1 employees are entitled to all earned sick and safe time accrued but not used when employed  
180.2 by the original employer, and are entitled to use all earned sick and safe time previously  
180.3 accrued but not used.

180.4 Sec. 6. **REPEALER.**

180.5 Minnesota Statutes 2020, section 181.9413, is repealed.

180.6 Sec. 7. **EFFECTIVE DATE.**

180.7 This article is effective 180 days following final enactment.

180.8 **ARTICLE 15**

180.9 **EARNED SICK AND SAFE TIME ENFORCEMENT**

180.10 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 2, is amended to read:

180.11 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer  
180.12 of employees working in the state to submit to the commissioner photocopies, certified  
180.13 copies, or, if necessary, the originals of employment records which the commissioner deems  
180.14 necessary or appropriate. The records which may be required include full and correct  
180.15 statements in writing, including sworn statements by the employer, containing information  
180.16 relating to wages, hours, names, addresses, and any other information pertaining to the  
180.17 employer's employees and the conditions of their employment as the commissioner deems  
180.18 necessary or appropriate.

180.19 The commissioner may require the records to be submitted by certified mail delivery  
180.20 or, if necessary, by personal delivery by the employer or a representative of the employer,  
180.21 as authorized by the employer in writing.

180.22 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit  
180.23 or deliver records as required by this section, ~~and up to \$5,000 for each repeated failure.~~  
180.24 This penalty is in addition to any penalties provided under section 177.32, subdivision 1.  
180.25 In determining the amount of a civil penalty under this subdivision, the appropriateness of  
180.26 such penalty to the size of the employer's business and the gravity of the violation shall be  
180.27 considered.

180.28 Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

180.29 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
180.30 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,

181.1 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
181.2 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445 to 181.9448, or  
181.3 with any rule promulgated under section 177.28. The commissioner shall issue an order  
181.4 requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated.  
181.5 For purposes of this subdivision only, a violation is repeated if at any time during the two  
181.6 years that preceded the date of violation, the commissioner issued an order to the employer  
181.7 for violation of sections 177.41 to 177.435 and the order is final or the commissioner and  
181.8 the employer have entered into a settlement agreement that required the employer to pay  
181.9 back wages that were required by sections 177.41 to 177.435. The department shall serve  
181.10 the order upon the employer or the employer's authorized representative in person or by  
181.11 certified mail at the employer's place of business. An employer who wishes to contest the  
181.12 order must file written notice of objection to the order with the commissioner within 15  
181.13 calendar days after being served with the order. A contested case proceeding must then be  
181.14 held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being  
181.15 served with the order, the employer fails to file a written notice of objection with the  
181.16 commissioner, the order becomes a final order of the commissioner.

181.17 Sec. 3. Minnesota Statutes 2020, section 177.27, subdivision 7, is amended to read:

181.18 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have  
181.19 violated a section identified in subdivision 4, or any rule adopted under section 177.28, and  
181.20 the commissioner issues an order to comply, the commissioner shall order the employer to  
181.21 cease and desist from engaging in the violative practice and to take such affirmative steps  
181.22 that in the judgment of the commissioner will effectuate the purposes of the section or rule  
181.23 violated. The commissioner shall order the employer to pay to the aggrieved parties back  
181.24 pay, gratuities, and compensatory damages, less any amount actually paid to the employee  
181.25 by the employer, and for an additional equal amount as liquidated damages. Any employer  
181.26 who is found by the commissioner to have repeatedly or willfully violated a section or  
181.27 sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000  
181.28 for each violation for each employee. In determining the amount of a civil penalty under  
181.29 this subdivision, the appropriateness of such penalty to the size of the employer's business  
181.30 and the gravity of the violation shall be considered. In addition, the commissioner may order  
181.31 the employer to reimburse the department and the attorney general for all appropriate  
181.32 litigation and hearing costs expended in preparation for and in conducting the contested  
181.33 case proceeding, unless payment of costs would impose extreme financial hardship on the  
181.34 employer. If the employer is able to establish extreme financial hardship, then the  
181.35 commissioner may order the employer to pay a percentage of the total costs that will not

182.1 cause extreme financial hardship. Costs include but are not limited to the costs of services  
182.2 rendered by the attorney general, private attorneys if engaged by the department,  
182.3 administrative law judges, court reporters, and expert witnesses as well as the cost of  
182.4 transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's  
182.5 order from the date the order is signed by the commissioner until it is paid, at an annual rate  
182.6 provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish  
182.7 escrow accounts for purposes of distributing damages.

182.8 Sec. 4. **[177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.**

182.9 Subdivision 1. **Definitions.** The definitions in section 181.9445 apply to this section.

182.10 Subd. 2. **Rulemaking authority.** The commissioner may adopt rules to carry out the  
182.11 purposes of this section and sections 181.9445 to 181.9448.

182.12 Subd. 3. **Individual remedies.** In addition to any other remedies provided by law, a  
182.13 person injured by a violation of sections 181.9445 to 181.9448 may bring a civil action to  
182.14 recover general and special damages, along with costs, fees, and reasonable attorney fees,  
182.15 and may receive injunctive and other equitable relief as determined by a court. An action  
182.16 to recover damages under this subdivision must be commenced within three years of the  
182.17 violation of sections 181.9445 to 181.9448 that caused the injury to the employee.

182.18 Subd. 4. **Grants to community organizations.** The commissioner may make grants to  
182.19 community organizations for the purpose of outreach to and education for employees  
182.20 regarding their rights under sections 181.9445 to 181.9448. The community-based  
182.21 organizations must be selected based on their experience, capacity, and relationships in  
182.22 high-violation industries. The work under such a grant may include the creation and  
182.23 administration of a statewide worker hotline.

182.24 Subd. 5. **Report to legislature.** (a) The commissioner must submit an annual report to  
182.25 the legislature, including to the chairs and ranking minority members of any relevant  
182.26 legislative committee. The report must include but is not limited to:

182.27 (1) a list of all violations of sections 181.9445 to 181.9448, including the employer  
182.28 involved, and the nature of any violations; and

182.29 (2) an analysis of noncompliance with sections 181.9445 to 181.9448, including any  
182.30 patterns by employer, industry, or county.

182.31 (b) A report under this section must not include an employee's name or other identifying  
182.32 information, any health or medical information regarding an employee or an employee's

183.1 family member, or any information pertaining to domestic abuse, sexual assault, or stalking  
183.2 of an employee or an employee's family member.

183.3 Subd. 6. **Contract for labor or services.** It is the responsibility of all employers to not  
183.4 enter into any contract or agreement for labor or services where the employer has any actual  
183.5 knowledge or knowledge arising from familiarity with the normal facts and circumstances  
183.6 of the business activity engaged in, or has any additional facts or information that, taken  
183.7 together, would make a reasonably prudent person undertake to inquire whether, taken  
183.8 together, the contractor is not complying or has failed to comply with this section. For  
183.9 purposes of this subdivision, "actual knowledge" means information obtained by the employer  
183.10 that the contractor has violated this section within the past two years and has failed to present  
183.11 the employer with credible evidence that such noncompliance has been cured going forward.

183.12 **EFFECTIVE DATE.** This section is effective 180 days after final enactment.

## 183.13 **ARTICLE 16**

### 183.14 **WAREHOUSE DISTRIBUTION WORKER SAFETY**

183.15 Section 1. **[182.6526] WAREHOUSE DISTRIBUTION WORKER SAFETY.**

183.16 Subdivision 1. **Definitions.** (a) The terms defined in this subdivision have the meanings  
183.17 given them.

183.18 (b) "Commissioner" means the commissioner of labor and industry.

183.19 (c) "Employee" means a nonexempt employee who works at a warehouse distribution  
183.20 center.

183.21 (d) "Employee work speed data" means information an employer collects, stores, analyzes,  
183.22 or interprets relating to an individual employee's or group of employees' pace of work,  
183.23 including but not limited to quantities of tasks performed, quantities of items or materials  
183.24 handled or produced, rates or speeds of tasks performed, measurements or metrics of  
183.25 employee performance in relation to a quota, and time categorized as performing tasks or  
183.26 not performing tasks.

183.27 (e) "Employer" means a person who directly or indirectly, or through an agent or any  
183.28 other person, including through the services of a third-party employer, temporary service,  
183.29 or staffing agency or similar entity, employs or exercises control over the wages, hours, or  
183.30 working conditions of 250 or more employees at a single warehouse distribution center or  
183.31 1,000 or more employees at one or more warehouse distribution centers in the state. For  
183.32 purposes of this paragraph, all employees of an employer's unitary business, as that term is

184.1 defined in section 290.17, subdivision 4, shall be counted in determining the number of  
184.2 employees employed at a single warehouse distribution center or at one or more warehouse  
184.3 distribution centers in the state.

184.4 (f) "Warehouse distribution center" means an establishment as defined by any of the  
184.5 following North American Industry Classification System (NAICS) codes:

184.6 (1) 493110 for General Warehousing and Storage;

184.7 (2) 423 for Merchant Wholesalers, Durable Goods;

184.8 (3) 424 for Merchant Wholesalers, Nondurable Goods;

184.9 (4) 454110 for Electronic Shopping and Mail-Order Houses; and

184.10 (5) 492110 for Couriers and Express Delivery Services.

184.11 (g) "Quota" means a work standard under which:

184.12 (1) an employee or group of employees is assigned or required to perform at a specified  
184.13 productivity speed, or perform a quantified number of tasks, or handle or produce a quantified  
184.14 amount of material, or perform without a certain number of errors or defects, as measured  
184.15 at the individual or group level within a defined time period; or

184.16 (2) an employee's actions are categorized between time performing tasks and not  
184.17 performing tasks, and the employee's failure to complete a task performance standard or  
184.18 recommendation may have an adverse impact on the employee's continued employment.

184.19 Subd. 2. **Notice required.** (a) Each employer shall provide to each employee a written  
184.20 description of each quota to which the employee is subject and how it is measured, including  
184.21 the quantified number of tasks to be performed or materials to be produced or handled or  
184.22 the limit on time categorized as not performing tasks, within the defined time period, and  
184.23 any potential adverse employment action that could result from failure to meet the quota.

184.24 (b) The written description must be understandable in plain language and in the  
184.25 employee's language of preference.

184.26 (c) The written description must be provided:

184.27 (1) upon hire or within 30 days of the effective date of this section; and

184.28 (2) no fewer than two working days prior to the effective date of any modification of  
184.29 existing quotas.

184.30 (d) An employer shall not take adverse employment action against an employee for  
184.31 failure to meet a quota that has not been disclosed to the employee.



185.1 Subd. 3. **Breaks.** An employee shall not be required to meet a quota that prevents  
185.2 compliance with meal or rest or prayer periods, use of restroom facilities, including  
185.3 reasonable travel time to and from restroom facilities as provided under section 177.253,  
185.4 subdivision 1, or occupational health and safety standards under this chapter or Minnesota  
185.5 Rules, chapter 5205. An employer shall not take adverse employment action against an  
185.6 employee for failure to meet a quota that does not allow a worker to comply with meal or  
185.7 rest or prayer periods, or occupational health and safety standards under this chapter.

185.8 Subd. 4. **Work speed data.** (a) Employees have the right to request orally or in writing  
185.9 from any supervisor, and the employer shall provide within 72 hours, a written description  
185.10 of each quota to which the employee is subject and a copy of the most recent 90 days of the  
185.11 employee's own personal work speed data. The written description of each quota must meet  
185.12 the requirements of subdivision 2, paragraph (b), and the employee work speed data must  
185.13 be provided in a manner understandable to the employee. An employee can make a request  
185.14 under this paragraph no more than four times per year.

185.15 (b) If an employer disciplines an employee for failure to meet a quota, the employer  
185.16 must, at the time of discipline, provide the employee with a written copy of the most recent  
185.17 90 days of the employee's own personal work speed data. If an employer dismisses an  
185.18 employee for any reason, they must, at the time of firing, provide the employee with a  
185.19 written copy of the most recent 90 days of the employee's own personal work speed data.  
185.20 An employer shall not retaliate against an employee for requesting data under this  
185.21 subdivision.

185.22 Subd. 5. **High rates of injury.** If a particular work site or employer is found to have an  
185.23 employee incidence rate in a given year, based on data reported to the federal Occupational  
185.24 Safety and Health Administration, of at least 30 percent higher than that year's average  
185.25 incidence rate for the relevant NAICS code's nonfatal occupational injuries and illnesses  
185.26 by industry and case types, released by the United States Bureau of Labor Statistics, the  
185.27 commissioner shall open an investigation of violations under this section. The employer  
185.28 must also hold its safety committee meetings as provided under section 182.676 monthly  
185.29 until, for two consecutive years, the work site or employer does not have an employee  
185.30 incidence rate 30 percent higher than the average yearly incidence rate for the relevant  
185.31 NAICS code.

185.32 Subd. 6. **Enforcement.** (a) Subdivision 2, paragraphs (a) to (c), subdivision 4, and  
185.33 subdivision 5 shall be enforced by the commissioner under sections 182.66, 182.661, and  
185.34 182.669. A violation of this section is subject to the penalties provided under sections  
185.35 182.666 and 182.669.

186.1 (b) A current or former employee aggrieved by a violation of this section may bring a  
 186.2 civil cause of action for damages and injunctive relief to obtain compliance with this section,  
 186.3 may receive other equitable relief as determined by a court, including reinstatement with  
 186.4 back pay, and may, upon prevailing in the action, recover costs and reasonable attorney  
 186.5 fees in that action. A cause of action under this section must be commenced within one year  
 186.6 of the date of injury.

186.7 (c) Nothing in this section shall be construed to prevent local enforcement of occupational  
 186.8 health and safety standards that are more restrictive than this section.

186.9 **Sec. 2. SEVERABILITY.**

186.10 If any provision of this act or the application thereof to any person or circumstance is  
 186.11 held invalid, the invalidity does not affect other provisions or applications of the act which  
 186.12 can be given effect without the invalid provision or application.

186.13 **ARTICLE 17**

186.14 **COMMERCE APPROPRIATIONS**

186.15 **Section 1. APPROPRIATIONS.**

186.16 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
 186.17 and for the purposes specified in this article. The appropriations are from the general fund,  
 186.18 or another named fund, and are available for the fiscal years indicated for each purpose.  
 186.19 The figures "2022" and "2023" used in this article mean that the appropriations listed under  
 186.20 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

186.21			<b><u>APPROPRIATIONS</u></b>	
186.22			<b><u>Available for the Year</u></b>	
186.23			<b><u>Ending June 30</u></b>	
186.24			<b><u>2022</u></b>	<b><u>2023</u></b>
186.25	Sec. 2. <b><u>DEPARTMENT OF COMMERCE</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 66,341,000</u></b>

186.26 (a) \$4,000,000 in fiscal year 2023 is for  
 186.27 deposit in the solar on public buildings grant  
 186.28 program account for the grant program  
 186.29 described in Minnesota Statutes, section  
 186.30 216C.377. This appropriation may not be used  
 186.31 to provide grants to public buildings located  
 186.32 within the electric service area of the electric  
 186.33 utility subject to Minnesota Statutes, section

187.1 116C.779. This is a onetime appropriation and  
187.2 remains available until June 30, 2025.

187.3 (b) \$30,000,000 in fiscal year 2023 is to  
187.4 provide grants to community action agencies  
187.5 and other agencies to weatherize residences  
187.6 and to install preweatherization measures in  
187.7 residential buildings occupied by eligible  
187.8 low-income households, as provided under  
187.9 Minnesota Statutes, sections 216B.2403,  
187.10 subdivision 5; 216B.241, subdivision 7; and  
187.11 216C.264. Of this amount:

187.12 (1) up to ten percent may be used to  
187.13 supplement utility spending on  
187.14 preweatherization measures as part of a  
187.15 low-income conservation program; and

187.16 (2) up to ten percent may be used to:

187.17 (i) recruit and train energy auditors and  
187.18 installers of weatherization assistance services;  
187.19 and

187.20 (ii) provide financial incentives to contractors  
187.21 and workers who install weatherization  
187.22 assistance services.

187.23 The base in fiscal year 2024 is \$15,000,000  
187.24 and the base in fiscal year 2025 is  
187.25 \$15,000,000.

187.26 For the purposes of this paragraph:

187.27 (A) "low-income conservation program"  
187.28 means a utility program that offers energy  
187.29 conservation services to low-income  
187.30 households as part of the utility's energy  
187.31 conservation and optimization plan under  
187.32 Minnesota Statutes, section 216B.2403,  
187.33 subdivision 5, or 216B.241, subdivision 7;

- 188.1 (B) "preweatherization measure" has the  
188.2 meaning given in Minnesota Statutes, section  
188.3 216B.2402, subdivision 20;
- 188.4 (C) "weatherization assistance program"  
188.5 means the federal program described in Code  
188.6 of Federal Regulations, title 10, part 440 et  
188.7 seq., designed to assist low-income households  
188.8 to reduce energy use in a cost-effective  
188.9 manner; and
- 188.10 (D) "weatherization assistance services" means  
188.11 the energy conservation measures installed in  
188.12 households under the weatherization assistance  
188.13 program and under utility low-income  
188.14 conservation programs.
- 188.15 (c) \$2,195,000 in fiscal year 2023 is for  
188.16 residential electric panel upgrade grants under  
188.17 Minnesota Statutes, section 216C.45, and to  
188.18 pay the reasonable costs incurred by the  
188.19 department to administer Minnesota Statutes,  
188.20 section 216C.45. This is a onetime  
188.21 appropriation and is available until June 30,  
188.22 2025.
- 188.23 (d) \$500,000 in fiscal year 2023 is to award  
188.24 grants to auto dealers to seek certification from  
188.25 electric vehicle manufacturers to sell electric  
188.26 vehicles under Minnesota Statutes, section  
188.27 216C.402. This is a onetime appropriation and  
188.28 is available until June 30, 2025.
- 188.29 (e) \$3,000,000 in fiscal year 2023 is for grants  
188.30 under the solar for schools program  
188.31 established in Minnesota Statutes, section  
188.32 216C.375. This is a onetime appropriation and  
188.33 is available until June 30, 2025.

- 189.1 (f) \$10,000,000 in fiscal year 2023 is for  
189.2 deposit in the state competitiveness account  
189.3 established in Minnesota Statutes, section  
189.4 216C.391, to leverage federal formula and  
189.5 competitive funds for energy-related  
189.6 infrastructure and clean energy investments  
189.7 in Minnesota. This is a onetime appropriation  
189.8 and is available until June 30, 2034.
- 189.9 (g) \$5,000,000 in fiscal year 2023 is for grants  
189.10 from the energy alley start-up fund established  
189.11 in Minnesota Statutes, section 216C.46, to  
189.12 businesses developing decarbonization  
189.13 technologies. This is a onetime appropriation  
189.14 and is available until June 30, 2025.
- 189.15 (h) \$500,000 in fiscal year 2023 is to install a  
189.16 network of electric vehicle charging stations  
189.17 in public parking facilities in county  
189.18 government centers. This is a onetime  
189.19 appropriation and is available until June 30,  
189.20 2025.
- 189.21 (i) \$531,000 in fiscal year 2023 is to develop  
189.22 an energy benchmarking program under which  
189.23 building owners report the energy use of  
189.24 certain types of buildings under Minnesota  
189.25 Statutes, section 216C.331. This is a onetime  
189.26 appropriation and is available until June 30,  
189.27 2024.
- 189.28 (j) \$109,000 in fiscal year 2023 is for  
189.29 participation in customer disputes before the  
189.30 Minnesota Public Utilities Commission under  
189.31 the consumer dispute process established in  
189.32 Minnesota Statutes, section 216B.172.

190.1 (k) \$35,000 in fiscal year 2023 is to participate  
190.2 in the participant compensation process under  
190.3 Minnesota Statutes, section 216B.631.

190.4 (l) \$10,000,000 in fiscal year 2023 is for a  
190.5 grant to the Minnesota Innovation Finance  
190.6 Authority for organizational start-up costs and  
190.7 for the purposes of Minnesota Statutes, section  
190.8 216C.441. The commissioner of commerce is  
190.9 the fiscal agent for the grant and shall establish  
190.10 reporting requirements with respect to  
190.11 activities and expenditures of the authority.  
190.12 This is a onetime appropriation and is  
190.13 available until June 30, 2025.

190.14 (m) \$141,000 in fiscal year 2023 is for  
190.15 participation in proceedings of the Minnesota  
190.16 Public Utilities Commission regarding energy  
190.17 storage systems under Minnesota Statutes,  
190.18 sections 216B.1616 and 216C.378.

190.19 (n) \$70,000 in fiscal year 2023 is for  
190.20 participation in Minnesota Public Utilities  
190.21 Commission proceedings regarding utility  
190.22 transportation electrification plans under  
190.23 Minnesota Statutes, section 216B.1615.

190.24 (o) \$225,000 in fiscal year 2023 is for  
190.25 participation in proceedings of the Minnesota  
190.26 Public Utilities Commission regarding the  
190.27 issuance of extraordinary event natural gas  
190.28 utility bonds under Minnesota Statutes,  
190.29 sections 216B.491 to 216B.499.

190.30 (p) \$35,000 in fiscal year 2023 is for  
190.31 participation in proceedings of the Minnesota  
190.32 Public Utilities Commission regarding utility  
190.33 programs to deploy electric school buses under  
190.34 Minnesota Statutes, section 216B.1617.

191.1	<b>Sec. 3. <u>PUBLIC UTILITIES COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>637,000</u></b>
191.2	<u>(a) \$234,000 in fiscal year 2023 is to</u>				
191.3	<u>administer the customer dispute process</u>				
191.4	<u>established in Minnesota Statutes, section</u>				
191.5	<u>216B.172. The base for this appropriation in</u>				
191.6	<u>fiscal year 2024 and thereafter is \$228,000.</u>				
191.7	<u>(b) \$32,000 in fiscal year 2023 is to administer</u>				
191.8	<u>the participant compensation process under</u>				
191.9	<u>Minnesota Statutes, section 216B.631.</u>				
191.10	<u>(c) \$135,000 in fiscal year 2023 is for</u>				
191.11	<u>commission proceedings regarding energy</u>				
191.12	<u>storage systems under Minnesota Statutes,</u>				
191.13	<u>sections 216B.1616 and 216C.378.</u>				
191.14	<u>(d) \$32,000 is for the commission's review of</u>				
191.15	<u>utility transportation electrification plans under</u>				
191.16	<u>Minnesota Statutes, section 216B.1615.</u>				
191.17	<u>(e) \$32,000 is for the commission's review of</u>				
191.18	<u>utility electric school bus deployment</u>				
191.19	<u>programs under Minnesota Statutes, section</u>				
191.20	<u>216B.1617.</u>				
191.21	<u>(f) \$172,000 is for the commission's</u>				
191.22	<u>contracting with consultants with expertise in</u>				
191.23	<u>securitized utilities customer-backed bond</u>				
191.24	<u>financing under Minnesota Statutes, section</u>				
191.25	<u>216B.494.</u>				
191.26	<b>Sec. 4. <u>DEPARTMENT OF EMPLOYMENT</u></b>				
191.27	<b><u>AND ECONOMIC DEVELOPMENT</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>2,500,000</u></b>
191.28	<u>(a) \$500,000 in fiscal year 2023 is to the</u>				
191.29	<u>commissioner of employment and economic</u>				
191.30	<u>development for a grant to Unidos MN</u>				
191.31	<u>Education Fund and the New Justice Project</u>				
191.32	<u>MN to address employment and economic</u>				
191.33	<u>disparities for people of color, immigrant</u>				
191.34	<u>communities, and low-income unemployed or</u>				

192.1 underemployed individuals. The money must  
192.2 be used to support preapprenticeship and  
192.3 workforce training, career development,  
192.4 worker rights training, employment placement  
192.5 and entrepreneurship support, related support  
192.6 services, and the development of transferable  
192.7 skills in high-demand fields related to  
192.8 construction, clean energy, and energy  
192.9 efficiency. Of this amount, 50 percent is for a  
192.10 grant to Unidos MN Education Fund and 50  
192.11 percent is for a grant to the New Justice  
192.12 Project MN. This is a onetime appropriation  
192.13 and is available until June 30, 2025.

192.14 (b) \$2,000,000 in fiscal year 2023 is to the  
192.15 commissioner of employment and economic  
192.16 development for the community energy  
192.17 transition grant program under Minnesota  
192.18 Statutes, section 116J.55. This is a onetime  
192.19 appropriation and is available until June 30,  
192.20 2025.

192.21 **Sec. 5. POLLUTION CONTROL AGENCY     \$                     -0- \$                     3,300,000**

192.22 (a) \$300,000 in fiscal year 2023 is to the  
192.23 commissioner of the Pollution Control Agency  
192.24 for a report describing potential strategies to  
192.25 reduce statewide greenhouse gas emissions in  
192.26 order to comply with the state's greenhouse  
192.27 gas emissions reduction goals established in  
192.28 Minnesota Statutes, section 216H.02,  
192.29 subdivision 1, and the 2030 emissions  
192.30 reduction goal established by the United States  
192.31 under the United Nations Framework  
192.32 Convention on Climate Change, also known  
192.33 as the Paris Agreement. This is a onetime  
192.34 appropriation and is available until June 30,  
192.35 2024.



193.1 (b) \$3,000,000 in fiscal year 2023 is to the  
 193.2 commissioner of the Pollution Control Agency  
 193.3 to award grants to political subdivisions to  
 193.4 encourage the formation of organizations and  
 193.5 plans to reduce contributions to and mitigate  
 193.6 the impacts of climate change. This is a  
 193.7 onetime appropriation and is available until  
 193.8 June 30, 2024.

193.9	Sec. 6. <b><u>DEPARTMENT OF NATURAL</u></b>			
193.10	<b><u>RESOURCES</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>
				<b><u>4,100,000</u></b>

193.11 \$4,100,000 in fiscal year 2023 is to the  
 193.12 commissioner of natural resources for funding  
 193.13 the installation of electric vehicle charging  
 193.14 stations in public parking facilities located in  
 193.15 state and regional parks. This is a onetime  
 193.16 appropriation and is available until June 30,  
 193.17 2025.

193.18	Sec. 7. <b><u>DEPARTMENT OF</u></b>			
193.19	<b><u>TRANSPORTATION</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>
				<b><u>2,181,000</u></b>

193.20 (a) Notwithstanding any other law to the  
 193.21 contrary, including any law prohibiting the  
 193.22 servicing of vehicles or the conduct of private  
 193.23 business on the right-of-way of a trunk  
 193.24 highway, \$2,100,000 in fiscal year 2023 is to  
 193.25 the commissioner of transportation for funding  
 193.26 the installation of electric vehicle charging  
 193.27 stations at highway safety rest areas. The  
 193.28 charging stations may be free or fee-based.  
 193.29 This is a onetime appropriation and is  
 193.30 available until June 30, 2025.

193.31 (b) \$81,000 in fiscal year 2023 is to the  
 193.32 commissioner of transportation for  
 193.33 administrative work on the Buy Clean Task  
 193.34 Force to advise the commissioner of  
 193.35 administration on developing environmental

194.1 standards for state purchases of asphalt paving  
 194.2 materials. This is a onetime appropriation and  
 194.3 is available until June 30, 2024.

194.4 **Sec. 8. DEPARTMENT OF LABOR AND**  
 194.5 **INDUSTRY** **\$** **-0-** **\$** **279,000**

194.6 (a) \$133,000 in fiscal year 2023 is to the  
 194.7 commissioner of labor and industry for  
 194.8 modifying the State Building Code to address  
 194.9 needs for electric vehicle charging in parking  
 194.10 facilities in new commercial and multifamily  
 194.11 buildings that provide on-site parking, as  
 194.12 described in Minnesota Statutes, section  
 194.13 326B.103. This is a onetime appropriation and  
 194.14 is available until June 30, 2024.

194.15 (b) \$146,000 in fiscal year 2023 is to the  
 194.16 commissioner of labor and industry to  
 194.17 implement new commercial energy codes, as  
 194.18 described in Minnesota Statutes, section  
 194.19 326B.106, subdivision 1. This is a onetime  
 194.20 appropriation and is available until June 30,  
 194.21 2025.

194.22 **Sec. 9. DEPARTMENT OF**  
 194.23 **ADMINISTRATION** **\$** **-0-** **\$** **914,000**

194.24 (a) \$314,000 in fiscal year 2023 is to the  
 194.25 commissioner of administration to staff a task  
 194.26 force to advise the commissioner on  
 194.27 developing environmental standards for the  
 194.28 state's procurement of certain building  
 194.29 materials. This is a onetime appropriation and  
 194.30 is available until June 30, 2024.

194.31 (b) \$600,000 in fiscal year 2023 is for the  
 194.32 commissioner of administration to contract  
 194.33 with the Board of Regents of the University  
 194.34 of Minnesota for a grant to the Institute on the  
 194.35 Environment to conduct research examining

- 195.1 how projections of future weather trends may  
195.2 exacerbate conditions such as drought,  
195.3 elevated temperatures, and flooding that:
- 195.4 (1) can be integrated into the design and  
195.5 evaluation of buildings constructed by the state  
195.6 of Minnesota and local units of government  
195.7 so as to:
- 195.8 (i) reduce energy costs by deploying  
195.9 cost-effective energy efficiency measures,  
195.10 innovative construction materials and  
195.11 techniques, and renewable energy sources;  
195.12 and
- 195.13 (ii) prevent and minimize damage to buildings  
195.14 caused by extreme weather conditions,  
195.15 including but not limited to increased  
195.16 frequency of intense precipitation events and  
195.17 tornadoes, flooding, and elevated  
195.18 temperatures; and
- 195.19 (2) may weaken the ability of natural systems  
195.20 to mitigate those conditions to the point where  
195.21 human intervention in the form of building or  
195.22 redesigning the scale and operation of  
195.23 infrastructure is required to address those  
195.24 conditions in order to:
- 195.25 (i) maintain and increase the amount and  
195.26 quality of food and wood production;  
195.27 (ii) reduce fire risk on forested land;  
195.28 (iii) maintain and enhance water quality; and  
195.29 (iv) maintain and enhance natural habitats.
- 195.30 The contract must provide that, no later than  
195.31 February 1, 2025, the director of the Institute  
195.32 on the Environment, or the director's designee,  
195.33 submit a written report to the chairs and

196.1 ranking minority members of the legislative  
 196.2 committees with primary jurisdiction over  
 196.3 environment policy and capital investment  
 196.4 summarizing the findings and  
 196.5 recommendations of the research, including  
 196.6 any recommendations for policy changes or  
 196.7 other legislation. This is a onetime  
 196.8 appropriation and is available until June 30,  
 196.9 2024.

196.10 **Sec. 10. UNIVERSITY OF MINNESOTA                    \$                    -0- \$                    1,000,000**

196.11 \$1,000,000 in fiscal year 2023 is to the Board  
 196.12 of Regents of the University of Minnesota for  
 196.13 a program in the University of Minnesota  
 196.14 Extension Service that will enhance the  
 196.15 capacity of the state's agricultural sector, land  
 196.16 and resource managers, and communities to  
 196.17 plan for and adapt to weather extremes like  
 196.18 droughts and floods. This appropriation shall  
 196.19 be used to support existing extension service  
 196.20 staff members and to hire additional staff  
 196.21 members for a program with broad geographic  
 196.22 reach throughout the state. The program shall:  
 196.23 (1) identify, develop, implement, and evaluate  
 196.24 educational programs that increase the  
 196.25 capacity of Minnesota's agricultural sector,  
 196.26 land and resource managers, and communities  
 196.27 to adapt and be prepared for projected physical  
 196.28 changes in temperature, precipitation, and  
 196.29 other weather parameters that affect crops,  
 196.30 lands, horticulture, pests, and wildlife in ways  
 196.31 that present challenges to the state's  
 196.32 agricultural sector and the communities that  
 196.33 depend on it; and

196.34 (2) communicate and interpret the latest  
 196.35 research on critical weather trends and the

197.1 science behind them to further prepare  
 197.2 extension service staff throughout the state to  
 197.3 educate the agricultural sector, land and  
 197.4 resource managers, and community members  
 197.5 at the local level regarding technical  
 197.6 information on water resource management,  
 197.7 agriculture and forestry, engineering and  
 197.8 infrastructure design, and emergency  
 197.9 management that is necessary for the  
 197.10 development of strategies to mitigate the  
 197.11 effects of extreme weather change. This is a  
 197.12 onetime appropriation and is available until  
 197.13 June 30, 2025.

**ARTICLE 18**

**RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**

197.16 Section 1. **APPROPRIATIONS.**

197.17 (a) The sums shown in the columns marked "Appropriations" are appropriated to the  
 197.18 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,  
 197.19 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable  
 197.20 development account in the special revenue fund established in Minnesota Statutes, section  
 197.21 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.  
 197.22 The figures "2022" and "2023" used in this article mean that the appropriations listed under  
 197.23 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

197.24 (b) If an appropriation in this article is enacted more than once in the 2022 regular or  
 197.25 special legislative session, the appropriation must be given effect only once.

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

**2022**                      **2023**

197.30 Sec. 2. **DEPARTMENT OF COMMERCE**                      \$                      **-0-** \$                      **42,221,000**

197.31 (a) \$5,000,000 in fiscal year 2023 is to operate  
 197.32 the grants for renewable integration and  
 197.33 demonstration program under Minnesota  
 197.34 Statutes, section 216C.47, to award grants to

- 198.1 businesses to develop decarbonization  
198.2 technologies for commercialization.
- 198.3 (b) \$4,000,000 in fiscal year 2023 is to  
198.4 implement a program that awards grants to  
198.5 upgrade electrical panels in single-family and  
198.6 multifamily residences under Minnesota  
198.7 Statutes, section 216C.45. This is a onetime  
198.8 appropriation and is available until June 30,  
198.9 2025.
- 198.10 (c) \$3,000,000 in fiscal year 2023 is for  
198.11 deposit in a contingency fund for disbursement  
198.12 to the owner of a solar energy generating  
198.13 system installed on land on the former Ford  
198.14 Motor Company in St. Paul known as Area C.  
198.15 Disbursement under this paragraph must occur  
198.16 only if the Pollution Control Agency requires  
198.17 actions to be taken to remediate contaminated  
198.18 land at the site that requires the solar energy  
198.19 generating system to be removed while  
198.20 remediation takes place, as provided in  
198.21 Minnesota Statutes, section 116C.7793. This  
198.22 is a onetime appropriation.
- 198.23 (d) \$6,500,000 in fiscal year 2023 is for a  
198.24 grant to the Independent School District No.  
198.25 11, Anoka-Hennepin, to construct a  
198.26 geothermal energy system at the Sorteberg  
198.27 Early Childhood Center that uses the constant  
198.28 temperature of the earth, in conjunction with  
198.29 a heat pump, new HVAC system, and new  
198.30 boilers, to provide space heating and cooling  
198.31 to the building. This is a onetime appropriation  
198.32 and is available until December 31, 2025.
- 198.33 (e) The base for fiscal year 2024 is \$531,000  
198.34 to implement an energy benchmarking  
198.35 program under which building owners report

- 199.1 certain types of buildings' annual energy use  
199.2 under Minnesota Statutes, section 216C.331.  
199.3 The base in fiscal year 2025 and thereafter is  
199.4 \$431,000.
- 199.5 (f) \$500,000 in fiscal year 2023 is to install a  
199.6 network of electric vehicle charging stations  
199.7 in public parking facilities located in county  
199.8 government centers. This is a onetime  
199.9 appropriation and is available until June 30,  
199.10 2025. This appropriation may be expended  
199.11 only in county government centers located  
199.12 within the electric service area of the public  
199.13 utility subject to Minnesota Statutes, section  
199.14 116C.779.
- 199.15 (g) \$5,000,000 in fiscal year 2023 is to be  
199.16 withheld by the public utility subject to  
199.17 Minnesota Statutes, section 116C.779, from  
199.18 deposit in the renewable development account,  
199.19 as provided in Minnesota Statutes, section  
199.20 116C.7792, for a financial incentive to install  
199.21 solar energy generating systems under  
199.22 Minnesota Statutes, section 116C.7792. The  
199.23 amount to be withheld for this purpose in  
199.24 fiscal year 2024 is \$5,000,000 and in fiscal  
199.25 year 2025 is \$10,000,000.
- 199.26 (h) \$4,000,000 in fiscal year 2023 is for a  
199.27 financial incentive for the installation of  
199.28 energy storage systems under Minnesota  
199.29 Statutes, section 216C.378.
- 199.30 (i) \$4,000,000 in fiscal year 2023 is for the  
199.31 solar on public buildings grant program  
199.32 described under Minnesota Statutes, section  
199.33 216C.377. The appropriation must be used to  
199.34 provide grants to public buildings located  
199.35 within the electric service area of the electric

200.1 utility subject to Minnesota Statutes, section  
200.2 116C.779. The base in fiscal year 2024 and  
200.3 thereafter is \$2,000,000.

200.4 (j) \$10,000,000 in fiscal year 2023 is for  
200.5 deposit in the state competitiveness account  
200.6 established in Minnesota Statutes, section  
200.7 216C.391, to leverage federal formula and  
200.8 competitive funds for energy-related  
200.9 infrastructure and clean energy investments  
200.10 in Minnesota. This appropriation must be used  
200.11 to obtain federal funds that benefit Minnesota  
200.12 ratepayers receiving electric service from the  
200.13 utility that owns a nuclear-powered electric  
200.14 generating plant in Minnesota, the Prairie  
200.15 Island Indian community, or Prairie Island  
200.16 Indian community members. This is a onetime  
200.17 appropriation and is available until June 30,  
200.18 2034.

200.19 (k) \$221,000 in fiscal year 2023 is for  
200.20 participation in proceedings of the Minnesota  
200.21 Public Utilities Commission regarding energy  
200.22 storage systems under Minnesota Statutes,  
200.23 sections 216B.1616 and 216C.378.

200.24 Sec. 3. **METROPOLITAN COUNCIL**                    **\$**                    **-0-** **\$**                    **3,000,000**

200.25 \$3,000,000 in fiscal year 2023 is for the  
200.26 Metropolitan Council to purchase buses that  
200.27 operate solely on electric propulsion provided  
200.28 by electric motors and rechargeable on-board  
200.29 batteries. This is a onetime appropriation and  
200.30 is available until June 30, 2025.



ARTICLE 19

ENERGY CONSERVATION

201.1  
201.2  
201.3 Section 1. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision  
201.4 to read:

201.5 Subd. 1a. **State supplementary weatherization grants account.** (a) A state  
201.6 supplementary weatherization grants account is established as a separate account in the  
201.7 special revenue fund in the state treasury. The commissioner must credit appropriations and  
201.8 transfers to the account. Earnings, such as interest, dividends, and any other earnings arising  
201.9 from assets of the account, must be credited to the account. Money remaining in the account  
201.10 at the end of a fiscal year does not cancel to the general fund, but remains in the account  
201.11 until expended. The commissioner must manage the account.

201.12 (b) Money in the account is appropriated to the commissioner for the purposes of  
201.13 subdivision 5.

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

201.15 Sec. 2. Minnesota Statutes 2020, section 216C.264, subdivision 5, is amended to read:

201.16 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state  
201.17 grants in a manner consistent with the goal of producing the maximum number of weatherized  
201.18 units. Supplementary state grants ~~are provided primarily for the payment of~~ may be used  
201.19 for the following purposes:

201.20 (1) to address physical deficiencies in a residence that increase heat loss, including  
201.21 deficiencies that prohibit the residence from being eligible to receive federal weatherization  
201.22 assistance;

201.23 (2) to install preweatherization measures, as defined in section 216B.2402, subdivision  
201.24 20, established by the commissioner under section 216B.241, subdivision 7, paragraph (g);

201.25 (3) to increase the number of weatherized residences;

201.26 (4) to conduct outreach activities to make income-eligible households aware of the  
201.27 weatherization services available to income-eligible households, to assist applicants to fill  
201.28 out applications for weatherization assistance, and to provide translation services where  
201.29 necessary;

201.30 (5) to enable projects in multifamily buildings to proceed even if projects cannot comply  
201.31 with the federal requirement that projects must be completed within the same federal fiscal  
201.32 year in which the project begins;

202.1 (6) to address shortages of workers trained to provide weatherization services, including  
202.2 expanding training opportunities in existing and new training programs;

202.3 (7) to support the operation of the weatherization training program under section  
202.4 216C.2641;

202.5 (8) to pay additional labor costs for the federal weatherization program; and

202.6 (9) as an incentive for the increased production of weatherized units.

202.7 (b) Criteria for the allocation of state grants to local agencies include existing local  
202.8 agency production levels, emergency needs, and the potential for maintaining or increasing  
202.9 acceptable levels of production in the area.

202.10 (c) An eligible local agency may receive advance funding for 90 days' production, but  
202.11 thereafter must receive grants solely on the basis of program criteria.

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

202.13 **Sec. 3. [216C.2641] WEATHERIZATION TRAINING GRANT PROGRAM.**

202.14 **Subdivision 1. Establishment.** The commissioner of commerce must establish a  
202.15 weatherization training grant program to award grants to train workers for careers in the  
202.16 weatherization industry.

202.17 **Subd. 2. Grants.** (a) The commissioner must award grants through a competitive grant  
202.18 process.

202.19 (b) An eligible entity under paragraph (c) seeking a grant under this section must submit  
202.20 a written application to the commissioner, using a form developed by the commissioner.

202.21 (c) Grants may be awarded under this section only to:

202.22 (1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United  
202.23 States Internal Revenue Code;

202.24 (2) a labor organization, as defined in section 179.01, subdivision 6; or

202.25 (3) a job training center or educational institution that the commissioner of commerce  
202.26 determines has the ability to train workers for weatherization careers.

202.27 (d) Grant funds must be used to pay costs associated with training workers for careers  
202.28 in the weatherization industry, including related supplies, materials, instruction, and  
202.29 infrastructure.

203.1 (e) When awarding grants under this section, the commissioner must give priority to  
203.2 applications that provide the highest quality training to prepare trainees for weatherization  
203.3 employment opportunities that meet technical standards and certifications developed by the  
203.4 Building Performance Institute, Inc. or the Standard Work Specifications developed by the  
203.5 United States Department of Energy for the federal Weatherization Assistance Program.

203.6 Subd. 3. **Reports.** By January 15, 2024, and each January 15 thereafter, the commissioner  
203.7 must submit a report to the chairs and ranking minority members of the senate and house  
203.8 of representatives committees with jurisdiction over energy policy that details the use of  
203.9 grant funds under this section, including data on the number of trainees trained and the  
203.10 career progress of trainees supported by prior grants.

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

203.12 Sec. 4. **[216C.331] ENERGY BENCHMARKING.**

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

203.15 (b) "Benchmark" means to electronically input into a benchmarking tool the total energy  
203.16 use data and other descriptive information about a building that is required by a benchmarking  
203.17 tool.

203.18 (c) "Benchmarking information" means data related to a building's energy use generated  
203.19 by a benchmarking tool and other information about the building's physical and operational  
203.20 characteristics. Benchmarking information includes but is not limited to the building's:

203.21 (1) address;

203.22 (2) owner and, if applicable, the building manager responsible for operating the building's  
203.23 physical systems;

203.24 (3) total floor area, expressed in square feet;

203.25 (4) energy use intensity;

203.26 (5) greenhouse gas emissions; and

203.27 (6) energy performance score comparing the building's energy use with that of similar  
203.28 buildings.

203.29 (d) "Benchmarking tool" means the United States Environmental Protection Agency's  
203.30 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

- 204.1 (e) "Covered property" means a building whose total floor area is equal to or greater  
204.2 than 50,000 square feet. Covered property does not include:
- 204.3 (1) a residential property containing fewer than five dwelling units;  
204.4 (2) a property classified as mining or manufacturing under the North American Industrial  
204.5 Classification System (NAICS); or
- 204.6 (3) other property types that do not meet the purposes of this section, as determined by  
204.7 the commissioner.
- 204.8 (f) "Energy" means electricity, natural gas, steam, or another product used to (1) provide  
204.9 heating, cooling, lighting, or water heating, or (2) power other end uses in a building.
- 204.10 (g) "Energy audit" has the meaning given in section 216C.435, subdivision 4.
- 204.11 (h) "Energy intensity" means the total annual energy consumed in a building divided by  
204.12 the building's total floor area.
- 204.13 (i) "Energy performance score" means a numerical value from one to 100 that the Energy  
204.14 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of  
204.15 comparable buildings nationwide.
- 204.16 (j) "Energy Star Portfolio Manager" means an interactive resource management tool  
204.17 developed by the United States Environmental Protection Agency that (1) enables the  
204.18 periodic entry of a building's energy use data and other descriptive information about a  
204.19 building, and (2) rates a building's energy efficiency against that of comparable buildings  
204.20 nationwide.
- 204.21 (k) "Financial distress" means a covered property that, at the time benchmarking is  
204.22 conducted:
- 204.23 (1) is the subject of a qualified tax lien sale or public auction due to property tax  
204.24 arrears;
- 204.25 (2) is controlled by a court-appointed receiver based on financial distress;  
204.26 (3) is owned by a financial institution through default by the borrower;  
204.27 (4) has been acquired by deed in lieu of foreclosure; or  
204.28 (5) has a senior mortgage that is subject to a notice of default.
- 204.29 (l) "Owner" means (1) an individual or entity that possesses title to a covered property,  
204.30 or (2) an agent authorized to act on behalf of the covered property owner.

205.1 (m) "Total floor area" means the sum of gross square footage inside a building's envelope,  
205.2 measured between the outside exterior walls of the building. Total floor area includes covered  
205.3 parking structures.

205.4 Subd. 2. **Establishment.** A building energy benchmarking program is established in the  
205.5 department. The purpose of the program is to:

205.6 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's  
205.7 energy consumption levels and patterns, and (ii) how the building's energy use compares  
205.8 with that of similar buildings nationwide; and

205.9 (2) enhance the likelihood that owners adopt energy conservation measures in the owners'  
205.10 buildings as a way to reduce energy use, operating costs, and greenhouse gas emissions.

205.11 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered  
205.12 property is classified as follows:

205.13	<u>Class</u>	<u>Total Floor Area (sq. ft.)</u>
205.14	<u>1</u>	<u>150,000 or more</u>
205.15	<u>2</u>	<u>100,000 to 149,999</u>
205.16	<u>3</u>	<u>75,000 to 99,999</u>
205.17	<u>4</u>	<u>50,000 to 74,999</u>

205.18 Subd. 4. **Benchmarking requirement.** (a) In conformity with the schedule in subdivision  
205.19 6, an owner must annually benchmark all covered property owned as of December 31 during  
205.20 the previous calendar year. Energy use data must be compiled by:

205.21 (1) obtaining the data from the utility providing the energy; or

205.22 (2) reading a master meter.

205.23 (b) Before entering information in a benchmarking tool, an owner must run all automated  
205.24 data quality assurance functions available within the benchmarking tool and must correct  
205.25 all missing or incorrect data identified.

205.26 (c) An owner who becomes aware that any information entered into a benchmarking  
205.27 tool is inaccurate or incomplete must amend the information in the benchmarking tool within  
205.28 30 days of the date the owner learned of the inaccuracy.

205.29 Subd. 5. **Exemption.** (a) The commissioner may exempt an owner from the requirements  
205.30 of subdivision 4 for a covered property if the owner provides evidence satisfying the  
205.31 commissioner that the covered property:

205.32 (1) is presently experiencing financial distress;

206.1 (2) has been less than 50 percent occupied during the previous calendar year;

206.2 (3) does not have a certificate of occupancy or temporary certificate of occupancy for  
206.3 the full previous calendar year;

206.4 (4) was issued a demolition permit during the previous calendar year that remains current;

206.5 (5) received no energy services for at least 30 days during the previous calendar year;

206.6 or

206.7 (6) is participating in a benchmarking program operated by a city or other political  
206.8 subdivision that the commissioner determines is equivalent to the benchmarking program  
206.9 established in this section.

206.10 (b) An exemption granted under this subdivision applies only to a single calendar year.  
206.11 An owner must reapply to the commissioner each year an extension is sought.

206.12 (c) Within 30 days of the date an owner makes a request under this paragraph, each  
206.13 tenant of a covered property subject to this section must provide the owner with any  
206.14 information regarding energy use of the tenant's rental unit that the property owner cannot  
206.15 otherwise obtain and that is needed by the owner to comply with this section. The tenant  
206.16 must provide the information required under this paragraph in a format approved by the  
206.17 commissioner.

206.18 Subd. 6. **Benchmarking schedule.** An owner must annually benchmark each covered  
206.19 property for the previous calendar year according to the following schedule:

206.20 (1) all Class 1 properties by June 1, 2023, and by every June 1 thereafter;

206.21 (2) all Class 2 properties by June 1, 2024, and by every June 1 thereafter;

206.22 (3) all Class 3 properties by June 1, 2025, and by every June 1 thereafter; and

206.23 (4) all Class 4 properties by June 1, 2026, and by every June 1 thereafter.

206.24 Subd. 7. **Energy audit.** (a) The commissioner must notify in writing an owner of a  
206.25 building whose energy performance score is 25 or lower or whose calculated energy intensity  
206.26 is among the highest 25 percent compared to similar building types within the building's  
206.27 class, as determined by the commissioner, that, except as provided in paragraph (c), the  
206.28 owner is required to contract for an energy audit of the building no later than one year after  
206.29 the notice is issued, unless the commissioner extends the deadline.

206.30 (b) The commissioner must award a grant to an owner who completes an energy audit  
206.31 after receiving notice under this subdivision. The grant amount must be the lower of \$2,000

207.1 or 50 percent of the cost of the audit. An owner must not receive more than one grant under  
207.2 this subdivision.

207.3 (c) If a building owner that receives notice under this subdivision submits evidence to  
207.4 the commissioner's satisfaction that an energy audit of the building that is the subject of the  
207.5 notice was conducted within the previous five years, the owner is exempt from the  
207.6 requirement to conduct an energy audit.

207.7 Subd. 8. **Data collection and management.** (a) The commissioner must:

207.8 (1) collect benchmarking information generated by a benchmarking tool and other related  
207.9 information for each covered property;

207.10 (2) provide technical assistance to owners entering data into a benchmarking tool; and

207.11 (3) collaborate with utilities regarding the provision of energy use information to owners  
207.12 and tenants to enable owners to comply with this section.

207.13 (b) A utility must comply with a request from the commissioner to provide to the  
207.14 commissioner or to an owner energy use information that is needed to effectively operate  
207.15 the energy benchmarking program.

207.16 (c) The commissioner must:

207.17 (1) rank benchmarked covered properties in each property class from highest to lowest  
207.18 performance score, or, if a performance score is unavailable for a covered property, from  
207.19 lowest to highest energy use intensity;

207.20 (2) divide covered properties in each property class into four quartiles based on the  
207.21 applicable measure in clause (1);

207.22 (3) assign four stars to each covered property in the quartile of each property class with  
207.23 the highest performance scores or lowest energy use intensities, as applicable;

207.24 (4) assign three stars to each covered property in the quartile of each property class with  
207.25 the second highest performance scores or second lowest energy use intensities, as applicable;

207.26 (5) assign two stars to each covered property in the quartile of each property class with  
207.27 the third highest performance scores or third lowest energy use intensities, as applicable;

207.28 (6) assign one star to each covered property in the quartile of each property class with  
207.29 the lowest performance scores or highest energy use intensities, as applicable; and

207.30 (7) serve notice in writing to each owner identifying the number of stars assigned the  
207.31 commissioner to each of the owner's covered properties.

208.1 Subd. 9. **Data disclosure to public.** (a) The commissioner must post on the department's  
208.2 website and update annually the following information for the previous calendar year:

208.3 (1) annual summary statistics on energy use for all covered properties in Minnesota;

208.4 (2) annual summary statistics on energy use for all covered properties, aggregated by

208.5 (i) covered property class, as defined in subdivision 3, (ii) city, and (iii) county;

208.6 (3) the percentage of covered properties in each building class listed in subdivision 3

208.7 that are in compliance with the benchmarking requirements under subdivisions 4 to 6; and

208.8 (4) for each covered property, at a minimum, the total energy use, energy use per square

208.9 foot of total floor area, annual greenhouse gas emissions, and an energy performance score,

208.10 if available.

208.11 (b) The commissioner must post the information required under this subdivision for each

208.12 class of covered property beginning one year after the date the initial benchmarking

208.13 submission is made by the owner under the schedule in subdivision 6.

208.14 Subd. 10. **Building performance disclosure to potential tenants.** An owner must, on

208.15 any application provided to a potential tenant seeking to rent a unit in a covered property,

208.16 include the following language in a 12-point or larger font on the first page of the application:

208.17 "This building has received a [insert number of stars assigned to the building by the

208.18 commissioner under subdivision 8, paragraph (c)] star rating of the building's energy

208.19 efficiency from the Minnesota Department of Commerce, where four stars represents the

208.20 most energy efficient buildings and one star represents the least energy efficient buildings."

208.21 Subd. 11. **Notifications.** (a) By March 1 each year, the commissioner must notify the

208.22 owner of each covered property required to benchmark for the previous calendar year of

208.23 the requirement to benchmark by June 1 of that year.

208.24 (b) By July 15 each year, the commissioner must notify the owner of each covered

208.25 property required to benchmark for the previous calendar year that failed to benchmark that

208.26 the owner has 30 days to comply with the benchmarking requirement.

208.27 Subd. 12. **Program implementation.** The commissioner may contract with an

208.28 independent third party to implement any or all of the duties the commissioner is required

208.29 to perform under subdivisions 2 to 10.

208.30 Subd. 13. **Enforcement.** If the commissioner determines that an owner has failed to

208.31 benchmark in a timely, complete, and accurate fashion as required under this section, the

208.32 commissioner may impose on the owner a civil fine of up to \$1,000. Each day that the owner

208.33 fails to benchmark to the satisfaction of the commissioner for each covered property owned



209.1 by the owner may be deemed a separate offense and the commissioner may impose a separate  
209.2 civil penalty.

209.3 Subd. 14. Rules. The commissioner is authorized to adopt rules under chapter 14 to  
209.4 implement this section.

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

209.6 Sec. 5. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

209.7 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections  
209.8 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the  
209.9 Construction Codes Advisory Council establish a code of standards for the construction,  
209.10 reconstruction, alteration, and repair of buildings, governing matters of structural materials,  
209.11 design and construction, fire protection, health, sanitation, and safety, including design and  
209.12 construction standards regarding heat loss control, illumination, and climate control. The  
209.13 code must also include duties and responsibilities for code administration, including  
209.14 procedures for administrative action, penalties, and suspension and revocation of certification.  
209.15 The code must conform insofar as practicable to model building codes generally accepted  
209.16 and in use throughout the United States, including a code for building conservation. In the  
209.17 preparation of the code, consideration must be given to the existing statewide specialty  
209.18 codes presently in use in the state. Model codes with necessary modifications and statewide  
209.19 specialty codes may be adopted by reference. The code must be based on the application  
209.20 of scientific principles, approved tests, and professional judgment. To the extent possible,  
209.21 the code must be adopted in terms of desired results instead of the means of achieving those  
209.22 results, avoiding wherever possible the incorporation of specifications of particular methods  
209.23 or materials. To that end the code must encourage the use of new methods and new materials.  
209.24 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall  
209.25 administer and enforce the provisions of those sections.

209.26 (b) The commissioner shall develop rules addressing the plan review fee assessed to  
209.27 similar buildings without significant modifications including provisions for use of building  
209.28 systems as specified in the industrial/modular program specified in section 326B.194.  
209.29 Additional plan review fees associated with similar plans must be based on costs  
209.30 commensurate with the direct and indirect costs of the service.

209.31 (c) Beginning with the 2018 edition of the model building codes and every six years  
209.32 thereafter, the commissioner shall review the new model building codes and adopt the model  
209.33 codes as amended for use in Minnesota, within two years of the published edition date. The  
209.34 commissioner may adopt amendments to the building codes prior to the adoption of the

210.1 new building codes to advance construction methods, technology, or materials, or, where  
210.2 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency  
210.3 or the use of a building.

210.4 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model  
210.5 residential energy code and the new model commercial energy code in accordance with  
210.6 federal law for which the United States Department of Energy has issued an affirmative  
210.7 determination in compliance with United States Code, title 42, section 6833. A municipality  
210.8 may adopt the most recently published new model commercial energy code ASHRAE 90.1  
210.9 until a more energy efficient code is adopted by the commissioner. A municipality may not  
210.10 amend or otherwise change any provisions of the most recent ASHRAE 90.1 standard,  
210.11 except that a municipality is required to adopt amendments to the previous version of  
210.12 ASHRAE 90.1 in the current commercial energy code adopted by the commissioner. The  
210.13 commissioner may adopt amendments prior to adoption of the new energy codes, as amended  
210.14 for use in Minnesota, to advance construction methods, technology, or materials, or, where  
210.15 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency  
210.16 or use of a building. The commissioner of commerce may include energy code support  
210.17 measures in the technical guidance developed under section 216B.241, subdivision 1d.

## 210.18 ARTICLE 20

### 210.19 COMMISSION PROCEEDINGS

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

210.21 Subdivision 1. **Investigation.** On ~~its~~ the commission's own motion or upon a complaint  
210.22 made against any public utility; by the governing body of any political subdivision, by  
210.23 another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility,  
210.24 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or  
210.25 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting  
210.26 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity  
210.27 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly  
210.28 discriminatory, or that any service is inadequate or cannot be obtained, the commission  
210.29 shall proceed, with notice, to make such investigation as it may deem necessary. The  
210.30 commission may dismiss any complaint without a hearing if in its opinion a hearing is not  
210.31 in the public interest.

210.32 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
210.33 applies to any complaint filed with the commission on or after that date.

211.1 Sec. 2. [216B.172] CONSUMER DISPUTES.

211.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
211.3 the meanings given.

211.4 (b) "Appeal" means a request filed with the commission by a complainant to review and  
211.5 make a final decision regarding the resolution of the complainant's complaint by the consumer  
211.6 affairs office.

211.7 (c) "Complainant" means an individual residential customer of a public utility who has  
211.8 filed a complaint with the consumer affairs office.

211.9 (d) "Complaint" means an allegation submitted to the consumer affairs office by a  
211.10 complainant that a public utility's action or practice regarding billing or terms and conditions  
211.11 of service:

211.12 (1) violates a statute, rule, tariff, service contract, or other provision of law;

211.13 (2) is unreasonable; or

211.14 (3) has harmed or, if not addressed, will harm a complainant.

211.15 Complaint does not include an objection to or a request to modify a natural gas or electricity  
211.16 rate contained in a tariff that has been approved by the commission. A complaint under this  
211.17 section is an informal complaint under Minnesota Rules, chapter 7829.

211.18 (e) "Consumer affairs office" means the staff unit of the commission that is organized  
211.19 to receive and respond to complaints.

211.20 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,  
211.21 subpart 8.

211.22 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

211.23 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

211.24 Subd. 2. Complaint resolution procedure. A complainant must first attempt to resolve  
211.25 a dispute with a public utility by filing a complaint with the consumer affairs office. The  
211.26 consumer affairs office must (1) notify the complainant of the resolution of the complaint,  
211.27 (2) provide written notice of the complainant's right to appeal the resolution to the  
211.28 commission, and (3) provide steps the complainant may take to appeal the resolution. Upon  
211.29 request, the consumer affairs office must provide to the complainant a written notice  
211.30 containing the substance of and basis for the resolution.

212.1 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with  
212.2 the resolution of a complaint by the consumer affairs office, the complainant may file an  
212.3 appeal with the commission requesting the commission to make a final decision on the  
212.4 complaint. The commission's response to an appeal filed under this subdivision must comply  
212.5 with the notice requirements under section 216B.17, subdivisions 2 to 5.

212.6 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of  
212.7 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to  
212.8 review the resolution of the complaint must decide whether the complaint should be:

212.9 (1) dismissed because there is no reasonable basis on which to proceed;

212.10 (2) resolved through an informal commission proceeding; or

212.11 (3) referred to the Office of Administrative Hearings for a contested case proceeding  
212.12 under chapter 14.

212.13 A decision made under this paragraph must be provided in writing to the complainant and  
212.14 the public utility.

212.15 (c) If the commission decides that the complaint should be resolved through an informal  
212.16 commission proceeding or referred to the Office of Administrative Hearings for a contested  
212.17 case proceeding, the executive secretary must issue a procedural schedule and any notices  
212.18 or orders required to initiate a contested case proceeding under chapter 14.

212.19 (d) The commission's dismissal of an appeal request or a decision rendered after  
212.20 conducting an informal proceeding is a final decision constituting an order or determination  
212.21 of the commission.

212.22 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek  
212.23 judicial review in district court of an adverse final decision under subdivision 3, paragraph  
212.24 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred  
212.25 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

212.26 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue  
212.27 or promptly restore service to a complainant during the pendency of an administrative or  
212.28 judicial procedure pursued by a complainant under this section, provided that the  
212.29 complainant:

212.30 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

212.31 (2) posts the full disputed payment in escrow;

212.32 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

213.1 (4) demonstrates the complainant's household income is at or below 50 percent of state  
213.2 median income.

213.3 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the  
213.4 purposes of this section.

213.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
213.6 applies to any complaint filed with the commission on or after that date.

213.7 Sec. 3. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision  
213.8 to read:

213.9 Subd. 8. **Transmission planning in advance of generation retirement.** A utility must  
213.10 identify in a resource plan each nonrenewable energy facility on the utility's system that  
213.11 has a depreciation term, probable service life, or operating license term that ends within 15  
213.12 years of the resource plan filing date. For each nonrenewable energy facility identified, the  
213.13 utility must include in the resource plan an initial plan to: (1) replace the nonrenewable  
213.14 energy facility; and (2) upgrade any transmission or other grid capabilities needed to support  
213.15 the retirement of that nonrenewable energy facility.

213.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
213.17 applies to an integrated resource plan filed with the commission on or after that date.

213.18 Sec. 4. **[216B.491] DEFINITIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

215.3 (ii) prudent and reasonable;

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

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

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

215.12 (5) must be adjusted to reflect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

216.25 (3) create extraordinary event property.

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

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



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

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

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

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

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

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

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

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

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

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

217.25 Sec. 5. **[216B.492] FINANCING ORDER.**

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

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

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

218.1 (2) the undepreciated value remaining in the natural gas facility whose repair or  
218.2 replacement is proposed to be financed through the issuance of bonds under sections  
218.3 216B.491 to 216B.499, and the method used to calculate the amount;

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

218.6 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if  
218.7 the financing order is issued as requested in the application, calculated by comparing the  
218.8 costs to customers that are expected to result from implementing the financing order and  
218.9 the estimated costs associated with implementing traditional utility financing mechanisms  
218.10 with respect to the same undepreciated balance, expressed in net present value terms;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

219.14 (2) the proposed issuance of extraordinary event bonds and the imposition and collection  
219.15 of extraordinary event charges:

219.16 (i) are just and reasonable;

219.17 (ii) are consistent with the public interest;

219.18 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event  
219.19 costs; and

219.20 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that  
219.21 would have been achieved absent the issuance of extraordinary event bonds; and

219.22 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

219.23 (i) significantly lower overall costs to customers or significantly mitigate rate impacts  
219.24 to customers relative to traditional methods of financing; and

219.25 (ii) achieve significant customer savings or significant mitigation of rate impacts to  
219.26 customers, as determined by the commission in a financing order, consistent with market  
219.27 conditions at the time of sale and the terms of the financing order.

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

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

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

220.3 (3) describe the financing costs that may be recovered through extraordinary event  
220.4 charges and the period over which the costs may be recovered, which must end no earlier  
220.5 than the date of final legal maturity of the extraordinary event bonds;

220.6 (4) describe the extraordinary event property that is created and that may be used to pay,  
220.7 and secure the payment of, the extraordinary event bonds and financing costs authorized in  
220.8 the financing order;

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

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

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

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

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

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

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

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

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

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

221.12 (i) operating the natural gas facilities; or

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

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

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

221.17 (i) promote the public interest; and

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

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

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

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

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

221.31 (d) Notwithstanding paragraph (c), the commission may, on the commission's own  
221.32 motion or at the request of a utility or any other person, commence a proceeding and issue

222.1 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary  
222.2 event bonds issued under the original financing order if:

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

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

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

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

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

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

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

222.21 (b) Nothing in this subdivision:

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

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

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

222.30 (c) The commission is prohibited from refusing to allow a utility to recover any costs  
222.31 associated with the replacement of natural gas facilities solely because the utility has elected

223.1 to finance the natural gas facility replacement through a financing mechanism other than  
223.2 extraordinary event bonds.

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

223.4 **Sec. 6. [216B.493] POSTORDER COMMISSION DUTIES.**

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

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

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

223.17 **Sec. 7. [216B.494] USE OF OUTSIDE EXPERTS.**

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

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

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

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

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

223.29 (c) If a utility's application for a financing order is denied or withdrawn for any reason  
223.30 and extraordinary event bonds are not issued, the commission's costs to retain expert

224.1 consultants under this section must be paid by the applicant utility and are deemed to be  
224.2 prudent deferred expenses eligible for recovery in the utility's future rates.

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

224.4 Sec. 8. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**

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

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

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

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

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

224.15 (2) file annually with the commission:

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

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

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

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

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

224.28 Sec. 9. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**

224.29 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property  
224.30 right or interest in a property right, even though the imposition and collection of extraordinary



225.1 event charges depend on the utility collecting extraordinary event charges and on future  
225.2 natural gas consumption. The property right or interest exists regardless of whether the  
225.3 revenues or proceeds arising from the extraordinary event property have been billed, have  
225.4 accrued, or have been collected.

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

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

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

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

225.28 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other  
225.29 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by  
225.30 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations  
225.31 of, and has the same duties and rights under, a financing order as the utility to which the  
225.32 financing order applies. A successor to a utility must perform the duties and exercise the  
225.33 rights in the same manner and to the same extent as the utility, including collecting and

226.1 paying to any person entitled to receive revenues, collections, payments, or proceeds of  
226.2 extraordinary event property.

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

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

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

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

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

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

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

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

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

227.1 (g) Neither a subsequent commission order amending a financing order under section  
227.2 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a  
227.3 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or  
227.4 priority of a security interest in or transfer of extraordinary event property.

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

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

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

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

227.20 (3) value is received.

227.21 (b) A transfer of an interest in extraordinary event property must be filed with the  
227.22 secretary of state against all third persons and perfected under sections 336.3-301 to  
227.23 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or  
227.24 creditors of the seller, other than creditors holding a prior security interest, ownership  
227.25 interest, or assignment in the extraordinary event property previously perfected under this  
227.26 subdivision or subdivision 2.

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

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

227.31 (2) the retention by the seller of:

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

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

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

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

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

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

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

228.12 (8) any application of an adjustment mechanism under section 216B.492, subdivision  
228.13 3, paragraph (a), clause (6).

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

228.15 Sec. 10. **[216B.497] EXTRAORDINARY EVENT BONDS.**

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

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

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

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

228.29 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and  
228.30 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any  
228.31 financing parties until any principal, interest, and redemption premium payable on

229.1 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or  
229.2 financing party under an ancillary agreement are paid in full.

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

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

229.7 Sec. 11. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**  
229.8 **COMMISSION REGULATION.**

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

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

229.13 Sec. 12. **[216B.499] EFFECT ON OTHER LAWS.**

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

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

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

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

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

229.25 Sec. 13. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

229.26 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,  
229.27 lease, or rent any plant as an operating unit or system in this state for a total consideration  
229.28 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or  
229.29 transmission company operating in this state, without first being authorized so to do by the  
229.30 commission. Upon the filing of an application for the approval and consent of the

230.1 commission, the commission shall investigate, with or without public hearing. The  
230.2 commission shall hold a public hearing, upon such notice as the commission may require.  
230.3 If the commission finds that the proposed action is consistent with the public interest, it  
230.4 shall give its consent and approval by order in writing. In reaching its determination, the  
230.5 commission shall take into consideration the reasonable value of the property, plant, or  
230.6 securities to be acquired or disposed of, or merged and consolidated.

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

230.9 Sec. 14. [216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.

230.10 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
230.11 the meanings given.

230.12 (b) "Participant" means a person who:

230.13 (1) meets the requirements of subdivision 2;

230.14 (2) either (i) files comments or appears in a commission proceeding concerning one or  
230.15 more public utilities, excluding public hearings held in contested cases and commission  
230.16 proceedings conducted to receive general public comments; or (ii) is permitted by the  
230.17 commission to intervene in a commission proceeding concerning one or more public utilities;  
230.18 and

230.19 (3) files a request for compensation under this section.

230.20 (c) "Party" means a person who files comments or appears in a commission proceeding,  
230.21 other than public hearings, concerning one or more public utilities.

230.22 (d) "Proceeding" means an undertaking of the commission in which the commission  
230.23 seeks to resolve an issue affecting one or more public utilities and which results in a  
230.24 commission order.

230.25 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

230.26 Subd. 2. Participants; eligibility. The following participants are eligible to receive  
230.27 compensation under this section:

230.28 (1) a nonprofit organization that is:

230.29 (i) exempt from taxation under section 501(c)(3) of the United States Internal Revenue  
230.30 Code;

230.31 (ii) incorporated or organized in Minnesota;

231.1 (iii) governed under chapter 317A or section 322C.1101; and

231.2 (iv) determined by the commission under subdivision 3, paragraph (c), to suffer financial  
231.3 hardship if not compensated for the nonprofit organization's participation in the applicable  
231.4 proceeding;

231.5 (2) a Tribal government of a federally recognized Indian Tribe that is located in  
231.6 Minnesota; or

231.7 (3) a Minnesota resident, except that an individual who owns a for-profit business that  
231.8 has earned revenue from a Minnesota utility in the past two years is not eligible for  
231.9 compensation.

231.10 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to  
231.11 compensate all or part of a participant's reasonable costs to participate in a proceeding before  
231.12 the commission if the commission finds:

231.13 (1) that the participant has materially assisted the commission's deliberation; and

231.14 (2) if the participant is a nonprofit organization, that the participant would suffer financial  
231.15 hardship if the nonprofit organization's participation in the proceeding was not compensated.

231.16 (b) When determining whether a participant has materially assisted the commission's  
231.17 deliberation, the commission must find that:

231.18 (1) the participant made a unique contribution to the record and represented an interest  
231.19 that would not otherwise have been adequately represented;

231.20 (2) the evidence or arguments presented or the positions taken by the participant were  
231.21 an important factor in producing a fair decision;

231.22 (3) the participant's position promoted a public purpose or policy;

231.23 (4) the evidence presented, arguments made, issues raised, or positions taken by the  
231.24 participant would not otherwise have been part of the record;

231.25 (5) the participant was active in any stakeholder process included in the proceeding; and

231.26 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a  
231.27 position advocated by the participant.

231.28 (c) When determining whether a nonprofit participant has demonstrated that a lack of  
231.29 compensation would present financial hardship, the commission must find that the nonprofit  
231.30 participant:

- 232.1 (1) incorporated or organized within three years of the date the applicable proceeding  
232.2 began;
- 232.3 (2) has payroll expenses below \$750,000; or
- 232.4 (3) has secured less than \$100,000 in current year funding dedicated to participation in  
232.5 commission proceedings, not including any participant compensation awarded under this  
232.6 section.
- 232.7 (d) When reviewing a compensation request, the commission must consider whether  
232.8 the costs presented in the participant's claim are reasonable.
- 232.9 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a  
232.10 single participant in any proceeding, except that:
- 232.11 (1) if a proceeding extends longer than 12 months, a participant may request compensation  
232.12 of up to \$50,000 for costs incurred in each calendar year; and
- 232.13 (2) in a general rate case proceeding under section 216B.16 or an integrated resource  
232.14 plan proceeding under section 216B.2422, the maximum single participant compensation  
232.15 per proceeding under this section must not exceed \$75,000.
- 232.16 (b) A single participant must not be granted more than \$200,000 under this section in a  
232.17 single calendar year.
- 232.18 (c) Compensation requests from joint participants must be presented as a single request.
- 232.19 (d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar  
232.20 year, require a single public utility to pay aggregate compensation under this section that  
232.21 exceeds the following amounts:
- 232.22 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue  
232.23 in Minnesota;
- 232.24 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000  
232.25 annual gross operating revenue in Minnesota;
- 232.26 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000  
232.27 annual gross operating revenue in Minnesota; and
- 232.28 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating  
232.29 revenue in Minnesota.



233.1 (e) When requests for compensation from any public utility approach the limits established  
233.2 in paragraph (d), the commission may prioritize requests from participants that received  
233.3 less than \$150,000 in total compensation during the previous two years.

233.4 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a  
233.5 request and an affidavit of service with the commission, and serve a copy of the request on  
233.6 each party to the proceeding. The request must be filed no more than 30 days after the later  
233.7 of: (1) the expiration of the period within which a petition for rehearing, amendment,  
233.8 vacation, reconsideration, or reargument must be filed; or (2) the date the commission issues  
233.9 an order following rehearing, amendment, vacation, reconsideration, or reargument.

233.10 (b) A compensation request must include:

233.11 (1) the name and address of the participant or nonprofit organization the participant is  
233.12 representing;

233.13 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

233.14 (3) the name and docket number of the proceeding for which compensation is requested;

233.15 (4) for a nonprofit participant, evidence supporting the nonprofit's eligibility for  
233.16 compensation under the financial hardship test under subdivision 3, paragraph (c);

233.17 (5) amounts of compensation awarded to the participant under this section during the  
233.18 current year and any pending requests for compensation, itemized by docket;

233.19 (6) an itemization of the participant's costs, including (i) hours worked and associated  
233.20 hourly rates for each individual contributing to the participation, not including overhead  
233.21 costs; (ii) participant revenues dedicated for the proceeding; and (iii) the total compensation  
233.22 request; and

233.23 (7) a narrative describing the unique contribution made to the proceeding by the  
233.24 participant.

233.25 (c) A participant must comply with reasonable requests for information by the commission  
233.26 and other parties or participants. A participant must reply to information requests within  
233.27 ten calendar days of the date the request is received, unless doing so would place an extreme  
233.28 hardship upon the replying participant. The replying participant must provide a copy of the  
233.29 information to any other participant or interested person upon request. Disputes regarding  
233.30 information requests may be resolved by the commission.

233.31 (d) A party objecting to a request for compensation must, within 30 days after service  
233.32 of the request for compensation, file a response and an affidavit of service with the

234.1 commission. A copy of the response must be served on the requesting participant and all  
234.2 other parties to the proceeding.

234.3 (e) The requesting participant may file a reply with the commission within 15 days after  
234.4 the date a response is filed under paragraph (d). A copy of the reply and an affidavit of  
234.5 service must be served on all other parties to the proceeding.

234.6 (f) If additional costs are incurred by a participant as a result of additional proceedings  
234.7 following the commission's initial order, the participant may file an amended request within  
234.8 30 days after the date the commission issues an amended order. Paragraphs (b) to (e) apply  
234.9 to an amended request.

234.10 (g) The commission must issue a decision on participant compensation within 120 days  
234.11 of the date a request for compensation is filed by a participant.

234.12 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to  
234.13 30 days upon the request of a participant or on the commission's own initiative.

234.14 (i) A participant may request reconsideration of the commission's compensation decision  
234.15 within 30 days of the decision date.

234.16 Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment  
234.17 of participant compensation, the public utility that was the subject of the proceeding must  
234.18 pay the full compensation to the participant and file proof of payment with the commission  
234.19 within 30 days after the later of: (1) the expiration of the period within which a petition for  
234.20 reconsideration of the commission's compensation decision must be filed; or (2) the date  
234.21 the commission issues an order following reconsideration of the commission's order on  
234.22 participant compensation.

234.23 (b) If the commission issues an order requiring payment of participant compensation in  
234.24 a proceeding involving multiple public utilities, the commission must apportion costs among  
234.25 the public utilities in proportion to each public utility's annual revenue.

234.26 (c) The commission may issue orders necessary to allow a public utility to recover the  
234.27 costs of participant compensation on a timely basis.

234.28 Subd. 7. **Report.** By July 1, 2025, the commission must report to the chairs and ranking  
234.29 minority members of the senate and house of representatives committees with primary  
234.30 jurisdiction over energy policy on the operation of this section, including but not limited  
234.31 to:

234.32 (1) the amount of compensation paid each year by each utility;

235.1 (2) each recipient of compensation, the commission docketed in which compensation was  
235.2 awarded, and the compensation amounts; and

235.3 (3) the impact resulting from the commission's adoption of positions advocated by  
235.4 compensated participants.

235.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
235.6 applies to any proceeding in which the commission has not issued a final order as of that  
235.7 date.

235.8 Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 11, is amended to read:

235.9 Subd. 11. **Department of Commerce to provide technical expertise and other**  
235.10 **assistance.** (a) The commissioner of the Department of Commerce shall consult with other  
235.11 state agencies and provide technical expertise and other assistance to the commission or to  
235.12 individual members of the commission for activities and proceedings under this chapter  
235.13 and chapters 216F and 216G. This assistance shall include the sharing of power plant siting  
235.14 and routing staff and other resources as necessary. The commissioner shall periodically  
235.15 report to the commission concerning the Department of Commerce's costs of providing  
235.16 assistance. The report shall conform to the schedule and include the required contents  
235.17 specified by the commission. The commission shall include the costs of the assistance in  
235.18 assessments for activities and proceedings under those sections and reimburse the special  
235.19 revenue fund for those costs. If either the commissioner or the commission deems it  
235.20 necessary, the department and the commission shall enter into an interagency agreement  
235.21 establishing terms and conditions for the provision of assistance and sharing of resources  
235.22 under this subdivision.

235.23 (b) Notwithstanding the requirements of section 216B.33, the commissioner may take  
235.24 any action required or requested by the commission related to the environmental review  
235.25 requirements under chapter 216E or 216F immediately following a hearing and vote by the  
235.26 commission, prior to issuing a written order, finding, authorization, or certificate.

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

235.28 Sec. 16. Minnesota Statutes 2020, section 216E.04, subdivision 2, is amended to read:

235.29 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to  
235.30 the following projects:

235.31 (1) large electric power generating plants with a capacity of less than 80 megawatts;

235.32 (2) large electric power generating plants that are fueled by natural gas;

- 236.1 (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- 236.2 (4) high-voltage transmission lines in excess of 200 kilovolts and less than ~~five~~ 30 miles  
236.3 in length in Minnesota;
- 236.4 (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of  
236.5 the distance of the line in Minnesota will be located along existing high-voltage transmission  
236.6 line right-of-way;
- 236.7 (6) a high-voltage transmission line service extension to a single customer between 200  
236.8 and 300 kilovolts and less than ten miles in length;
- 236.9 (7) a high-voltage transmission line rerouting to serve the demand of a single customer  
236.10 when the rerouted line will be located at least 80 percent on property owned or controlled  
236.11 by the customer or the owner of the transmission line; and
- 236.12 (8) large electric power generating plants that are powered by solar energy.

236.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
236.14 applies to a high-voltage transmission line in excess of 200 kilovolts whose owner has filed  
236.15 an application for a route permit with the Public Utilities Commission on or after that date.

236.16 Sec. 17. **REPEALER.**

236.17 Minnesota Statutes 2020, section 216B.16, subdivision 10, is repealed.

## 236.18 **ARTICLE 21**

### 236.19 **ENERGY STORAGE**

236.20 Section 1. Minnesota Statutes 2020, section 216B.1611, is amended by adding a subdivision  
236.21 to read:

236.22 **Subd. 5. Energy storage; capacity; treatment.** This subdivision applies to a public  
236.23 utility, as defined in section 216B.02, subdivision 4. For the purpose of interconnecting a  
236.24 distributed generation facility that operates in conjunction with an energy storage system,  
236.25 as defined in section 216B.2422, subdivision 1, paragraph (f), the system capacity must be  
236.26 calculated as the alternating current capacity of the distributed generation facility alone,  
236.27 provided that the energy storage system is connected to the distributed generating facility:

236.28 (1) by direct current; or

236.29 (2) by alternating current and is configured to limit the maximum export of electricity  
236.30 beyond the common point of coupling with the utility to an amount no greater than the  
236.31 capacity of the distributed generation facility.

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

237.2 Sec. 2. **[216B.1616] VALUE OF ON-SITE ENERGY STORAGE.**

237.3 No later than September 15, 2022, the commission must initiate a docket designed to  
237.4 determine fair compensation paid to customer-owners of on-site energy storage systems,  
237.5 as defined in section 216B.2422, subdivision 1, paragraph (f), for voluntarily discharging  
237.6 stored energy and capacity during periods of peak electricity demand or at other times as  
237.7 dispatched or requested by a public utility, as defined in section 216B.02, subdivision 4.

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

237.9 Sec. 3. Minnesota Statutes 2020, section 216B.2422, subdivision 7, is amended to read:

237.10 Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a  
237.11 resource plan under subdivision 2 must include in the filing an assessment of energy storage  
237.12 systems that analyzes how the deployment of energy storage systems contributes to:

237.13 (1) meeting identified generation and capacity needs; and

237.14 (2) evaluating ancillary services.

237.15 (b) The assessment must:

237.16 (1) employ appropriate modeling methods to enable the analysis required in paragraph  
237.17 (a); and

237.18 (2) address how energy storage systems may contribute to achieving the goals under  
237.19 subdivision 4, clause (1).

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

237.21 Sec. 4. Minnesota Statutes 2020, section 216B.2425, subdivision 8, is amended to read:

237.22 Subd. 8. **Distribution study for distributed generation.** Each entity subject to this  
237.23 section that is operating under a multiyear rate plan approved under section 216B.16,  
237.24 subdivision 19, shall conduct a distribution study to identify interconnection points on its  
237.25 distribution system for small-scale distributed generation resources and shall identify  
237.26 necessary distribution upgrades, including the deployment of energy storage systems, as  
237.27 defined in section 216B.2422, subdivision 1, paragraph (f), to support the continued  
237.28 development of distributed generation resources, and shall include the study in its report  
237.29 required under subdivision 2.

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

238.1 Sec. 5. [216C.378] STORAGE REWARDS INCENTIVE PROGRAM.

238.2 (a) The electric utility subject to section 116C.779 must develop and operate a program  
238.3 to provide a lump-sum grant to customers to reduce the cost of purchasing and installing  
238.4 an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph  
238.5 (f). The utility subject to this section must file a plan with the commissioner to operate the  
238.6 program no later than October 1, 2022. The utility may not operate the program until the  
238.7 program is approved by the commissioner. Any change to an operating program must be  
238.8 approved by the commissioner.

238.9 (b) To be eligible to receive a grant under this section, an energy storage system must:

238.10 (1) have a capacity no greater than 50 kilowatt hours; and

238.11 (2) be located within the electric service area of the utility subject to this section.

238.12 (c) An owner of an energy storage system is eligible to receive a grant under this section  
238.13 if:

238.14 (1) a solar energy generating system is operating at the same site as the proposed energy  
238.15 storage system; or

238.16 (2) the owner has filed an application with the utility subject to this section to interconnect  
238.17 a solar energy generating system at the same site as the proposed energy storage system.

238.18 (d) The commissioner must annually review and may adjust the amount of grants awarded  
238.19 under this section, but must not increase the amount over that awarded in previous years  
238.20 unless the commissioner demonstrates in writing that an upward adjustment is warranted  
238.21 by market conditions.

238.22 (e) A customer who receives a grant under this section is eligible to receive financial  
238.23 assistance under programs operated by the state or the utility for the solar energy generating  
238.24 system operating in conjunction with the energy storage system.

238.25 (f) For the purposes of this section, "solar energy generating system" has the meaning  
238.26 given in section 216E.01, subdivision 9a.

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

239.1 **ARTICLE 22**

239.2 **RENEWABLE ENERGY**

239.3 Section 1. Minnesota Statutes 2020, section 16B.32, subdivision 1, is amended to read:

239.4 Subdivision 1. **Alternative energy sources.** ~~Plans prepared by the commissioner for a~~  
239.5 ~~new building or for a renovation of 50 percent or more of an existing building or its energy~~  
239.6 ~~systems must include designs which use active and passive solar energy systems, earth~~  
239.7 ~~sheltered construction, and other alternative energy sources where feasible. (a) If~~  
239.8 incorporating cost-effective energy efficiency measures into the design, materials, and  
239.9 operations of a building or major building renovation subject to section 16B.325 is not  
239.10 sufficient to meet Sustainable Building 2030 energy performance standards required under  
239.11 section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal  
239.12 energy systems, or both, must be deployed to achieve the standards.

239.13 (b) The commissioners of administration and commerce must review compliance of  
239.14 building designs and plans subject to this section with Sustainable Building 2030 performance  
239.15 standards developed under section 216B.241, subdivision 9, and must make recommendations  
239.16 to the legislature as necessary to ensure that the performance standards are met.

239.17 (c) For the purposes of this section:

239.18 (1) "energy efficiency" has the meaning given in section 216B.241, subdivision 1,  
239.19 paragraph (f);

239.20 (2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1,  
239.21 paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

239.22 (3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal  
239.23 project" in section 216B.2411, subdivision 2, paragraph (e).

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

239.25 Sec. 2. Minnesota Statutes 2020, section 16B.32, subdivision 1a, is amended to read:

239.26 Subd. 1a. **Onsite energy generation from renewable sources.** ~~A state agency that~~  
239.27 ~~prepares a predesign for a new building must consider meeting at least two percent of the~~  
239.28 ~~energy needs of the building from renewable sources located on the building site. For~~  
239.29 ~~purposes of this subdivision, "renewable sources" are limited to wind and the sun. The~~  
239.30 ~~predesign must include an explicit cost and price analysis of complying with the two percent~~  
239.31 ~~requirement compared with the present and future costs of energy supplied by a public~~  
239.32 ~~utility from a location away from the building site and the present and future costs of~~

240.1 ~~controlling carbon emissions. If the analysis concludes that the building should not meet at~~  
240.2 ~~least two percent of its energy needs from renewable sources located on the building site,~~  
240.3 ~~the analysis must provide explicit reasons why not. The building may not receive further~~  
240.4 ~~state appropriations for design or construction unless at least two percent of its energy needs~~  
240.5 ~~are designed to be met from renewable sources, unless the commissioner finds that the~~  
240.6 ~~reasons given by the agency for not meeting the two-percent requirement were supported~~  
240.7 ~~by evidence in the record. The total aggregate nameplate capacity of all renewable energy~~  
240.8 ~~sources utilized to meet Sustainable Building 2030 standards in a state-owned building or~~  
240.9 ~~facility, including any subscription to a community solar garden under section 216B.1641,~~  
240.10 ~~must not exceed 120 percent of the state-owned building's or facility's average annual electric~~  
240.11 ~~energy consumption.~~

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

240.13 Sec. 3. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

240.14 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

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

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

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

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

240.29 (1) \$10,000,000 in 2021;

240.30 (2) \$10,000,000 in 2022;

240.31 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; and

240.32 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; and



241.1 (5) \$10,000,000 in 2025.

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

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

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

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

241.19 (i) Contractors and subcontractors installing a solar energy generating system awarded  
241.20 financial assistance under this section must comply with sections 177.41 to 177.43 with  
241.21 respect to the installation.

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

241.23 Sec. 4. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

241.24 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
241.25 the meanings given.

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

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

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

241.31 (e) "Owner" means the owner of a solar energy generating system planned to be deployed  
241.32 at Area C.

242.1 (f) "Solar energy generating system" has the meaning given in section 216E.01,  
242.2 subdivision 9a.

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

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

242.11 (1) the agency issues a corrective action determination after the owner has begun to  
242.12 design or construct the project, and the nature of the corrective action determination requires  
242.13 the project to be redesigned or construction to be interrupted or altered; or

242.14 (2) the agency issues a corrective action determination whose work plan requires  
242.15 temporary cessation or partial or complete removal of the solar energy generating system  
242.16 after the solar energy generating system has become operational.

242.17 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution  
242.18 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing  
242.19 must describe (1) the nature of the impact of the agency's work plan that results in economic  
242.20 losses to the owner, and (2) a reasonable estimate of the amount of the economic losses.

242.21 (b) The owner must provide the commissioner with information the commissioner  
242.22 determines to be necessary to assist in reviewing the filing required under this subdivision.

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

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

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

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

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

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

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

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

243.9 Sec. 5. Minnesota Statutes 2020, section 216B.1641, is amended to read:

243.10 **216B.1641 COMMUNITY SOLAR GARDEN.**

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

243.13 (b) "Subscribed energy" means electricity generated by the community solar garden that  
243.14 is attributable to a subscriber's subscription.

243.15 (c) "Subscriber" means a retail customer who owns one or more subscriptions of a  
243.16 community solar garden interconnected with the retail customer's utility.

243.17 (d) "Subscription" means a contract between a subscriber and the owner of a solar garden.

243.18 **Subd. 2. Solar garden; project requirements.** (a) The public utility subject to section  
243.19 116C.779 shall file by September 30, 2013, a plan with the commission to operate a  
243.20 community solar garden program which shall begin operations within 90 days after  
243.21 commission approval of the plan. Other public utilities may file an application at their  
243.22 election. The community solar garden program must be designed to offset the energy use  
243.23 of not less than five subscribers in each community solar garden facility of which no single  
243.24 subscriber has more than a 40 percent interest. The owner of the community solar garden  
243.25 may be a public utility or any other entity or organization that contracts to sell the output  
243.26 from the community solar garden to the utility under section 216B.164. There shall be no  
243.27 limitation on the number or cumulative generating capacity of community solar garden  
243.28 facilities other than the limitations imposed under section 216B.164, subdivision 4c, or  
243.29 other limitations provided in law or regulations.

243.30 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
243.31 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
243.32 electricity generated in proportion to the size of their subscription. The solar garden must

244.1 have a nameplate capacity of no more than ~~one megawatt~~ three megawatts. Each subscription  
244.2 shall be sized to represent at least 200 watts of the community solar garden's generating  
244.3 capacity and to supply, when combined with other distributed generation resources serving  
244.4 the premises, no more than 120 percent of the average annual consumption of electricity  
244.5 by each subscriber at the premises to which the subscription is attributed.

244.6 (c) The solar generation facility must be located in the service territory of the public  
244.7 utility filing the plan. Subscribers must be retail customers of the public utility and, unless  
244.8 the facility has a minimum setback of 100 feet from the nearest residential property, must  
244.9 be located in the same county or a county contiguous to where the facility is located.

244.10 (d) The public utility must purchase from the community solar garden all energy generated  
244.11 by the solar garden. Unless specified elsewhere in this section, the purchase shall be at the  
244.12 most recent three-year average of the rate calculated under section 216B.164, subdivision  
244.13 10, or, until that rate for the public utility has been approved by the commission, the  
244.14 applicable retail rate. A solar garden is eligible for any incentive programs offered under  
244.15 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on  
244.16 the subscriber's bill.

244.17 **Subd. 3. Solar garden plan; requirements; nonutility status.** ~~(e)~~ (a) The commission  
244.18 may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan  
244.19 approved by the commission must:

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

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

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

244.27 (4) be consistent with the public interest;

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

244.30 (6) include a program implementation schedule;

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

244.32 (8) identify the means by which the program will be promoted;₂

245.1 (9) require that residential subscribers have a right to cancel a community solar garden  
245.2 subscription within three business days, as provided under section 325G.07;

245.3 (10) require that the following information is provided by the solar garden owner in  
245.4 writing to any prospective subscriber asked to make a prepayment to the solar garden owner  
245.5 prior to the delivery of subscribed energy by the solar garden:

245.6 (i) an estimate of the annual generation of subscribed energy, based on the methodology  
245.7 approved by the commission; and

245.8 (ii) an estimate of the length of time required to fully recover a subscriber's prepayments  
245.9 made to the owner of the solar garden prior to the delivery of subscribed energy, calculated  
245.10 using the formula developed by the commission under paragraph (d); and

245.11 (11) require new residential subscription agreements that require a prepayment to allow  
245.12 the subscriber to, on commercially reasonable terms, (i) transfer the subscription to other  
245.13 new or current subscribers, or (ii) cancel the subscription; and

245.14 (12) require an owner of a solar garden to submit a report that meets the requirements  
245.15 of section 216C.51, subdivisions 3 and 4, each year the solar garden is in operation.

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

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

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

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

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

245.27 **Subd. 4. Community access project; eligibility.** (a) An owner of a community solar  
245.28 garden may apply to the utility to be designated as a community access project at any time:

245.29 (1) before the owner makes an initial payment under an interconnection agreement  
245.30 entered into with a public utility; or

245.31 (2) if the owner made an initial payment under an interconnection agreement between  
245.32 January 1, 2021, and the effective date of this act, before commercial operation begins.

246.1 (b) The utility must designate a solar garden as a community access project if the owner  
246.2 of a solar garden commits in writing to meet the following conditions:

246.3 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential  
246.4 customers;

246.5 (2) the contract between the owner of the solar garden and the public utility that purchases  
246.6 the garden's electricity, and any agreement between the utility or owner of the solar garden  
246.7 and subscribers, states that the owner of the solar garden does not discriminate against or  
246.8 screen subscribers based on income or credit score and that any customer of a utility with  
246.9 a community solar garden plan approved by the commission under subdivision 3 is eligible  
246.10 to become a subscriber;

246.11 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota  
246.12 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

246.13 (4) the agreement between the owner of the solar garden and subscribers states that the  
246.14 owner must adequately publicize and convene at least one meeting annually to provide an  
246.15 opportunity for subscribers to pose questions to the manager or owner.

246.16 Subd. 5. **Community access project; financial arrangements.** (a) If a solar garden is  
246.17 approved by the utility as a community access project:

246.18 (1) the public utility purchasing the electricity generated by the community access project  
246.19 may charge the owner of the community access project no more than one cent per watt  
246.20 alternating current based on the solar garden's generating capacity for any refundable deposit  
246.21 the utility requires of a solar garden during the application process;

246.22 (2) notwithstanding subdivision 2, paragraph (d), the public utility must purchase all  
246.23 energy generated by the community access project at the retail rate; and

246.24 (3) all renewable energy credits generated by the community access project belong to  
246.25 subscribers unless the owner of the solar garden:

246.26 (i) contracts to:

246.27 (A) sell the credits to a third party; or

246.28 (B) sell or transfer the credits to the utility; and

246.29 (ii) discloses a sale or transfer to subscribers at the time the subscribers enter into a  
246.30 subscription.

246.31 (b) If at any time after commercial operation begins a solar garden approved by the  
246.32 utility as a community access project fails to meet the conditions under subdivision 4, the

247.1 solar garden (1) is no longer subject to the provisions of this subdivision and subdivision  
247.2 6, and (2) must operate under the program rules established by the commission for a solar  
247.3 garden that does not qualify as a community access project.

247.4 (c) An owner of a solar garden whose designation as a community access project is  
247.5 revoked under this subdivision may reapply to the commission at any time to have the  
247.6 designation as a community access project reinstated under subdivision 4.

247.7 Subd. 6. **Community access project; reporting.** The owner of a community access  
247.8 project must include the following information in an annual report to the community access  
247.9 project subscribers and the utility:

247.10 (1) a description of the process by which subscribers can provide input to solar garden  
247.11 policy and decision making;

247.12 (2) the amount of revenues received by the solar garden in the previous year that were  
247.13 allocated to categories that include but are not limited to operating costs, debt service, profits  
247.14 distributed to subscribers, and profits distributed to others; and

247.15 (3) an estimate of the proportion of low- and moderate-income subscribers, and a  
247.16 description of one or more of the following methods used to make the estimate:

247.17 (i) evidence provided by a subscriber that the subscriber or a member of the subscriber's  
247.18 household receives assistance from any of the following sources:

247.19 (A) the federal Low-Income Home Energy Assistance Program;

247.20 (B) federal Section 8 housing assistance;

247.21 (C) medical assistance;

247.22 (D) the federal Supplemental Nutrition Assistance Program; or

247.23 (E) the federal National School Lunch Program;

247.24 (ii) characterization of the census tract where the subscriber resides as low- or  
247.25 moderate-income by the Federal Financial Institutions Examination Council; or

247.26 (iii) other methods approved by the commission.

247.27 Subd. 7. **Commission order.** Within 180 days of the effective date of this section, the  
247.28 commission must issue an order addressing the requirements of this section.

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

248.1 Sec. 6. Minnesota Statutes 2020, section 216B.243, subdivision 8, is amended to read:

248.2 Subd. 8. **Exemptions.** (a) This section does not apply to:

248.3 (1) cogeneration or small power production facilities as defined in the Federal Power  
248.4 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and  
248.5 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less  
248.6 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or  
248.7 any case where the commission has determined after being advised by the attorney general  
248.8 that its application has been preempted by federal law;

248.9 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve  
248.10 the demand of a single customer at a single location, unless the applicant opts to request  
248.11 that the commission determine need under this section or section 216B.2425;

248.12 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand  
248.13 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to  
248.14 request that the commission determine need under this section or section 216B.2425;

248.15 (4) a high-voltage transmission line of one mile or less required to connect a new or  
248.16 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

248.17 (5) conversion of the fuel source of an existing electric generating plant to using natural  
248.18 gas;

248.19 (6) the modification of an existing electric generating plant to increase efficiency, as  
248.20 long as the capacity of the plant is not increased more than ten percent or more than 100  
248.21 megawatts, whichever is greater;

248.22 (7) a large wind energy conversion system, as defined in section 216F.01, subdivision  
248.23 2, or a solar ~~electric generation facility~~ energy generating system, as defined in section  
248.24 216E.01, subdivision 9a, if the system or facility is owned and operated by an independent  
248.25 power producer and the electric output of the system or facility:

248.26 (i) is not sold to an entity that provides retail service in Minnesota or wholesale electric  
248.27 service to another entity in Minnesota other than an entity that is a federally recognized  
248.28 regional transmission organization or independent system operator; or

248.29 (ii) is sold to an entity that provides retail service in Minnesota or wholesale electric  
248.30 service to another entity in Minnesota other than an entity that is a federally recognized  
248.31 regional transmission organization or independent system operator, provided that the system  
248.32 represents solar or wind capacity that the entity purchasing the system's electric output was



249.1 ordered by the commission to develop in the entity's most recent integrated resource plan  
249.2 approved under section 216B.2422; or

249.3 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision  
249.4 2, or a solar energy generating system that is a large energy facility, as defined in section  
249.5 216B.2421, subdivision 2, engaging in a repowering project that:

249.6 (i) will not result in the ~~facility~~ system exceeding the nameplate capacity under its most  
249.7 recent interconnection agreement; or

249.8 (ii) will result in the ~~facility~~ system exceeding the nameplate capacity under its most  
249.9 recent interconnection agreement, provided that the Midcontinent Independent System  
249.10 Operator has provided a signed generator interconnection agreement that reflects the expected  
249.11 net power increase.

249.12 (b) For the purpose of this subdivision, "repowering project" means:

249.13 (1) modifying a large wind energy conversion system or a solar energy generating system  
249.14 that is a large energy facility to increase its efficiency without increasing its nameplate  
249.15 capacity;

249.16 (2) replacing turbines in a large wind energy conversion system without increasing the  
249.17 nameplate capacity of the system; or

249.18 (3) increasing the nameplate capacity of a large wind energy conversion system.

249.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
249.20 applies to a large wind energy conversion system or a solar energy generating system whose  
249.21 owner has filed an application for a certificate of need with the Public Utilities Commission  
249.22 on or after that date.

249.23 Sec. 7. Minnesota Statutes 2021 Supplement, section 216C.375, subdivision 1, is amended  
249.24 to read:

249.25 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,  
249.26 the following terms have the meanings given them.

249.27 (b) "Developer" means an entity that installs a solar energy system on a school building  
249.28 that has been awarded a grant under this section.

249.29 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

250.1 (d) "School" means: (1) a school that operates as part of an independent or special school  
250.2 district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the  
250.3 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

250.4 (e) "School district" means an independent or special school district.

250.5 (f) "Solar energy system" means photovoltaic or solar thermal devices.

250.6 (g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section  
250.7 216B.2411, subdivision 2, paragraph (d).

250.8 (h) "State colleges and universities" has the meaning given in section 136F.01, subdivision  
250.9 4.

250.10 **Sec. 8. [216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

250.11 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
250.12 the meanings given.

250.13 (b) "Developer" means an entity that applies for a grant on behalf of a public building  
250.14 under this section to install a solar energy generating system on the public building.

250.15 (c) "Local unit of government" means a county, statutory or home rule charter city, town,  
250.16 or other local government jurisdiction, excluding a school district eligible to receive financial  
250.17 assistance under section 216C.375 or 216C.376.

250.18 (d) "Municipal electric utility" means a utility that provides electric service to retail  
250.19 customers in Minnesota and is governed by a city council or a local utilities commission.

250.20 (e) "Public building" means a building owned and operated by a local unit of government.

250.21 (f) "Solar energy generating system" has the meaning given in section 216E.01,  
250.22 subdivision 9a.

250.23 (g) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that  
250.24 provides electric service, or a municipal electric utility.

250.25 Subd. 2. Establishment; purpose. A solar on public buildings grant program is  
250.26 established in the Department of Commerce. The purpose of the program is to provide grants  
250.27 to stimulate the installation of solar energy generating systems on public buildings.

250.28 Subd. 3. Establishment of account. A solar on public buildings grant program account  
250.29 is established in the special revenue fund. Money received from the general fund and the  
250.30 renewable development account established in section 116C.779, subdivision 1, must be  
250.31 transferred to the commissioner of commerce and credited to the account. Earnings, including

251.1 interest, dividends, and any other earnings arising from the assets of the account, must be  
251.2 credited to the account. Earnings remaining in the account at the end of a fiscal year do not  
251.3 cancel to the general fund or renewable development account but remain in the account  
251.4 until expended. The commissioner must manage the account.

251.5 Subd. 4. **Expenditures.** Money in the account must be used only:

251.6 (1) for grant awards made under this section; and

251.7 (2) to pay the reasonable costs incurred by the department to administer this section.

251.8 Subd. 5. **Eligible applicants.** Only a local unit of government or a municipal electric  
251.9 utility may apply for or be awarded a grant under this section.

251.10 Subd. 6. **Eligible system.** (a) A grant may be awarded under this section only if the solar  
251.11 energy system that is the subject of the grant:

251.12 (1) is installed on or adjacent to a public building that consumes the electricity generated  
251.13 by the solar energy generating system, on property within the service territory of the utility  
251.14 currently providing electric service to the public building; and

251.15 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the  
251.16 average annual electricity consumption of the public building, measured over the most  
251.17 recent three calendar years, at which the solar energy generating system is installed.

251.18 (b) A public building that receives a rebate or other financial incentive under section  
251.19 216B.241 for a solar energy system is eligible for a grant under this section for the same  
251.20 solar energy generating system.

251.21 (c) Before filing an application for a grant under this section, a local unit of government  
251.22 or public building that is served by a municipal electric utility must inform the municipal  
251.23 electric utility of the local unit of government's or public building's intention to do so. A  
251.24 municipal electric utility may, under an agreement with a local unit of government, own  
251.25 and operate a solar energy generating system awarded a grant under this section on behalf  
251.26 of and for the benefit of the local unit of government.

251.27 Subd. 7. **Application process.** (a) The commissioner must issue a request for proposals  
251.28 to utilities, local units of government, and developers who may wish to apply for a grant  
251.29 under this section on behalf of a public building.

251.30 (b) A utility or developer must submit an application to the commissioner on behalf of  
251.31 a public building on a form prescribed by the commissioner. The form must include, at a  
251.32 minimum, the following information:

252.1 (1) the capacity of the proposed solar energy system and the amount of electricity that  
252.2 is expected to be generated;

252.3 (2) the current energy demand of the public building on which the solar energy generating  
252.4 system is to be installed, information regarding any distributed energy resource that currently  
252.5 provides electricity to the public building, and the size of the public building's subscription  
252.6 to a community solar garden, if applicable;

252.7 (3) information sufficient to estimate the energy and monetary savings that are projected  
252.8 to result from installation of the solar energy generating system over the system's useful  
252.9 life;

252.10 (4) the total cost to purchase and install the solar energy system and the solar energy  
252.11 system's lifecycle cost, including removal and disposal at the end of the system's life; and

252.12 (5) a copy of the proposed contract agreement between the local unit of government and  
252.13 the public utility or developer that includes provisions addressing the responsibility to  
252.14 maintain, remove, and dispose of the solar energy system.

252.15 (c) The commissioner must administer an open application process under this section  
252.16 at least twice annually.

252.17 (d) The commissioner must develop administrative procedures governing the application  
252.18 and grant award process under this section.

252.19 Subd. 8. **Energy conservation review.** At the commissioner's request, a local unit of  
252.20 government awarded a grant under this section must provide the commissioner with  
252.21 information regarding energy conservation measures implemented at the public building at  
252.22 which the solar energy generating system is to be installed. The commissioner may make  
252.23 recommendations to the local unit of government regarding cost-effective conservation  
252.24 measures the local unit of government can implement and may provide technical assistance  
252.25 and direct the local unit of government to available financial assistance programs.

252.26 Subd. 9. **Technical assistance.** The commissioner must provide technical assistance to  
252.27 local units of government to develop and execute projects under this section.

252.28 Subd. 10. **Grant payments.** A grant awarded under this section must be used only to  
252.29 pay the necessary and reasonable costs associated with purchasing and installing a solar  
252.30 energy system.

252.31 Subd. 11. **Installation.** Contractors and subcontractors installing a solar energy generating  
252.32 system funded by a grant awarded under this section must comply with sections 177.41 to  
252.33 177.43 with respect to the installation.

253.1 Subd. 12. **Reporting.** Beginning January 15, 2023, and each year thereafter until January  
253.2 15, 2026, the commissioner must report to the chairs and ranking minority members of the  
253.3 legislative committees with jurisdiction over energy finance and policy regarding (1) grants  
253.4 and amounts awarded to local units of government under this section during the previous  
253.5 year, and (2) any remaining balance available in the account established under this section.

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

253.7 Sec. 9. Minnesota Statutes 2020, section 216E.01, subdivision 9a, is amended to read:

253.8 Subd. 9a. **Solar energy generating system.** "Solar energy generating system" means a  
253.9 set of devices whose primary purpose is to produce electricity by means of any combination  
253.10 of collecting, transferring, or converting solar-generated energy, and may include  
253.11 transmission lines designed for and capable of operating at 100 kilovolts or less that  
253.12 interconnect a solar energy generating system with a high-voltage transmission line.

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

253.14 Sec. 10. Minnesota Statutes 2020, section 216E.03, subdivision 5, is amended to read:

253.15 Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce  
253.16 shall prepare for the commission an environmental impact statement on each proposed large  
253.17 electric power generating plant or high-voltage transmission line for which a complete  
253.18 application has been submitted. The commissioner shall not consider whether or not the  
253.19 project is needed. No other state environmental review documents shall be required. The  
253.20 commissioner shall study and evaluate any site or route proposed by an applicant and any  
253.21 other site, other than a site for a solar energy generating system, or route the commission  
253.22 deems necessary that was proposed in a manner consistent with rules concerning the form,  
253.23 content, and timeliness of proposals for alternate sites or routes.

253.24 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a  
253.25 large electric power generating plant and is not proposed by a utility, the commissioner  
253.26 must make a finding in the environmental impact statement whether the project is likely to  
253.27 result in a net reduction of carbon dioxide emissions, considering both the utility providing  
253.28 electric service to the proposed cogeneration facility and any reduction in carbon dioxide  
253.29 emissions as a result of increased efficiency from the production of thermal energy on the  
253.30 part of the customer operating or owning the proposed cogeneration facility.

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

254.1 Sec. 11. [500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY  
254.2 SYSTEMS PROHIBITED.

254.3 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

254.4 (b) "Private entity" means a homeowners association, community association, or other  
254.5 association that is subject to a homeowners association document.

254.6 (c) "Homeowners association document" means a document containing the declaration,  
254.7 articles of incorporation, bylaws, or rules and regulations of:

254.8 (1) a common interest community, as defined in section 515B.1-103, regardless of  
254.9 whether the common interest community is subject to chapter 515B; and

254.10 (2) a residential community that is not a common interest community.

254.11 (d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

254.12 Subd. 2. General rule. A private entity must not prohibit or refuse to permit installation,  
254.13 maintenance, or use of a roof-mounted solar energy system by the owner of a single-family  
254.14 dwelling, notwithstanding any covenant, restriction, or condition contained in a deed, security  
254.15 instrument, homeowners association document, or any other instrument affecting the transfer,  
254.16 sale of, or an interest in real property, except as provided in this section.

254.17 Subd. 3. Applicability. This section applies to single-family detached dwellings whose  
254.18 owner is the sole owner of the entire building in which the dwelling is located and who is  
254.19 solely responsible to maintain, repair, replace, and insure the entire building.

254.20 Subd. 4. Allowable conditions. (a) This section does not prohibit a private entity from  
254.21 requiring that:

254.22 (1) a licensed contractor install a solar energy system;

254.23 (2) a roof-mounted solar energy system not extend above the peak of a pitched roof or  
254.24 beyond the edge of the roof;

254.25 (3) the owner or installer of a solar energy system indemnify or reimburse the private  
254.26 entity or the private entity's members for loss or damage caused by the installation,  
254.27 maintenance, use, repair, or removal of a solar energy system;

254.28 (4) the owner and each successive owner of a solar energy system list the private entity  
254.29 as a certificate holder on the homeowner's insurance policy; or

255.1 (5) the owner and each successive owner of a solar energy system be responsible for  
255.2 removing the system if reasonably necessary to repair, maintain, or replace common elements  
255.3 or limited common elements, as defined in section 515B.1-103.

255.4 (b) A private entity may impose other reasonable restrictions on the installation,  
255.5 maintenance, or use of solar energy systems, provided that those restrictions do not decrease  
255.6 the projected generation of energy by a solar energy system by more than 20 percent or  
255.7 increase the solar energy system's cost by more than (1) 20 percent for a solar water heater,  
255.8 or (2) \$2,000 for a solar photovoltaic system, compared with the generation of energy and  
255.9 the cost of labor and materials certified by the designer or installer of the solar energy system  
255.10 as originally proposed without the restrictions. A private entity may obtain an alternative  
255.11 bid and design from a solar energy system designer or installer for the purposes of this  
255.12 paragraph.

255.13 (c) A solar energy system must meet applicable standards and requirements imposed by  
255.14 the state and by governmental units, as defined in section 462.384.

255.15 (d) A solar energy system for heating water must be certified by the Solar Rating  
255.16 Certification Corporation or an equivalent certification agency. A solar energy system for  
255.17 producing electricity must meet all applicable safety and performance standards established  
255.18 by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and  
255.19 accredited testing laboratories, including but not limited to Underwriters Laboratories and,  
255.20 where applicable, Public Utilities Commission rules regarding safety and reliability.

255.21 (e) If approval by a private entity is required to install or use a solar energy system, the  
255.22 application for approval (1) must be processed and approved in the same manner as an  
255.23 application for approval of an architectural modification to the property, and (2) must not  
255.24 be willfully avoided or delayed.

255.25 (f) An application for approval must be made in writing and must contain certification  
255.26 that the applicant meets any conditions required by a private entity under this subdivision.  
255.27 An application must include a copy of the interconnection application submitted to the  
255.28 applicable electric utility.

255.29 (g) A private entity shall approve or deny an application in writing. If an application is  
255.30 not denied in writing within 60 days from the date the application is received, the application  
255.31 is deemed approved unless the delay is the result of a reasonable request for additional  
255.32 information. If a private entity receives an incomplete application that the private entity  
255.33 determines prevents a decision to approve or disapprove the application, a new 60-day limit  
255.34 begins only if the private entity sends written notice to the applicant, within 15 business

256.1 days of the date the incomplete application is received, informing the applicant what  
256.2 additional information is required.

256.3 Sec. 12. **PHOTOVOLTAIC DEMAND CREDIT RIDER.**

256.4 By October 1, 2022, an investor-owned utility that has not already done so must submit  
256.5 to the Public Utilities Commission a photovoltaic demand credit rider that reimburses all  
256.6 demand-metered customers with solar photovoltaic systems greater than 40 kilowatts  
256.7 alternating current for the demand charge overbilling that occurs. The utility may submit  
256.8 to the commission multiple options to calculate reimbursement for demand charge overbilling.  
256.9 At least one submission must use a capacity value stack methodology. The commission is  
256.10 prohibited from approving a photovoltaic demand credit rider unless the rider allows  
256.11 stand-alone photovoltaic systems and photovoltaic systems coupled with storage. The  
256.12 commission must approve the photovoltaic demand credit rider by June 30, 2023.

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

256.14 Sec. 13. **REPEALER.**

256.15 Minnesota Statutes 2020, sections 16B.323, subdivisions 1 and 2; and 16B.326, are  
256.16 repealed.

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

256.18 **ARTICLE 23**  
256.19 **ELECTRIC VEHICLES**

256.20 Section 1. Minnesota Statutes 2021 Supplement, section 16C.135, subdivision 3, is amended  
256.21 to read:

256.22 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when  
256.23 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner  
256.24 or the agency shall purchase a motor vehicle that is capable of being powered by cleaner  
256.25 fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid  
256.26 fuel, if the total life-cycle cost of ownership is less than or comparable to that of other  
256.27 vehicles and if the vehicle is capable the motor vehicle in conformity with the following  
256.28 vehicle preference hierarchy, with clause (1) representing the top of the hierarchy:

256.29 (1) an electric vehicle;

256.30 (2) a hybrid electric vehicle;



257.1 (3) a vehicle capable of being powered by cleaner fuels; and

257.2 (4) a vehicle powered by gasoline or diesel fuel.

257.3 (b) The commissioner or agency may only reject a vehicle type that is higher on the  
257.4 vehicle preference hierarchy if:

257.5 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;

257.6 or

257.7 (2) the total life-cycle cost of ownership of a vehicle type that is higher on the vehicle  
257.8 preference hierarchy is more than ten percent higher than the next lower vehicle type or the  
257.9 vehicle preference hierarchy.

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

257.11 Sec. 2. Minnesota Statutes 2020, section 16C.137, subdivision 1, is amended to read:

257.12 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,  
257.13 technically, and economically feasible, subject to the specific needs of the department and  
257.14 responsible management of agency finances:

257.15 (1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law  
257.16 enforcement vehicles; are purchased in conformity with the hierarchy of preferences  
257.17 established in section 16C.135, subdivision 3;

257.18 ~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

257.19 ~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~  
257.20 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~  
257.21 ~~hydrogen-powered vehicles; or~~

257.22 ~~(iii) are powered solely by electricity;~~

257.23 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and  
257.24 hydrogen from agricultural products; and

257.25 (3) increase its use of web-based Internet applications and other electronic information  
257.26 technologies to enhance the access to and delivery of government information and services  
257.27 to the public, and reduce the reliance on the department's fleet for the delivery of such  
257.28 information and services.

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

258.1 Sec. 3. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:

258.2 Subd. 7. **No commercial establishment within right-of-way; exceptions.** No  
258.3 commercial establishment, including but not limited to automotive service stations, for  
258.4 serving motor vehicle users shall be constructed or located within the right-of-way of, or  
258.5 on publicly owned or publicly leased land acquired or used for or in connection with, a  
258.6 controlled-access highway<sub>2</sub>, except that:

258.7 (1) structures may be built within safety rest and travel information center areas;

258.8 (2) space within state-owned buildings in those areas may be leased for the purpose of  
258.9 providing information to travelers through advertising as provided in section 160.276;

258.10 (3) advertising signs may be erected within the right-of-way of interstate or  
258.11 controlled-access trunk highways by franchise agreements under section 160.80;

258.12 (4) vending machines may be placed in rest areas, travel information centers, or weigh  
258.13 stations constructed or located within trunk highway rights-of-way; ~~and~~

258.14 (5) acknowledgment signs may be erected under sections 160.272 and 160.2735~~;~~ and

258.15 (6) electric vehicle charging stations may be installed, operated, and maintained in safety  
258.16 rest areas.

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

258.18 Sec. 4. Minnesota Statutes 2020, section 168.27, is amended by adding a subdivision to  
258.19 read:

258.20 Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed  
258.21 under this chapter that operates under an agreement or franchise from a manufacturer and  
258.22 sells electric vehicles must maintain at least one employee who is certified as having  
258.23 completed a training course offered by a Minnesota motor vehicle dealership association  
258.24 that addresses at least the following elements:

258.25 (1) fundamentals of electric vehicles;

258.26 (2) electric vehicle charging options and costs;

258.27 (3) publicly available electric vehicle incentives;

258.28 (4) projected maintenance and fueling costs for electric vehicles;

258.29 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric  
258.30 vehicles;

259.1 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and

259.2 (7) best practices to sell electric vehicles.

259.3 (b) For the purposes of this section, "electric vehicle" has the meaning given in section  
259.4 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

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

259.6 Sec. 5. [216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.

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

259.9 (b) "Battery exchange station" means a physical location deploying equipment that  
259.10 enables a used electric vehicle battery to be removed and exchanged for a fresh electric  
259.11 vehicle battery.

259.12 (c) "Electric vehicle" means any device or contrivance that transports persons or property  
259.13 and is capable of being powered by an electric motor drawing current from rechargeable  
259.14 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes  
259.15 but is not limited to:

259.16 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;

259.17 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

259.18 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;

259.19 (4) a motorboat, as defined in section 86B.005, subdivision 9; or

259.20 (5) an aircraft, as defined in section 360.013, subdivision 37.

259.21 (d) "Electric vehicle charging station" means a physical location deploying equipment  
259.22 that:

259.23 (1) transfers electricity to an electric vehicle battery;

259.24 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

259.25 (3) exchanges electric vehicle batteries; or

259.26 (4) provides other equipment used to charge or fuel electric vehicles.

259.27 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any  
259.28 associated machinery, equipment, and infrastructure necessary for a public utility to supply  
259.29 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle  
259.30 operation.

260.1 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into  
260.2 electricity through electrochemical reactions.

260.3 (g) "Government entity" means the state, a state agency, or a political subdivision, as  
260.4 defined in section 13.02, subdivision 11.

260.5 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

260.6 Subd. 2. **Transportation electrification plan; contents.** (a) By June 1, 2023, and at  
260.7 least every three years thereafter, a public utility must file a transportation electrification  
260.8 plan with the commission that is designed to (1) maximize the overall benefits of electric  
260.9 vehicles and other electrified transportation while minimizing overall costs, and (2) promote  
260.10 the:

260.11 (i) purchase of electric vehicles by the public utility's customers; and

260.12 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.

260.13 (b) A transportation electrification plan may include but is not limited to the following  
260.14 elements:

260.15 (1) programs to educate and increase the awareness and benefits of electric vehicles and  
260.16 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family  
260.17 and multifamily housing developers and property management companies, building owners  
260.18 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential  
260.19 users of electric vehicles;

260.20 (2) utility investments and incentives the utility provides and offers to support  
260.21 transportation electrification across all customer classes, including but not limited to  
260.22 investments and incentives to facilitate:

260.23 (i) the deployment of electric vehicles for personal and commercial use; customer- and  
260.24 utility-owned electric vehicle charging stations; electric vehicle infrastructure to support  
260.25 light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility  
260.26 infrastructure;

260.27 (ii) widespread access to publicly available electric vehicle charging stations; and

260.28 (iii) the electrification of public transit and vehicle fleets owned or operated by a  
260.29 government entity;

260.30 (3) research and demonstration projects to increase access to electricity as a transportation  
260.31 fuel, minimize the system costs of electric transportation, and inform future transportation  
260.32 electrification plans;

261.1 (4) rate structures or programs that encourage electric vehicle charging that optimizes  
261.2 electric grid operation, including time-varying rates and charging optimization programs;

261.3 (5) programs to increase access to the benefits of electricity as a transportation fuel for  
261.4 low- or moderate-income customers and communities and in neighborhoods most affected  
261.5 by transportation-related air emissions; and

261.6 (6) proposals to expedite commission consideration of program adjustments requested  
261.7 during the term of an approved transportation electrification plan.

261.8 (c) If funding is limited, a public utility must give priority under this section to  
261.9 investments in communities whose governing body has enacted a resolution or goal  
261.10 supporting electric vehicle adoption. A public utility must cooperate with local communities  
261.11 to identify suitable locations, consistent with a community's local development plans, where  
261.12 electric vehicle infrastructure may be strategically deployed.

261.13 Subd. 3. **Transportation electrification plan; review and implementation.** The  
261.14 commission may approve, modify, or reject a transportation electrification plan. When  
261.15 reviewing a transportation electrification plan, the commission must consider whether the  
261.16 programs, investments, and expenditures as a whole are reasonably expected to:

261.17 (1) improve the operation of the electric grid;

261.18 (2) increase access to the use of electricity as a transportation fuel for all customers,  
261.19 including those in low- or moderate-income communities, rural communities, and  
261.20 communities most affected by emissions from the transportation sector;

261.21 (3) increase access to publicly available electric vehicle charging and destination charging  
261.22 for all types of electric vehicles;

261.23 (4) support the electrification of medium-duty and heavy-duty vehicles and associated  
261.24 charging infrastructure;

261.25 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and  
261.26 emissions of other air pollutants that impair the environment and public health;

261.27 (6) stimulate private capital investment and the creation of skilled jobs;

261.28 (7) educate the public about the benefits of electric vehicles and related infrastructure;  
261.29 and

261.30 (8) be transparent and incorporate reasonable public reporting of program activities,  
261.31 consistent with existing technology and data capabilities, to inform program design and  
261.32 commission policy with respect to electric vehicles.

262.1 Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the  
262.2 commission may approve, with respect to any prudent and reasonable investments made or  
262.3 expenses incurred by a public utility to administer and implement a transportation  
262.4 electrification plan approved under subdivision 3:

262.5 (1) a rider or other tariff mechanism to automatically adjust charges annually;

262.6 (2) performance-based incentives;

262.7 (3) placing the investment, including rebates, in the public utility's rate base and allowing  
262.8 the public utility to earn a rate of return on the investment at:

262.9 (i) the public utility's average weighted cost of capital, including the rate of return on  
262.10 equity, approved by the commission in the public utility's most recent general rate case; or

262.11 (ii) another rate determined by the commission; or

262.12 (4) any other recovery mechanism that the commission determines is fair, reasonable,  
262.13 and supports the objectives of this section.

262.14 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the  
262.15 commission must approve recovery costs for expenses reasonably incurred by a public  
262.16 utility to provide public advertisement as part of a transportation electrification plan approved  
262.17 by the commission under subdivision 3.

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

262.19 Sec. 6. **[216B.1617] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

262.22 (b) "Battery exchange station" means a physical location where equipment is deployed  
262.23 that enables a used electric vehicle battery to be exchanged for a fully charged battery.

262.24 (c) "Electric school bus" means an electric vehicle that is a school bus.

262.25 (d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

262.26 (e) "Electric vehicle charging station" means a physical location deploying equipment  
262.27 that provides electricity to charge a battery in an electric vehicle.

262.28 (f) "Electric vehicle infrastructure" means electric vehicle charging stations and battery  
262.29 exchange stations, and includes any infrastructure necessary to make electricity from a  
262.30 public utility's electric distribution system available to electric vehicle charging stations or  
262.31 battery exchange stations.

263.1 (g) "Poor air quality" means: (1) ambient air levels that air monitoring data reveals  
263.2 approach or exceed state or federal air quality standards or chronic health inhalation risk  
263.3 benchmarks for total suspended particulates, particulate matter less than ten microns wide  
263.4 (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen  
263.5 dioxide; or (2) levels of asthma among children that significantly exceed the statewide  
263.6 average.

263.7 (h) "School bus" has the meaning given in section 169.011, subdivision 71.

263.8 Subd. 2. **Program.** (a) A public utility may file with the commission a program to  
263.9 promote deployment of electric school buses.

263.10 (b) The program may include but is not limited to the following elements:

263.11 (1) a school district may purchase one or more electric school buses;

263.12 (2) the public utility may provide a rebate to the school district for the incremental cost  
263.13 the school district incurs to purchase one or more electric school buses when compared with  
263.14 fossil-fuel-powered school buses;

263.15 (3) at the request of a school district, the public utility may deploy on the school district's  
263.16 real property electric vehicle infrastructure required to charge electric school buses;

263.17 (4) for any electric school bus purchased by a school district with a rebate provided by  
263.18 the public utility, the school district must enter into a contract with the public utility under  
263.19 which the school district:

263.20 (i) accepts any and all liability for operating the electric school bus;

263.21 (ii) accepts responsibility to maintain and repair the electric school bus; and

263.22 (iii) must allow the public utility an option to own the electric school bus's battery at the  
263.23 time the battery is retired from the electric school bus; and

263.24 (5) in collaboration with a school district, prioritize the deployment of electric school  
263.25 buses in areas of the school district that suffer from poor air quality.

263.26 Subd. 3. **Program review and implementation.** The commission must approve, modify,  
263.27 or reject a proposal for a program filed under this section within 180 days of the date the  
263.28 proposal is received. The commission's approval, modification, or rejection must be based  
263.29 on the proposal's likelihood to, through prudent and reasonable utility investments:

263.30 (1) accelerate deployment of electric school buses in the public utility's service territory,  
263.31 particularly in areas with poor air quality; and

264.1 (2) reduce emissions of greenhouse gases and particulates compared to  
264.2 fossil-fuel-powered school buses.

264.3 Subd. 4. **Cost recovery.** (a) Any prudent and reasonable investment made by a public  
264.4 utility on electric vehicle infrastructure installed on a school district's real property may be  
264.5 placed in the public utility's rate base and earn a rate of return, as determined by the  
264.6 commission.

264.7 (b) Notwithstanding any other provision of this chapter, the commission may approve  
264.8 a tariff mechanism to automatically adjust annual charges for prudent and reasonable  
264.9 investments made by a public utility to implement and administer a program approved by  
264.10 the commission under subdivision 3.

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

264.12 Sec. 7. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**  
264.13 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

264.14 Subdivision 1. **Establishment.** A grant program is established in the Department of  
264.15 Commerce to award grants to dealers to offset the costs to obtain the necessary training and  
264.16 equipment that is required by electric vehicle manufacturers in order to certify a dealer to  
264.17 sell electric vehicles produced by the manufacturer.

264.18 Subd. 2. **Application.** An application for a grant under this section must be made to the  
264.19 commissioner on a form developed by the commissioner. The commissioner must develop  
264.20 administrative procedures and processes to review applications and award grants under this  
264.21 section.

264.22 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must  
264.23 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise  
264.24 from a manufacturer of electric vehicles.

264.25 Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this  
264.26 section must be used only to reimburse:

264.27 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's  
264.28 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

264.29 (2) a dealer for the reasonable costs to purchase and install equipment to service and  
264.30 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the  
264.31 franchise to the dealer; and

264.32 (3) the department for the reasonable costs incurred to administer this section.



265.1 Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not  
265.2 exceed \$40,000.

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

265.4 Sec. 8. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision  
265.5 to read:

265.6 Subd. 6a. **Electric vehicle capable space.** "Electric vehicle capable space" means a  
265.7 designated automobile parking space that has electrical infrastructure, including but not  
265.8 limited to raceways, cables, electrical capacity, and panelboard or other electrical distribution  
265.9 space, necessary to install an electric vehicle charging station.

265.10 Sec. 9. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision  
265.11 to read:

265.12 Subd. 6b. **Electric vehicle charging station.** "Electric vehicle charging station" means  
265.13 a designated automobile parking space that has a dedicated connection for charging an  
265.14 electric vehicle.

265.15 Sec. 10. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision  
265.16 to read:

265.17 Subd. 6c. **Electric vehicle ready space.** "Electric vehicle ready space" means a designated  
265.18 automobile parking space that has a branch circuit capable of supporting the installation of  
265.19 an electric vehicle charging station.

265.20 Sec. 11. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision  
265.21 to read:

265.22 Subd. 10a. **Parking facilities.** "Parking facilities" includes parking lots, garages, ramps,  
265.23 or decks.

265.24 Sec. 12. Minnesota Statutes 2020, section 326B.106, is amended by adding a subdivision  
265.25 to read:

265.26 Subd. 16. **Electric vehicle charging.** The code shall require a minimum number of  
265.27 electric vehicle-ready spaces, electric vehicle capable spaces, and electric vehicle charging  
265.28 stations either within or adjacent to new commercial and multifamily structures that provide  
265.29 on-site parking facilities. Residential structures with fewer than four dwelling units are  
265.30 exempt from this subdivision.

266.1 Sec. 13. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS IN**  
266.2 **STATE AND REGIONAL PARKS.**

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

266.5 (b) "DC fast charger" means electric vehicle charging station equipment that transfers  
266.6 direct current electricity directly to an electric vehicle's battery.

266.7 (c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011,  
266.8 subdivision 26a.

266.9 (d) "Electric vehicle charging station" means infrastructure that connects an electric  
266.10 vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

266.11 (e) "Level 2 charger" means electric vehicle charging station equipment that transfers  
266.12 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts  
266.13 alternating current to direct current to recharge an electric vehicle battery.

266.14 Subd. 2. **Program.** The commissioner of natural resources, in consultation with the  
266.15 commissioners of the Pollution Control Agency, administration, and commerce, must  
266.16 develop and fund the installation of a network of electric vehicle charging stations in  
266.17 Minnesota state parks. The commissioners must issue a request for proposals to entities that  
266.18 have experience installing, owning, operating, and maintaining electric vehicle charging  
266.19 stations. The request for proposal must establish technical specifications that electric vehicle  
266.20 charging stations are required to meet and must request responders to address:

266.21 (1) the optimal number and location of charging stations installed in a given state park;

266.22 (2) alternative arrangements that may be made to allocate responsibility for electric  
266.23 vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing  
266.24 procedures; and

266.25 (3) any other issues deemed relevant by the commissioners.

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

266.27 Sec. 14. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS AT**  
266.28 **COUNTY GOVERNMENT CENTERS.**

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

267.1 (b) "DC fast charger" means electric vehicle charging station equipment that transfers  
267.2 direct current electricity directly to an electric vehicle's battery.

267.3 (c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011,  
267.4 subdivision 26a.

267.5 (d) "Electric vehicle charging station" means infrastructure that connects an electric  
267.6 vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

267.7 (e) "Level 2 charger" means electric vehicle charging station equipment that transfers  
267.8 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts  
267.9 alternating current to direct current to recharge an electric vehicle battery.

267.10 Subd. 2. **Program.** The commissioner of commerce must develop and fund the installation  
267.11 of a network of electric vehicle charging stations in public parking facilities at county  
267.12 government centers located in Minnesota. The commissioner must issue a request for  
267.13 proposals to entities that have experience installing, owning, operating, and maintaining  
267.14 electric vehicle charging stations. The request for proposal must establish technical  
267.15 specifications that electric vehicle charging stations are required to meet and must request  
267.16 responders to address:

267.17 (1) the optimal number and location of charging stations installed at each county  
267.18 government center;

267.19 (2) alternative arrangements that may be made to allocate responsibility for electric  
267.20 vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing  
267.21 procedures;

267.22 (3) software used to allow payment for electricity consumed at the charging stations;  
267.23 and

267.24 (4) any other issues deemed relevant by the commissioner.

267.25 Subd. 3. **County role.** (a) A county has a right of first refusal with respect to ownership  
267.26 of electric vehicle charging stations receiving funding under this section and installed at the  
267.27 county government center.

267.28 (b) A county may enter into agreements to (1) wholly or partially own, operate, or  
267.29 maintain an electric vehicle charging system receiving funding under this section and  
267.30 installed at the county government center, or (2) receive reports on the electric vehicle  
267.31 charging system operations.

268.1 (c) A county must authorize and approve the installation and location of an electric  
268.2 vehicle charging station at a county government center under this section.

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

268.4 **ARTICLE 24**

268.5 **RENEWABLE ECONOMIC DEVELOPMENT**

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

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

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

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

268.30 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
268.31 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
268.32 plant must transfer to the renewable development account \$350,000 each year for each dry  
268.33 cask containing spent fuel that is located at the Monticello nuclear power plant for each

269.1 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
269.2 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
269.3 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
269.4 any part of a year.

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

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

269.17 (g) If the commission approves a new or amended power purchase agreement, or the  
269.18 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
269.19 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
269.20 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
269.21 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
269.22 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
269.23 30 days after the commission approves the new or amended power purchase agreement, or  
269.24 the termination of the power purchase agreement, and on each June 1 thereafter through  
269.25 2021, to assist the transition required by the new, amended, or terminated power purchase  
269.26 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
269.27 to the renewable development account as provided in paragraphs (b) and (e).

269.28 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
269.29 and (g) is limited to the amount deposited into the renewable development account, and its  
269.30 predecessor, the renewable development account, established under this section, that was  
269.31 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
269.32 10.

269.33 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello  
269.34 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued

270.1 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued  
270.2 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year  
270.3 in which the commission finds, by the preponderance of the evidence, that the public utility  
270.4 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a  
270.5 permanent or interim storage site out of the state. This determination shall be made at least  
270.6 every two years.

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

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

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

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

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

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

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

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

270.21 (2) "grid modernization" means:

270.22 (i) enhancing the reliability of the electrical grid;

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

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

270.29 (l) A renewable development account advisory group that includes, among others,  
270.30 representatives of the public utility and its ratepayers, and includes at least one representative  
270.31 of the Prairie Island Indian community appointed by that community's tribal council, shall  
270.32 develop recommendations on account expenditures. The advisory group must design a

271.1 request for proposal and evaluate projects submitted in response to a request for proposals.  
271.2 The advisory group must utilize an independent third-party expert to evaluate proposals  
271.3 submitted in response to a request for proposal, including all proposals made by the public  
271.4 utility. A request for proposal for research and development under paragraph (j), clause (1),  
271.5 may be limited to or include a request to higher education institutions located in Minnesota  
271.6 for multiple projects authorized under paragraph (j), clause (1). The request for multiple  
271.7 projects may include a provision that exempts the projects from the third-party expert review  
271.8 and instead provides for project evaluation and selection by a merit peer review grant system.  
271.9 In the process of determining request for proposal scope and subject and in evaluating  
271.10 responses to request for proposals, the advisory group must strongly consider, where  
271.11 reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

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

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

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

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

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

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

272.1 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of  
272.2 management and budget shall submit a written report regarding the availability of funds in  
272.3 and obligations of the account to the chairs and ranking minority members of the senate  
272.4 and house committees with jurisdiction over energy policy and finance, the public utility,  
272.5 and the advisory group.

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

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

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

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

272.18 (v) A construction project funded from an appropriation made under this section must  
272.19 comply with sections 177.41 to 177.43.

272.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
272.21 applies to appropriations made on or after that date.

272.22 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

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

272.25 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed  
272.26 \$500,000 in any calendar year. The commissioner may accept grant applications on an  
272.27 ongoing or rolling basis.

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



273.1 Sec. 3. Minnesota Statutes 2020, section 216B.16, subdivision 13, is amended to read:

273.2 Subd. 13. **Economic and community development.** The commission may allow a  
273.3 public utility to recover from ratepayers the reasonable expenses incurred (1) for economic  
273.4 and community development, and (2) to employ local workers, as defined in section  
273.5 216B.2422, subdivision 1, to construct and maintain generation facilities that supply power  
273.6 to the utility's customers.

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

273.8 Sec. 4. Minnesota Statutes 2020, section 216B.1645, subdivision 2, is amended to read:

273.9 Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the  
273.10 approved contract or useful life of the investment ~~and~~ expenditures made pursuant to section  
273.11 116C.779 ~~shall be~~, and the expenses incurred to employ local workers to construct and  
273.12 maintain generation facilities that supply power to the utility's customers are recoverable  
273.13 from the ratepayers of the utility; (1) to the extent ~~they~~ the expenses or expenditures are not  
273.14 offset by utility revenues attributable to the contracts, investments, or expenditures, and (2)  
273.15 if the expenses or expenditures are deemed reasonable by the commission. Upon petition  
273.16 by a public utility, the commission shall approve or approve as modified a rate schedule  
273.17 providing for the automatic adjustment of charges to recover the expenses or costs approved  
273.18 by the commission under subdivision 1, which, in the case of transmission expenditures,  
273.19 are limited to the portion of actual transmission costs that are directly allocable to the need  
273.20 to transmit power from the renewable sources of energy. The commission may not approve  
273.21 recovery of the costs for that portion of the power generated from sources governed by this  
273.22 section that the utility sells into the wholesale market.

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

273.24 Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

273.25 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within ~~its~~ the  
273.26 commission's statutory authority to ensure this section is implemented to maximize benefits  
273.27 to Minnesota citizens and local workers, as defined in section 216B.2422, subdivision 1,  
273.28 balancing factors such as local ownership of or participation in energy production; local  
273.29 job impacts, as defined in section 216B.2422, subdivision 1; development and ownership  
273.30 of eligible energy technology facilities by independent power producers; Minnesota utility  
273.31 ownership of eligible energy technology facilities; the costs of energy generation to satisfy  
273.32 the renewable standard; and the reliability of electric service to Minnesotans.

274.1 Sec. 6. Minnesota Statutes 2020, section 216B.2422, subdivision 1, is amended to read:

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

274.4 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more  
274.5 of electric power and serving, either directly or indirectly, the needs of 10,000 retail  
274.6 customers in Minnesota. Utility does not include federal power agencies.

274.7 (c) "Renewable energy" means electricity generated through use of any of the following  
274.8 resources:

274.9 (1) wind;

274.10 (2) solar;

274.11 (3) geothermal;

274.12 (4) hydro;

274.13 (5) trees or other vegetation;

274.14 (6) landfill gas; or

274.15 (7) predominantly organic components of wastewater effluent, sludge, or related  
274.16 by-products from publicly owned treatment works, but not including incineration of  
274.17 wastewater sludge.

274.18 (d) "Resource plan" means a set of resource options that a utility could use to meet the  
274.19 service needs of its customers over a forecast period, including an explanation of the supply  
274.20 and demand circumstances under which, and the extent to which, each resource option  
274.21 would be used to meet those service needs. These resource options include using,  
274.22 refurbishing, and constructing utility plant and equipment, buying power generated by other  
274.23 entities, controlling customer loads, and implementing customer energy conservation.

274.24 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating  
274.25 resource of 30 megawatts or greater.

274.26 (f) "Energy storage system" means a commercially available technology that:

274.27 (1) uses mechanical, chemical, or thermal processes to:

274.28 (i) store energy, including energy generated from renewable resources and energy that  
274.29 would otherwise be wasted, and deliver the stored energy for use at a later time; or

274.30 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner  
274.31 that reduces the demand for electricity at the later time;

275.1 (2) is composed of stationary equipment;

275.2 (3) if being used for electric grid benefits, is operationally visible and capable of being  
275.3 controlled by the distribution or transmission entity managing it, to enable and optimize the  
275.4 safe and reliable operation of the electric system; and

275.5 (4) achieves any of the following:

275.6 (i) reduces peak or electrical demand;

275.7 (ii) defers the need or substitutes for an investment in electric generation, transmission,  
275.8 or distribution assets;

275.9 (iii) improves the reliable operation of the electrical transmission or distribution systems,  
275.10 while ensuring transmission or distribution needs are not created; or

275.11 (iv) lowers customer costs by storing energy when the cost of generating or purchasing  
275.12 it is low and delivering it to customers when the costs are high.

275.13 (g) "Local job impacts" means the impacts of a certificate of need, a power purchase  
275.14 agreement, or commission approval of a new or refurbished energy facility on the availability  
275.15 of construction employment opportunities to local workers.

275.16 (h) "Local workers" means workers who (1) are employed to construct and maintain  
275.17 energy infrastructure; and (2) are Minnesota residents, are residents of the utility's service  
275.18 territory, or permanently reside within 150 miles of a proposed new or refurbished energy  
275.19 facility.

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

275.21 Sec. 7. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision  
275.22 to read:

275.23 **Subd. 4a. Preference for local job creation.** As part of a resource plan filing, a utility  
275.24 must report on associated local job impacts and the steps the utility and the utility's energy  
275.25 suppliers and contractors are taking to maximize the availability of construction employment  
275.26 opportunities for local workers. The commission must consider local job impacts and give  
275.27 preference to proposals that maximize the creation of construction employment opportunities  
275.28 for local workers, consistent with the public interest, when evaluating any utility proposal  
275.29 that involves the selection or construction of facilities used to generate or deliver energy to  
275.30 serve the utility's customers, including but not limited to an integrated resource plan, a  
275.31 certificate of need, a power purchase agreement, or commission approval of a new or  
275.32 refurbished electric generation facility. The commission must, to the maximum extent

276.1 possible, prioritize the hiring of workers from communities hosting retiring electric generation  
276.2 facilities, including workers previously employed at the retiring facilities.

276.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
276.4 applies to an integrated resource plan filed with the commission on or after that date.

276.5 Sec. 8. Minnesota Statutes 2020, section 216B.2422, subdivision 5, is amended to read:

276.6 Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may  
276.7 select resources to meet its projected energy demand through a bidding process approved  
276.8 or established by the commission. A utility shall use the environmental cost estimates  
276.9 determined under subdivision 3 ~~in~~ and consider local job impacts when evaluating bids  
276.10 submitted in a process established under this subdivision.

276.11 (b) Notwithstanding any other provision of this section, if an electric power generating  
276.12 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding  
276.13 process approved or established by the commission, a certificate of need proceeding under  
276.14 section 216B.243 is not required.

276.15 (c) A certificate of need proceeding is also not required for an electric power generating  
276.16 plant that has been selected in a bidding process approved or established by the commission,  
276.17 or such other selection process approved by the commission, to satisfy, in whole or in part,  
276.18 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

276.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
276.20 applies to an integrated resource plan filed with the commission on or after that date.

276.21 Sec. 9. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

276.22 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"  
276.23 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland,  
276.24 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,  
276.25 after review of an energy audit ~~or,~~ renewable energy system feasibility study, or agronomic  
276.26 assessment, as defined in section 216C.436, subdivision 1b, can ~~be benefited by~~ benefit  
276.27 from the installation of cost-effective energy improvements or land and water improvements,  
276.28 as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes  
276.29 new construction.

277.1 Sec. 10. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision  
277.2 to read:

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

277.5 (b) "Agronomic assessment" means a study by an independent third party that assesses  
277.6 the environmental impacts of proposed land and water improvements on farmland.

277.7 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under  
277.8 section 273.13, subdivision 23.

277.9 (d) "Land and water improvement" means:

277.10 (1) an improvement to farmland that is permanent, results in improved agricultural  
277.11 profitability or resiliency, and reduces the environmental impact of agricultural production;  
277.12 or

277.13 (2) water conservation and quality measures, which include permanently affixed  
277.14 equipment, appliances, or improvements that reduce a property's water consumption or that  
277.15 enable water to be managed more efficiently.

277.16 Land and water improvement does not include drainage.

277.17 (e) "Resiliency" means the ability of farmland to maintain and enhance profitability,  
277.18 soil health, and water quality.

277.19 Sec. 11. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

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

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

277.23 (2) require an energy audit ~~or~~ renewable energy system feasibility study, or agronomic  
277.24 or soil health assessment to be conducted on the qualifying commercial real property and  
277.25 reviewed by the implementing entity prior to approval of the financing;

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

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

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

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

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

278.10 (8) provide financing only to those who demonstrate an ability to repay;

278.11 (9) not provide financing for a qualifying commercial real property in which the owner  
278.12 is not current on mortgage or real property tax payments;

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

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

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

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

278.24 Sec. 12. **[216C.441] MINNESOTA INNOVATION FINANCE AUTHORITY.**

278.25 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
278.26 the meanings given.

278.27 (b) "Advisory task force" means the Minnesota Innovation Finance Authority advisory  
278.28 task force.

278.29 (c) "Authority" means the Minnesota Innovation Finance Authority.

278.30 (d) "Clean energy project" has the meaning given to "qualified project" in paragraph  
278.31 (k), clauses (1) to (4).

279.1 (e) "Credit enhancement" means a pool of capital set aside to cover potential losses on  
279.2 loans made by private lenders. Credit enhancement includes but is not limited to loan loss  
279.3 reserves and loan guarantees.

279.4 (f) "Energy storage system" has the meaning given in section 216B.2422, subdivision  
279.5 1, paragraph (f).

279.6 (g) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into  
279.7 electricity through electrochemical reactions.

279.8 (h) "Greenhouse gas emissions" has the meaning given to "statewide greenhouse gas  
279.9 emissions" in section 216H.01, subdivision 2.

279.10 (i) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender if  
279.11 a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the  
279.12 private lender.

279.13 (j) "Microgrid system" means an electrical grid that (1) serves a discrete geographical  
279.14 area from distributed energy resources, and (2) can operate independently from the central  
279.15 electric grid on a temporary basis.

279.16 (k) "Qualified project" means a project, technology, product, service, or measure  
279.17 predominantly focused on clean energy, electrification, or energy or climate resilience as  
279.18 follows:

279.19 (1) a project, technology, product, service, or measure that:

279.20 (i) results in the reduction of energy use while providing the same level of service or  
279.21 output obtained before the project, technology, product, service, function, or measure was  
279.22 applied;

279.23 (ii) shifts the use of electricity by retail customers in response to changes in the price of  
279.24 electricity that vary over time or provides other incentives designed to shift electricity  
279.25 demand from times when market prices are high or when system reliability is jeopardized;  
279.26 or

279.27 (iii) significantly reduces greenhouse gas emissions relative to greenhouse gas emissions  
279.28 produced before the project is implemented, excluding projects that generate power from  
279.29 the combustion of fossil fuels;

279.30 (2) the development, construction, deployment, alteration, or repair of any:

279.31 (i) project, technology, product, service, or measure that generates electric power from  
279.32 renewable energy; or

280.1 (ii) distributed generation system, energy storage system, smart grid technology, microgrid  
280.2 system, fuel cell system, or combined heat and power system;

280.3 (3) the installation, construction, or use of end-use electric technology that replaces  
280.4 existing fossil-fuel-based technology;

280.5 (4) a project, technology, product, service, or measure that supports the development  
280.6 and deployment of electric vehicle charging stations and associated infrastructure;

280.7 (5) a project that reduces net greenhouse gas emissions or improves climate resiliency,  
280.8 including but not limited to reforestation, afforestation, forestry management, and  
280.9 regenerative agriculture;

280.10 (6) the construction or enhancement of infrastructure that is planned, designed, and  
280.11 operated in a manner that anticipates, prepares for, and adapts to current and projected  
280.12 changing climate conditions so that the infrastructure withstands, responds to, and more  
280.13 readily recovers from disruptions caused by the current and projected changing climate  
280.14 conditions; and

280.15 (7) the development, construction, deployment, alteration, or repair of any project,  
280.16 technology, product, service, or measure that: (i) reduces water use while providing the  
280.17 same or better level and quality of service or output that was obtained before implementing  
280.18 the water-saving approach; or (ii) protects, restores, or preserves the quality of groundwater  
280.19 and surface waters, including but not limited to actions that further the purposes of the Clean  
280.20 Water Legacy Act, as provided in section 114D.10, subdivision 1.

280.21 (l) "Regenerative agriculture" means farming methods that reduce agriculture's  
280.22 contribution to climate change by increasing the soil's ability to absorb atmospheric carbon  
280.23 and convert the atmospheric carbon to soil carbon.

280.24 (m) "Renewable energy" has the meaning given in section 216B.2422 and includes fuel  
280.25 cells generated from renewable energy.

280.26 (n) "Smart grid" means a digital technology that (1) allows for two-way communication  
280.27 between a utility and the utility's customers, and (2) enables the utility to control power  
280.28 flow and load in real time.

280.29 Subd. 2. **Establishment; purpose.** (a) By September 1, 2022, the department must  
280.30 establish and convene a Minnesota Innovation Finance Authority Advisory Task Force.

280.31 (b) By February 1, 2023, the Minnesota Innovation Finance Authority Advisory Task  
280.32 Force convened by the department must establish the Minnesota innovation finance authority  
280.33 as a nonprofit corporation, including the development of the nonprofit board under chapter



281.1 317A, and must seek designation as a charitable tax-exempt organization under section  
281.2 501(c)(3) of the Internal Revenue Code of 1986, as amended. The advisory task force must  
281.3 engage independent legal counsel with relevant experience in nonprofit corporate law to  
281.4 help establish the nonprofit corporation. The nonprofit corporation must be governed by a  
281.5 board of directors.

281.6 (c) The authority must establish bylaws, subject to the prior approval by the  
281.7 commissioner.

281.8 (d) The initial board of directors must include at least a majority of the members of the  
281.9 advisory task force established under subdivision 5.

281.10 (e) When incorporated, the authority must serve as an independent, nonprofit corporation  
281.11 for public benefit whose purpose is to (1) promote investments in qualified clean energy,  
281.12 efficiency, electrification, and other climate-mitigation-related projects, and (2) accelerate  
281.13 the deployment of qualified projects by reducing the up-front and total cost of adoption.  
281.14 The authority may achieve the purposes under this paragraph by leveraging public sources  
281.15 and additional private sources of capital through the strategic deployment of public money  
281.16 in the form of loans, credit enhancements, and other financing mechanisms, along with  
281.17 strategies that stimulate demand.

281.18 (f) The authority must:

281.19 (1) identify underserved markets for qualified projects in Minnesota, develop programs  
281.20 to overcome market impediments, and provide access to financing to serve the projects and  
281.21 underserved markets;

281.22 (2) except in cases of projects within identified disadvantaged communities, as determined  
281.23 by the commissioner, that may limit an investment, strategically prioritize money to leverage  
281.24 private investment in qualified projects, achieving a high ratio of private to public money  
281.25 invested through funding mechanisms that support, enhance, and complement private  
281.26 investment;

281.27 (3) coordinate with existing government- and utility-based programs to ensure (i) the  
281.28 most effective use of the authority's resources, (ii) that financing terms and conditions  
281.29 offered are well-suited to qualified projects, (iii) coordination of communication with respect  
281.30 to all financing options under this section and other state and utility programs, and (iv) the  
281.31 authority's activities add to and complement the efforts of state and utility partners;

281.32 (4) serve as an informational resource for contractors interested in installing qualified  
281.33 projects by forming partnerships with and educating contractors regarding the authority's

282.1 financing programs and coordinating multiple contractors on projects that install multiple  
282.2 qualifying technologies;

282.3 (5) develop innovative and inclusive marketing strategies to stimulate project owner  
282.4 interest in targeted underserved markets;

282.5 (6) serve as a financial resource to reduce the up-front and total costs to borrowers;

282.6 (7) prioritize projects that maximize greenhouse gas emission reductions or address  
282.7 disparities in access to clean energy projects for underserved communities;

282.8 (8) ensure that workers employed by contractors and subcontractors performing  
282.9 construction work on projects over \$100,000, financed all or in part by the authority, are  
282.10 paid wages not less than the prevailing wage on similar construction projects in the applicable  
282.11 locality;

282.12 (9) develop rules, policies, and procedures specifying borrower eligibility and other  
282.13 terms and conditions for financial support offered by the fund that must be met before  
282.14 financing support is provided for any qualified clean energy project;

282.15 (10) develop and administer (i) policies to collect reasonable fees for authority services,  
282.16 and (ii) risk management activities that are sufficient to support ongoing authority activities;

282.17 (11) subject to review by the department, develop and adopt a work plan to accomplish  
282.18 all of the activities required of the authority and update the work plan on an annual basis;

282.19 (12) develop consumer protection standards governing the authority's investments to  
282.20 ensure the authority and partners provide financial support in a responsible and transparent  
282.21 manner that is in the financial interest of participating project owners and serves the defined  
282.22 underserved markets and disadvantaged communities; or

282.23 (13) establish and maintain an online and mobile-access portal that provides access to  
282.24 all authority programs and financial products, including rates, terms, and conditions of all  
282.25 financing support programs, unless disclosure of the information constitutes a trade secret  
282.26 or confidential commercial or financial information.

282.27 Subd. 3. **Additional department responsibilities.** In addition to the responsibilities  
282.28 listed in this chapter, the department must:

282.29 (1) review consumer protection standards established by the authority; and

282.30 (2) provide standard state oversight to money appropriated under this section.

282.31 Subd. 4. **Additional authorized activities.** The authority is authorized to:

283.1 (1) engage in any activities of a Minnesota nonprofit corporation operating under chapter  
283.2 317A;

283.3 (2) develop and employ financing methods to support qualified projects, including:

283.4 (i) credit enhancement mechanisms that reduce financial risk for private lenders by  
283.5 providing assurance that a limited portion of a loan is assumed by the fund via a loan loss  
283.6 reserve, loan guarantee, or other mechanism;

283.7 (ii) co-investment, where the fund invests directly in a clean energy project by providing  
283.8 senior or subordinated debt, equity, or other mechanisms in conjunction with a private  
283.9 financier's investment; and

283.10 (iii) serving as an aggregator of many small and geographically dispersed qualified  
283.11 projects, where the authority may provide direct lending, investment, or other financial  
283.12 support in order to diversify risk; and

283.13 (3) seek to qualify as a community development financial institution under United States  
283.14 Code, title 12, section 4702, in which case the authority must be treated as a qualified  
283.15 community development entity for the purposes of sections 45D and 1400(m) of the Internal  
283.16 Revenue Code.

283.17 Subd. 5. **Advisory task force; membership.** (a) The Minnesota Innovation Finance  
283.18 Authority Advisory Task Force is established and consists of 15 members as follows:

283.19 (1) the commissioner of commerce or the commissioner's designee, who serves as chair  
283.20 of the advisory task force;

283.21 (2) the commissioner of employment and economic development or the commissioner's  
283.22 designee;

283.23 (3) the commissioner of the Pollution Control Agency or the commissioner's designee;

283.24 (4) the commissioner of agriculture or the commissioner's designee;

283.25 (5) two additional members appointed by the governor;

283.26 (6) two additional members appointed by the speaker of the house;

283.27 (7) two additional members appointed by the president of the senate; and

283.28 (8) five members that have extensive life or work experience within economically  
283.29 disadvantaged communities that the authority aims to serve, appointed by the governor and  
283.30 the commissioners identified in clauses (1) to (4).

284.1 (b) The members appointed to the advisory task force under paragraph (a), clauses (6)  
284.2 and (7), must have expertise in matters relating to energy conservation, clean energy,  
284.3 economic development, banking, law, finance, or other matters relevant to the work of the  
284.4 advisory task force.

284.5 (c) When appointing a member to the advisory task force, consideration must be given  
284.6 to whether the advisory task force members collectively reflect the geographical and ethnic  
284.7 diversity of Minnesota.

284.8 (d) Members of the advisory task force must abide by the conflict of interest provisions  
284.9 in section 43A.38.

284.10 (e) In order to ensure participation, the commissioner may provide a nominal grant to  
284.11 any advisory task force member that demonstrates financial need in order to participate.

284.12 Subd. 6. **Report; audit.** Beginning February 1, 2024, the authority must annually submit  
284.13 a comprehensive report on the authority's activities for the previous fiscal year to the governor  
284.14 and the chairs and ranking minority members of the legislative committees with primary  
284.15 jurisdiction over energy policy. The report must contain, at a minimum, information on:

284.16 (1) the amount of authority capital invested, itemized by project type;

284.17 (2) the amount of private capital leveraged as a result of authority investments, itemized  
284.18 by project type;

284.19 (3) the number of qualified projects supported, itemized by project type and location  
284.20 within Minnesota;

284.21 (4) the estimated number of jobs created and tax revenue generated as a result of the  
284.22 authority's activities;

284.23 (5) the number of clean energy projects financed in low- and moderate-income  
284.24 households; and

284.25 (6) the authority's financial statements.

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

284.27 Sec. 13. **[216C.46] ENERGY ALLEY START-UP FUND.**

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

285.1 (b) "Decarbonization technology" means a technology whose implementation results in  
285.2 a reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision  
285.3 2.

285.4 (c) "Emerging energy technology" means carbon-reducing energy technologies, systems,  
285.5 or practices that are not yet at the commercialization stage.

285.6 (d) "Qualified equity business" means a minority-, women-, or veteran-owned business,  
285.7 as the terms are defined in section 116J.8737.

285.8 (e) "Qualified greater Minnesota business" means a business that is certified by the  
285.9 commissioner as a qualified small business and as a qualified greater Minnesota business  
285.10 under section 116J.8737, subdivision 2.

285.11 Subd. 2. **Establishment; purpose.** An energy alley start-up fund account is established  
285.12 in the Department of Commerce to provide loans and grants to qualified businesses to:

285.13 (1) promote the start-up, expansion, and attraction of emerging energy technologies and  
285.14 businesses within Minnesota; and

285.15 (2) stimulate other innovative decarbonization technology projects that are capable of  
285.16 being developed at a large scale.

285.17 Subd. 3. **Account established.** An energy alley start-up fund account is established in  
285.18 the special revenue fund in the state treasury. Earnings, including interest, dividends, and  
285.19 any other earnings arising from assets of the account, must be credited to the account.  
285.20 Nonstate money obtained by the commissioner for the purposes of this section must be  
285.21 credited to the account. The commissioner must manage the account. Money in the account  
285.22 is appropriated to the commissioner for the purposes of this section and must be expended  
285.23 only as provided in this section.

285.24 Subd. 4. **Nonstate contributions; influence prohibited.** (a) The commissioner must  
285.25 ensure any nonstate money deposited in the account, and the sources of nonstate money,  
285.26 have no influence over (1) awarding grants or loans, or (2) other activities conducted under  
285.27 this section.

285.28 (b) The commissioner may retain no more than three percent annually of money credited  
285.29 to the account for the department's administrative expenses.

285.30 Subd. 5. **Allocation of funds.** Money in the account must be allocated as follows:

285.31 (1) at least 50 percent to qualified greater Minnesota businesses or qualified equity  
285.32 businesses;

286.1 (2) up to 65 percent to establish a low-interest loan fund and loan loss reserve;

286.2 (3) at least 35 percent to provide grants under this section.

286.3 Subd. 6. **Loans.** (a) Loan recipients must repay loan amounts awarded under this section  
286.4 by the end of the loan term. Loan repayment amounts must be credited to the account. The  
286.5 department may use up to ten percent of the low-interest land funds or 6.5 percent of total  
286.6 money available, whichever is greater, under this section to: (1) establish a loan loss reserve  
286.7 in order to leverage additional investments; (2) ensure funding for emerging, innovative  
286.8 energy products; and (3) ensure accessibility by small businesses.

286.9 (b) No loans may be awarded under this section after June 30, 2025.

286.10 Subd. 7. **Application process.** (a) An application for a grant or loan under this section  
286.11 must be made to the commissioner on a form developed by the commissioner.

286.12 (b) An application made under this section must be evaluated by the investment committee  
286.13 established under subdivision 10.

286.14 (c) The commissioner must develop administrative procedures necessary to implement  
286.15 this section.

286.16 Subd. 8. **Grant awards; limitations.** (a) The commissioner must award grants under  
286.17 this section to eligible applicants through a competitive process.

286.18 (b) An eligible entity must be (1) located in Minnesota, or (2) able to demonstrate how  
286.19 the grant directly and significantly benefits Minnesotans in a manner that meets criteria  
286.20 established by the commissioner.

286.21 Subd. 9. **Technical advisory committee; membership.** (a) The commissioner must  
286.22 establish and appoint members to the technical advisory committee to assist in the  
286.23 development of criteria governing the award of grants under this section. The technical  
286.24 advisory committee must have expertise in energy research and development, energy  
286.25 conservation, clean energy technology development, economic development, or energy  
286.26 project financing.

286.27 (b) The commissioner must appoint members to the technical advisory committee who  
286.28 collectively reflect the geographic and ethnic diversity of Minnesota.

286.29 (c) Members of the technical advisory committee must comply with the conflicts of  
286.30 interest provisions under section 43A.38.

286.31 Subd. 10. **Investment committee; duties; membership.** (a) The commissioner, in  
286.32 consultation with the commissioner of employment and economic development, must

287.1 establish and appoint members to an investment committee to review and recommend  
287.2 applications for grant and loan awards under this section.

287.3 (b) The investment committee must consist of seven members with expertise and  
287.4 experience in investments and finance. The commissioner or the commissioner's designee,  
287.5 and the commissioner of employment and economic development or the commissioner of  
287.6 employment and economic development's designee, must serve as members of the investment  
287.7 committee. The commissioner or the commissioner's designee serves as chair of the  
287.8 investment committee.

287.9 (c) The commissioner must appoint members of the investment committee who  
287.10 collectively reflect the geographic and ethnic diversity of Minnesota.

287.11 (d) Members of the investment committee must comply with the conflicts of interest  
287.12 provisions under section 43A.38. Entities represented by members of the investment  
287.13 committee are ineligible to receive grants under this section.

287.14 Subd. 11. **Annual report; audit.** On or before February 15, 2024, and by February 15  
287.15 each year thereafter, the commissioner must report on the activities of the fund for the  
287.16 preceding calendar year to the chairs and ranking minority members of the senate and house  
287.17 of representatives committees with jurisdiction over energy finance and policy and economic  
287.18 development finance. The report must include but is not limited to information specifying:

287.19 (1) the number of applications for funding received;

287.20 (2) the number of applications selected for grants and loans;

287.21 (3) the total amount of grants and loans issued in the previous year and to date, itemized  
287.22 by project type; and

287.23 (4) a complete operating and financial statement covering the fund's operations for the  
287.24 preceding year.

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

287.26 Sec. 14. **[216C.47] GRANTS FOR RENEWABLE INTEGRATION AND**  
287.27 **DEMONSTRATION.**

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

287.30 (b) "Grid modernization" means:

287.31 (1) enhancing electric grid service quality and reliability;

288.1 (2) improving the security of the electric grid and critical infrastructure against  
288.2 cyberthreats and physical threats; and

288.3 (3) increasing energy conservation opportunities by facilitating communication between  
288.4 the utility and the utility's customers through the use of two-way meters, control technologies,  
288.5 energy storage and microgrids, technologies that enable demand flexibility, and other  
288.6 innovative technologies.

288.7 (c) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,  
288.8 paragraph (c).

288.9 Subd. 2. **Establishment; purpose.** A grants for renewable integration and demonstration  
288.10 program is established in the department. The purpose of the program is to provide grants  
288.11 for projects to:

288.12 (1) stimulate research, deployment, and grid integration of renewable electric energy  
288.13 technologies;

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

288.16 (3) stimulate other innovative energy projects that (i) reduce demand, and (ii) increase  
288.17 system efficiency and flexibility to benefit customers of the utility that owns nuclear  
288.18 generating units in Minnesota.

288.19 Subd. 3. **Program account.** A grants for renewable integration and demonstration  
288.20 program account is established as a separate account in the special revenue fund in the state  
288.21 treasury.

288.22 Subd. 4. **Expenditures.** Money in the account may be used only:

288.23 (1) for grant awards made under this section;

288.24 (2) for costs to procure technical evaluation services; and

288.25 (3) to pay reasonable costs incurred by the department to administer this section.

288.26 Subd. 5. **Eligibility.** The commissioner must determine whether a project is eligible for  
288.27 a grant under this section. When evaluating a project for approval, the commissioner must  
288.28 consider:

288.29 (1) diversity, equity, and inclusion;

288.30 (2) greenhouse gas emissions;

288.31 (3) resiliency value;



289.1 (4) grid security;

289.2 (5) jobs and economic development; and

289.3 (6) other potential benefits to Minnesota citizens and businesses, ratepayers receiving  
289.4 electric service from the utility that owns a nuclear-powered electric generating plant in  
289.5 Minnesota, the Prairie Island Indian community, or Prairie Island Indian community  
289.6 members.

289.7 Subd. 6. **Reporting.** (a) A project that receives money from a grant approved under this  
289.8 section must produce a written final report that includes sufficient detail for technical readers  
289.9 and a clearly written summary for nontechnical readers. The report must include an evaluation  
289.10 of the project's financial, environmental, and other benefits to Minnesota and the public  
289.11 utility's ratepayers.

289.12 (b) Final reports, any project status reports, and grants for renewable integration and  
289.13 demonstration program balances must be posted on a public website designated by the  
289.14 commissioner.

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

289.18 (d) By February 15 each year, the commissioner must report to the chairs and ranking  
289.19 minority members of the legislative committees with primary jurisdiction over energy  
289.20 regarding: (1) grants issued under this section during the previous calendar year; and (2)  
289.21 any remaining balance available under this section.

289.22 Subd. 7. **Gifts; grants; donations.** The program may accept gifts and grants on behalf  
289.23 of the state that constitute donations to the state. Money received under this subdivision is  
289.24 appropriated to the commissioner of commerce to support the program under this section.

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

289.26 Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 7, is amended to read:

289.27 **Subd. 7. Considerations in designating sites and routes.** (a) The commission's site  
289.28 and route permit determinations must be guided by the state's goals to conserve resources,  
289.29 minimize environmental impacts, minimize human settlement and other land use conflicts,  
289.30 and ensure the state's electric energy security through efficient, cost-effective power supply  
289.31 and electric transmission infrastructure.

290.1 (b) To facilitate the study, research, evaluation, and designation of sites and routes, the  
290.2 commission shall be guided by, but not limited to, the following considerations:

290.3 (1) evaluation of research and investigations relating to the effects on land, water and  
290.4 air resources of large electric power generating plants and high-voltage transmission lines  
290.5 and the effects of water and air discharges and electric and magnetic fields resulting from  
290.6 such facilities on public health and welfare, vegetation, animals, materials and aesthetic  
290.7 values, including baseline studies, predictive modeling, and evaluation of new or improved  
290.8 methods for minimizing adverse impacts of water and air discharges and other matters  
290.9 pertaining to the effects of power plants on the water and air environment;

290.10 (2) environmental evaluation of sites and routes proposed for future development and  
290.11 expansion and their relationship to the land, water, air and human resources of the state;

290.12 (3) evaluation of the effects of new electric power generation and transmission  
290.13 technologies and systems related to power plants designed to minimize adverse environmental  
290.14 effects;

290.15 (4) evaluation of the potential for beneficial uses of waste energy from proposed large  
290.16 electric power generating plants;

290.17 (5) analysis of the direct and indirect economic impact of proposed sites and routes  
290.18 including, but not limited to, productive agricultural land lost or impaired;

290.19 (6) evaluation of adverse direct and indirect environmental effects that cannot be avoided  
290.20 should the proposed site and route be accepted;

290.21 (7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant  
290.22 to subdivisions 1 and 2;

290.23 (8) evaluation of potential routes that would use or parallel existing railroad and highway  
290.24 rights-of-way;

290.25 (9) evaluation of governmental survey lines and other natural division lines of agricultural  
290.26 land so as to minimize interference with agricultural operations;

290.27 (10) evaluation of the future needs for additional high-voltage transmission lines in the  
290.28 same general area as any proposed route, and the advisability of ordering the construction  
290.29 of structures capable of expansion in transmission capacity through multiple circuiting or  
290.30 design modifications;

290.31 (11) evaluation of irreversible and irretrievable commitments of resources should the  
290.32 proposed site or route be approved; ~~and~~

291.1 (12) when appropriate, consideration of problems raised by other state and federal  
291.2 agencies and local entities;

291.3 (13) evaluation of the benefits of the proposed facility with respect to protecting and  
291.4 enhancing environmental quality, and to the reliability of state and regional energy supplies;

291.5 (14) evaluation of the proposed facility's impact on socioeconomic factors; and

291.6 (15) evaluation of the proposed facility's employment and economic impacts in the  
291.7 vicinity of the facility site and throughout the state, including the quantity and quality of  
291.8 construction and permanent jobs and the jobs' compensation levels. The commission must  
291.9 consider a facility's local employment and economic impacts, and may reject or place  
291.10 conditions on a site or route permit based on the factors under this clause.

291.11 (c) If the commission's rules are substantially similar to existing regulations of a federal  
291.12 agency to which the utility in the state is subject, the federal regulations must be applied by  
291.13 the commission.

291.14 (d) No site or route shall be designated which violates state agency rules.

291.15 (e) The commission must make specific findings that it has considered locating a route  
291.16 for a high-voltage transmission line on an existing high-voltage transmission route and the  
291.17 use of parallel existing highway right-of-way and, to the extent those are not used for the  
291.18 route, the commission must state the reasons.

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

291.20 Sec. 16. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:

291.21 Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site  
291.22 selection standards and criteria established in this section and in rules adopted by the  
291.23 commission. When the commission designates a site, it shall issue a site permit to the  
291.24 applicant with any appropriate conditions. The commission shall publish a notice of its  
291.25 decision in the State Register within 30 days of issuance of the site permit.

291.26 (b) No route permit shall be issued in violation of the route selection standards and  
291.27 criteria established in this section and in rules adopted by the commission. When the  
291.28 commission designates a route, it shall issue a permit for the construction of a high-voltage  
291.29 transmission line specifying the design, routing, right-of-way preparation, and facility  
291.30 construction it deems necessary, and with any other appropriate conditions. The commission  
291.31 may order the construction of high-voltage transmission line facilities that are capable of  
291.32 expansion in transmission capacity through multiple circuiting or design modifications. The

292.1 commission shall publish a notice of its decision in the State Register within 30 days of  
292.2 issuance of the permit.

292.3 (c) No site permit may be issued under this chapter for a large electric power generating  
292.4 plant, including the modification of a site permit for a repowering project, as defined in  
292.5 section 216B.243, subdivision 8, paragraph (b), unless the applicant certifies to the  
292.6 commission in writing that all employees who perform construction work on the large  
292.7 electric power generating plant, including the employees of contractors and subcontractors,  
292.8 are paid no less than the prevailing wage, as defined in section 177.42.

292.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
292.10 applies to a site permit, or the modification of a site permit for a repowering project, whose  
292.11 application is filed with the commission on or after that date.

292.12 Sec. 17. Minnesota Statutes 2020, section 216F.04, is amended to read:

292.13 **216F.04 SITE PERMIT.**

292.14 (a) No person may construct an LWECS without a site permit issued by the Public  
292.15 Utilities Commission.

292.16 (b) Any person seeking to construct an LWECS shall submit an application to the  
292.17 commission for a site permit in accordance with this chapter and any rules adopted by the  
292.18 commission. The permitted site need not be contiguous land.

292.19 (c) The commission shall make a final decision on an application for a site permit for  
292.20 an LWECS within 180 days after acceptance of a complete application by the commission.  
292.21 The commission may extend this deadline for cause.

292.22 (d) The commission may place conditions in a permit and may deny, modify, suspend,  
292.23 or revoke a permit.

292.24 (e) No site permit may be issued for an LWECS with a combined nameplate capacity  
292.25 of 25,000 kilowatts or more under this chapter, including the modification of a site permit  
292.26 for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b),  
292.27 unless the applicant certifies in writing to the commission that all employees who perform  
292.28 construction work on the LWECS, including the employees of contractors and subcontractors,  
292.29 are paid no less than the prevailing wage, as defined in section 177.42.

292.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
292.31 applies to a site permit, or the modification of a site permit for a repowering project, whose  
292.32 application is filed with the commission on or after that date.

293.1 **ARTICLE 25**

293.2 **GREENHOUSE GAS EMISSIONS**

293.3 Section 1. Minnesota Statutes 2020, section 216B.2422, subdivision 3, is amended to read:

293.4 Subd. 3. **Environmental costs.** (a) The commission shall, ~~to the extent practicable~~ using  
293.5 the best available scientific and economic information and data, quantify and establish a  
293.6 range of environmental costs associated with each method of electricity generation. The  
293.7 commission must (1) adopt and apply the interim cost of greenhouse gas emissions valuations  
293.8 presented in Technical Support Document: Social Cost of Carbon, Methane, and Nitrous  
293.9 Oxide Interim Estimates, released by the federal government in February 2021, adopting  
293.10 the 300-year time horizon and the full range of discount rates from 2.5 to five percent, with  
293.11 three percent as the central estimate; and (2) update the parameters as necessary to conform  
293.12 with updates released by the federal Interagency Working Group on the Social Cost of  
293.13 Greenhouse Gases, or the working group's successors, that are above the February 2021  
293.14 interim valuations.

293.15 (b) When evaluating and selecting resource options in all proceedings before the  
293.16 commission, including but not limited to proceedings regarding power purchase agreements,  
293.17 resource plans, and certificates of need, a utility shall must use the values established by  
293.18 the commission in conjunction with other external factors, including socioeconomic costs,  
293.19 when evaluating and selecting resource options in all proceedings before the commission,  
293.20 including resource plan and certificate of need proceedings. under this subdivision to quantify  
293.21 and monetize greenhouse gas and other emissions from the full lifecycle of fuels used for  
293.22 in-state or imported electricity generation, including extraction, processing, transport, and  
293.23 combustion.

293.24 (c) When evaluating resource options, the commission must include and consider the  
293.25 environmental cost values adopted under this subdivision. When considering the costs of a  
293.26 nonrenewable energy facility under this section, the commission must consider only nonzero  
293.27 values for the environmental costs analyzed under this subdivision, including both the low  
293.28 and high values of any cost range adopted by the commission.

293.29 ~~(b) The commission shall establish interim environmental cost values associated with~~  
293.30 ~~each method of electricity generation by March 1, 1994. These values expire on the date~~  
293.31 ~~the commission establishes environmental cost values under paragraph (a).~~

293.32 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to dockets  
293.33 initiated at the Public Utilities Commission on or after that date.

294.1 Sec. 2. BUY CLEAN TASK FORCE.

294.2 (a) No later than June 30, 2022, the commissioners of administration and transportation  
294.3 must establish an environmental standards procurement task force to examine issues  
294.4 surrounding the implementation of a program requiring vendors of certain construction  
294.5 materials purchased by the state to:

294.6 (1) submit environmental product declarations that assess the lifecycle environmental  
294.7 impacts of the construction materials to state officials as part of the procurement process;  
294.8 and

294.9 (2) meet standards established by the commissioner of administration that limit  
294.10 greenhouse gas emissions impacts of the construction materials.

294.11 (b) The task force must examine, at a minimum, the following issues:

294.12 (1) which construction materials should be subject to the program requirements;

294.13 (2) what factors should be considered in establishing greenhouse gas emissions standards;

294.14 (3) a schedule to develop standards for specific materials and incorporate the standards  
294.15 into the purchasing process;

294.16 (4) the development and use of financial incentives to reward vendors for developing  
294.17 products whose greenhouse gas emissions are below the standards;

294.18 (5) the provision of grants to defer a vendor's cost to obtain environmental product  
294.19 declarations;

294.20 (6) how the issues in clauses (1) to (5) are addressed by existing programs in other states  
294.21 and countries; and

294.22 (7) any other issues the task force deems relevant.

294.23 (c) The advisory committee must include two members of the house of representatives  
294.24 appointed by the speaker of the house of representatives and two members of the senate  
294.25 appointed by the senate majority leader. The commissioners of administration and  
294.26 transportation must appoint additional members of the advisory committee, who must include  
294.27 but may not be limited to representatives of:

294.28 (1) the Departments of Administration and Transportation;

294.29 (2) the Center for Sustainable Building Research at the University of Minnesota;

294.30 (3) manufacturers of eligible materials;

294.31 (4) suppliers of eligible materials;

295.1 (5) building and transportation construction firms;

295.2 (6) organized labor in the construction trades;

295.3 (7) organized labor representing materials manufacturing workers; and

295.4 (8) environmental advocacy organizations.

295.5 (d) The Department of Administration must provide meeting space and serve as staff to  
295.6 the advisory committee.

295.7 (e) The commissioner of administration, or the commissioner's designee, shall serve as  
295.8 chair of the advisory committee. The advisory committee must meet at least four times  
295.9 annually and must convene additional meetings at the call of the chair.

295.10 (f) The commissioner of administration must summarize the findings and  
295.11 recommendations of the task force in a report submitted to the chairs and ranking minority  
295.12 members of the senate and house of representatives committees with primary jurisdiction  
295.13 over state government, transportation, and energy no later than January 1, 2023.

295.14 (g) The advisory committee is subject to section 15.059, subdivision 6.

295.15 (h) For the purposes of this section, "environmental product declaration" means a  
295.16 supply-chain-specific type III environmental product declaration that:

295.17 (1) contains a lifecycle assessment of the environmental impacts of manufacturing a  
295.18 specific product by a specific firm, including the impacts of extracting and producing the  
295.19 raw materials and components that compose the product;

295.20 (2) is verified and registered by a third party; and

295.21 (3) meets the ISO 14025 standard developed and maintained by the International  
295.22 Organization for Standardization (ISO).

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

295.24 **Sec. 3. LOCAL CLIMATE ACTION GRANT PROGRAM.**

295.25 **Subdivision 1. Definitions.** For the purpose of this section, the following terms have  
295.26 the meanings given:

295.27 (1) "climate change" means a change in global or regional climate patterns associated  
295.28 with increased levels of greenhouse gas emissions entering the atmosphere largely as a  
295.29 result of human activity;

295.30 (2) "commissioner" means the commissioner of the Pollution Control Agency;

296.1 (3) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous  
296.2 oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that  
296.3 trap heat in the atmosphere; and

296.4 (4) "political subdivision" means a county, home rule charter or statutory city, town, or  
296.5 school district.

296.6 Subd. 2. **Establishment.** The commissioner must establish a local climate action grant  
296.7 program in the Pollution Control Agency. The purpose of the program is to provide grants  
296.8 to encourage political subdivisions to address climate change by developing and  
296.9 implementing plans of action or creating new organizations and institutions to devise policies  
296.10 and programs that:

296.11 (1) seek to mitigate the impacts of climate change on the political subdivision; or

296.12 (2) reduce the political subdivision's contributions to the causes of climate change.

296.13 Subd. 3. **Application.** (a) Application for a grant under this section must be made to the  
296.14 commissioner on a form developed by the commissioner. The commissioner must develop  
296.15 procedures to (1) solicit and review applications, and (2) award grants under this section.

296.16 (b) Eligible applicants for a grant under this section must be located in or conduct the  
296.17 preponderance of the applicant's work in the locality where the grant activities are to take  
296.18 place. Eligible applicants include political subdivisions, organizations that are exempt from  
296.19 taxation under section 501(c)(3) of the Internal Revenue Code, and educational institutions.

296.20 Subd. 4. **Awarding grants.** When awarding grants under this section, the commissioner  
296.21 must give preference to proposals that seek to involve a broad array of community residents,  
296.22 organizations, and institutions in the political subdivision's efforts to address climate change.

296.23 Subd. 5. **Grant amounts.** (a) A grant awarded under this section must not exceed  
296.24 \$50,000.

296.25 (b) A grant awarded under this section for activities taking place at a county-wide level  
296.26 or in a city or town with a population that exceeds 20,000 must be matched 100 percent  
296.27 with local funding.

296.28 (c) A grant awarded under this section for activities taking place in a city or town with  
296.29 a population that is less than 20,000 or in a school district must be matched a minimum of  
296.30 five percent with local funding or equivalent in-kind services.

296.31 Subd. 6. **Eligible expenditures.** Appropriations made to support the activities of this  
296.32 section may be used only to:



297.1 (1) provide grants under this section; and

297.2 (2) reimburse the reasonable expenses incurred by the Pollution Control Agency to  
297.3 administer the grant program.

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

297.5 **ARTICLE 26**

297.6 **MISCELLANEOUS**

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

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

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

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

297.31 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
297.32 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
297.33 plant must transfer to the renewable development account \$350,000 each year for each dry

298.1 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
298.2 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
298.3 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
298.4 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
298.5 any part of a year.

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

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

298.18 (g) If the commission approves a new or amended power purchase agreement, or the  
298.19 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
298.20 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
298.21 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
298.22 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
298.23 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
298.24 30 days after the commission approves the new or amended power purchase agreement, or  
298.25 the termination of the power purchase agreement, and on each June 1 thereafter through  
298.26 2021, to assist the transition required by the new, amended, or terminated power purchase  
298.27 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
298.28 to the renewable development account as provided in paragraphs (b) and (e).

298.29 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
298.30 and (g) is limited to the amount deposited into the renewable development account, and its  
298.31 predecessor, the renewable development account, established under this section, that was  
298.32 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
298.33 10.

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

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

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

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

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

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

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

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

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

299.23 (2) "grid modernization" means:

299.24 (i) enhancing the reliability of the electrical grid;

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

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

299.31 (l) A renewable development account advisory group that includes, among others,  
299.32 representatives of the public utility and its ratepayers, and includes at least one representative

300.1 of the Prairie Island Indian community appointed by that community's Tribal council, shall  
300.2 develop recommendations on account expenditures. The advisory group must design a  
300.3 request for proposal and evaluate projects submitted in response to a request for proposals.  
300.4 The advisory group must utilize an independent third-party expert to evaluate proposals  
300.5 submitted in response to a request for proposal, including all proposals made by the public  
300.6 utility. A request for proposal for research and development under paragraph (j), clause (1),  
300.7 may be limited to or include a request to higher education institutions located in Minnesota  
300.8 for multiple projects authorized under paragraph (j), clause (1). The request for multiple  
300.9 projects may include a provision that exempts the projects from the third-party expert review  
300.10 and instead provides for project evaluation and selection by a merit peer review grant system.  
300.11 In the process of determining request for proposal scope and subject and in evaluating  
300.12 responses to request for proposals, the advisory group must strongly consider, where  
300.13 reasonable;

300.14 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;  
300.15 and

300.16 (2) the proposer's commitment to increasing the diversity of the proposer's workforce  
300.17 and vendors.

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

300.25 (n) The commission shall present its recommended appropriations from the account to  
300.26 the senate and house of representatives committees with jurisdiction over energy policy and  
300.27 finance annually by February 15 following any year in which the commission has acted on  
300.28 recommendations submitted by the advisory group and the public utility. Expenditures from  
300.29 the account must be appropriated by law. In enacting appropriations from the account, the  
300.30 legislature:

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

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

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

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

301.9 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of  
301.10 management and budget shall submit a written report regarding the availability of funds in  
301.11 and obligations of the account to the chairs and ranking minority members of the senate  
301.12 and house committees with jurisdiction over energy policy and finance, the public utility,  
301.13 and the advisory group.

301.14 (r) A project receiving funds from the account must produce a written final report that  
301.15 includes sufficient detail for technical readers and a clearly written summary for nontechnical  
301.16 readers. The report must include an evaluation of the project's financial, environmental, and  
301.17 other benefits to the state and the public utility's ratepayers. A project receiving money from  
301.18 the account must submit a report that meets the requirements of section 216C.51, subdivisions  
301.19 3 and 4, each year the project funded by the account is in progress.

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

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

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

301.28 **Sec. 2. [216C.391] MINNESOTA STATE COMPETITIVENESS FUND.**

301.29 **Subdivision 1. Establishment; purpose.** (a) A state competitiveness fund account is  
301.30 created in the special revenue fund of the state treasury. The commissioner must credit to  
301.31 the account appropriations and transfers to the account. Earnings, such as interest, dividends,  
301.32 and any other earnings arising from assets of the account, must be credited to the account.

302.1 Money remaining in the account at the end of a fiscal year does not cancel to the general  
302.2 fund but remains in the account until expended. The commissioner must manage the account.

302.3 (b) The money in the account must be used to:

302.4 (1) meet requirements to match federal funds awarded to the state by the United States  
302.5 Department of Energy or another federal entity;

302.6 (2) increase Minnesota's ability to successfully compete for federal funds;

302.7 (3) assist eligible entities to access available federal funds; or

302.8 (4) pay the reasonable costs incurred by the department to:

302.9 (i) pursue and administer energy-related federal funds; and

302.10 (ii) assist eligible grantees in the pursuit and management of energy-related federal  
302.11 funds.

302.12 (c) State matching grants may be awarded to eligible entities, as defined by the federal  
302.13 fund source, with priority given in the following order:

302.14 (1) federal formula funds directed to the state that require a match;

302.15 (2) federal formula or competitive funds in which a state match allows disadvantaged  
302.16 communities, utilities, or businesses to be competitive in the pursuit of funding; and

302.17 (3) all other competitive or formula grant opportunities in which matching state funds  
302.18 enhance or enable federal dollars to be leveraged.

302.19 (d) By August 1, 2022, the department must establish and convene a Minnesota State  
302.20 Competitiveness Fund Advisory Task Force.

302.21 (e) By October 1, 2022, the advisory task force must develop administrative procedures  
302.22 governing the determination of state grants so that the grant money is prioritized, to the  
302.23 extent practicable, in an equitable manner.

302.24 **Subd. 2. Advisory task force; membership.** (a) The Minnesota State Competitiveness  
302.25 Fund Advisory Task Force is established and consists of 13 members as follows:

302.26 (1) the commissioner of commerce or the commissioner's designee, who serves as a  
302.27 nonvoting chair of the advisory task force;

302.28 (2) the chair of the house of representatives committee having jurisdiction over energy  
302.29 finance and policy or the chair's designee;

303.1 (3) the chair of the senate committee having jurisdiction over energy finance and policy  
303.2 or the chair's designee;

303.3 (4) the chair of the Public Utilities Commission or the chair's designee, as a nonvoting  
303.4 member; and

303.5 (5) nine members determined by the commissioner and chairs that represent the following  
303.6 interests and entities:

303.7 (i) two members representing Minnesota utilities;

303.8 (ii) one member representing labor;

303.9 (iii) two members representing energy justice, rural, low-income, or historically  
303.10 disadvantaged communities;

303.11 (iv) one member representing clean energy businesses;

303.12 (v) one member representing manufacturing;

303.13 (vi) one member representing higher education; and

303.14 (vii) one member with policy or implementation expertise on workforce development  
303.15 for displaced energy workers or persons from low-income or environmental justice  
303.16 communities.

303.17 (b) A voting member serving on the Minnesota State Competitiveness Fund Advisory  
303.18 Task Force and the voting member's respective organization are ineligible from receiving  
303.19 state matching funds authorized under this section. A nominal stipend may be provided  
303.20 from grant funds to participating members who would otherwise be unable to attend.

303.21 Subd. 3. **Report; audit.** Beginning February 15, 2024, and each year thereafter until  
303.22 February 15, 2035, the commissioner must report to the chairs and ranking minority members  
303.23 of the legislative committees with jurisdiction over energy finance and policy regarding:  
303.24 (1) grants and amounts awarded under this section during the previous year; and (2) the  
303.25 remaining balance available under this section and any additional funding opportunities  
303.26 that require additional funding beyond the remaining balance.

303.27 Sec. 3. **[216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANTS; PILOT**  
303.28 **PROGRAM.**

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

304.1 (b) "Contractor" means a person licensed under section 326B.33 to perform work required  
304.2 under this section, or the licensed person's employer.

304.3 (c) "Electric panel" means a panel, including any subpanels, that consists of a main  
304.4 circuit breaker that regulates several other circuit breakers to prevent overloading and  
304.5 distributes electricity throughout a building.

304.6 (d) "Income eligible" means:

304.7 (1) a single-family residence whose residents received assistance from the federal  
304.8 Low-Income Home Energy Assistance Program during the most recent program year or  
304.9 who the commissioner determines are eligible to receive assistance under the federal  
304.10 Low-Income Home Energy Assistance Program; or

304.11 (2) a multifamily building in which at least 66 percent of the units are occupied by  
304.12 households whose income is 60 percent or less of the state median individual or household  
304.13 income, as applicable.

304.14 (e) "Multifamily building" means a building that contains two or more units.

304.15 (f) "Phase I" means the phase of the program established in this section that begins when  
304.16 the first grant application is received by the department and ends the later of one year after  
304.17 the date the first grant application is received or when 40 percent of funds appropriated to  
304.18 the program have been expended.

304.19 (g) "Phase II" means the phase of the program established in this section that begins  
304.20 when Phase I terminates and ends when the appropriation made under article 1, section 2,  
304.21 subdivision 2, paragraph (d), is exhausted.

304.22 (h) "Single-family residence" means a building that contains one unit or a manufactured  
304.23 home, as defined in section 327.31, subdivision 6.

304.24 (i) "Unit" means a residential living space occupied by an individual or a household.

304.25 (j) "Upgrade" means:

304.26 (1) for a single-family residence:

304.27 (i) the installation of equipment or devices required to bring an electrical panel to a total  
304.28 rating of not less than 200 amperes; and

304.29 (ii) the repair or replacement of the wiring attached to the equipment or devices in item  
304.30 (i) to ensure safe operation; or

304.31 (2) for a multifamily building:



305.1 (i) the installation of equipment or devices required to bring an electrical panel to a rating  
305.2 that allows for full electrification of the building, as described in National Electrical Code  
305.3 Section 220; and

305.4 (ii) the repair or replacement of the wiring attached to the equipment or devices in item  
305.5 (i) to ensure safe operation.

305.6 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program  
305.7 is established as a pilot program in the department to provide financial assistance to owners  
305.8 of single-family residences and multifamily buildings to upgrade a residence's electric panel.

305.9 Subd. 3. **Application process.** An applicant seeking a grant under this section must  
305.10 submit an application to the commissioner on a form developed by the commissioner. The  
305.11 commissioner must develop administrative procedures to govern how eligibility is  
305.12 determined, applications are reviewed, and grants are awarded. The commissioner is the  
305.13 fiscal agent for the grant program and is responsible for reviewing applications and awarding  
305.14 grants under this section. The commissioner may contract with a third party to conduct some  
305.15 or all of the pilot program's operations.

305.16 Subd. 4. **Eligibility.** (a) In Phase I, an owner of a single-family residence that is  
305.17 income-eligible is eligible to receive a grant under this section.

305.18 (b) In Phase I, an owner of a multifamily building that is income-eligible is eligible to  
305.19 receive a grant under this section.

305.20 (c) In Phase II, all owners of single-family residences and multifamily buildings are  
305.21 eligible to receive a grant under this section, regardless of the income of the occupants of  
305.22 the building.

305.23 Subd. 5. **Grant awards.** (a) A grant may be awarded under this section to:

305.24 (1) an owner of a single-family residence or multifamily building;

305.25 (2) a contractor performing an upgrade, provided that the contractor submits to the  
305.26 commissioner written consent from the owner of the single-family residence or multifamily  
305.27 building receiving the upgrade to receive a grant on behalf of the owner; or

305.28 (3) a third party, provided that the third party submits to the commissioner written consent  
305.29 from the owner of the single-family residence or multifamily building receiving the upgrade  
305.30 to receive a grant on behalf of the owner.

306.1 (b) At the discretion of the commissioner, a grant may be awarded for a single-family  
306.2 home or multifamily building that is not income eligible under this section to reimburse the  
306.3 cost of an upgrade that has previously been installed.

306.4 Subd. 6. **Grant amount.** (a) A grant issued under this section must be used only to pay  
306.5 the full equipment and installation costs of an upgrade made by an owner, subject to the  
306.6 limits established in this subdivision.

306.7 (b) The maximum grant amount under this section that may be awarded per single-family  
306.8 residence that is:

306.9 (1) income eligible is \$10,000; and

306.10 (2) not income eligible is \$1,000.

306.11 (c) The grant amount under this section that may be awarded per multifamily building  
306.12 that is:

306.13 (1) income eligible is the sum of (i) \$9,500, plus (ii) \$500 multiplied by the number of  
306.14 units containing a separate electric panel that received an upgrade in the multifamily building,  
306.15 not to exceed \$50,000 per multifamily building; and

306.16 (2) not income eligible is the sum of (i) \$1,000, plus (ii) \$500 multiplied by the number  
306.17 of units containing a separate electric panel that received an upgrade in the multifamily  
306.18 building, not to exceed \$10,000 per multifamily building.

306.19 Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this  
306.20 section for work conducted at the same single-family residence or multifamily building.

306.21 Subd. 8. **Outreach.** The department must publicize the availability of grants under this  
306.22 section to, at a minimum:

306.23 (1) income-eligible households;

306.24 (2) community action agencies and other public and private nonprofit organizations that  
306.25 provide weatherization and other energy services to income-eligible households; and

306.26 (3) multifamily property owners and property managers.

306.27 Subd. 9. **Report.** (a) No later than 120 days after the date each of Phases I and II of the  
306.28 pilot program ends, the department must submit a report to the chairs and ranking minority  
306.29 members of the legislative committees with primary jurisdiction over climate and energy  
306.30 policy.

307.1 (b) The report must summarize program outcomes and must report separately, at a  
307.2 minimum:

307.3 (1) the number of units in multifamily buildings and the number of single-family  
307.4 residences whose owners received grants;

307.5 (2) the median income of the households in multifamily buildings and in single-family  
307.6 residences whose owners received grants; and

307.7 (3) the average amount of grants awarded in multifamily buildings and in single-family  
307.8 residences.

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

307.10 **Sec. 4. [216C.51] UTILITY DIVERSITY REPORTING.**

307.11 Subdivision 1. **Policy.** It is the policy of the state of Minnesota to encourage each utility  
307.12 that serves Minnesota residents to focus on and improve the diversity of the utility's  
307.13 workforce and suppliers.

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

307.16 (b) "Certification" means official recognition by a governmental unit that a business is  
307.17 a preferred vendor as a result of the characteristics of the business owner or owners or the  
307.18 location of the business.

307.19 (c) "Utility" has the meaning given in section 216C.06, subdivision 18.

307.20 Subd. 3. **Annual report.** (a) Beginning March 15, 2023, and each March 15 thereafter,  
307.21 each utility authorized to do business in Minnesota must file an annual diversity report to  
307.22 the commissioner on:

307.23 (1) the utility's goals and efforts to increase diversity in the workplace, including current  
307.24 workforce representation numbers and percentages; and

307.25 (2) all procurement goals and actual spending for female-owned, minority-owned,  
307.26 veteran-owned, and small business enterprises during the previous calendar year.

307.27 (b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the  
307.28 total work performed by the utility submitting the report. The actual spending for  
307.29 female-owned, minority-owned, veteran-owned, and small business enterprises must also  
307.30 be expressed as a percentage of the total work performed by the utility submitting the report.

308.1 Subd. 4. **Report elements.** Each utility required to report under this section must include  
308.2 the following in the annual report:

308.3 (1) an explanation of the plan to increase diversity in the utility's workforce and suppliers  
308.4 during the next year;

308.5 (2) an explanation of the plan to increase the goals;

308.6 (3) an explanation of the challenges faced to increase workforce and supplier diversity,  
308.7 including suggestions regarding actions the department could take to help identify potential  
308.8 employees and vendors;

308.9 (4) a list of the certifications the company recognizes;

308.10 (5) a point of contact for a potential employee or vendor that wishes to work for or do  
308.11 business with the utility; and

308.12 (6) a list of successful actions taken to increase workforce and supplier diversity, in  
308.13 order to encourage other companies to emulate best practices.

308.14 Subd. 5. **State data.** Each annual report must include as much state-specific data as  
308.15 possible. If a utility does not submit state-specific data, the utility must include any relevant  
308.16 national data the utility possesses, explain why the utility could not submit state-specific  
308.17 data, and explain how the utility intends to include state-specific data in future reports, if  
308.18 possible.

308.19 Subd. 6. **Publication; retention.** The department must publish an annual report on the  
308.20 department's website and must maintain each annual report for at least five years.

308.21 Sec. 5. Minnesota Statutes 2020, section 216E.03, subdivision 1, is amended to read:

308.22 Subdivision 1. **Site permit.** No person may construct a large electric power generating  
308.23 plant without a site permit from the commission. A large electric generating plant may be  
308.24 constructed only on a site approved by the commission. The commission must incorporate  
308.25 into one proceeding the route selection for a high-voltage transmission line that is directly  
308.26 associated with and necessary to interconnect the large electric generating plant to the  
308.27 transmission system and whose need is certified under section 216B.243.

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

309.1 Sec. 6. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**  
309.2 **PLANT.**

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

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

309.15 Sec. 7. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**  
309.16 **COMMERCE SUPPORT.**

309.17 (a) The Department of Commerce must provide technical support and subject matter  
309.18 expertise to help facilitate efforts taken by the 11 federally recognized Indian Tribes in  
309.19 Minnesota to establish and operate a Tribal advocacy council on energy.

309.20 (b) When requested by a Tribal advocacy council on energy, the Department of Commerce  
309.21 must assist the council to:

309.22 (1) assess and evaluate common Tribal energy issues, including:

309.23 (i) identifying and prioritizing energy issues;

309.24 (ii) facilitating idea sharing among the Tribes to generate solutions to energy issues; and

309.25 (iii) assisting decision making with respect to resolving energy issues;

309.26 (2) develop new statewide energy policies or proposed legislation, including:

309.27 (i) organizing stakeholder meetings;

309.28 (ii) gathering input and other relevant information;

309.29 (iii) assisting with policy proposal development, evaluation, and decision making; and

309.30 (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted,  
309.31 policies or legislation approved by the council;

310.1 (3) make efforts to raise awareness of and provide educational opportunities with respect  
310.2 to Tribal energy issues among Tribal members by:

310.3 (i) identifying information resources;

310.4 (ii) gathering feedback on issues and topics the council identifies as areas of interest;

310.5 and

310.6 (iii) identifying topics for and helping to facilitate educational forums; and

310.7 (4) identify, evaluate, disseminate, and implement successful energy-related practices.

310.8 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized  
310.9 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it  
310.10 require or obligate a federally recognized Indian Tribe in Minnesota to participate in or  
310.11 implement a decision or support an effort made by a Tribal advocacy council on energy.

310.12 (d) Any support provided by the Department of Commerce to a Tribal advocacy council  
310.13 on energy under this section must be provided only upon request of the council and is limited  
310.14 to issues and areas where the Department of Commerce's expertise and assistance is  
310.15 requested.

310.16 Sec. 8. **REPEALER.**

310.17 Laws 2017, chapter 5, section 1, is repealed.

310.18

## ARTICLE 27

310.19

### SUPPLEMENTAL APPROPRIATIONS

310.20 Section 1. **APPROPRIATIONS.**

310.21 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
310.22 and for the purposes specified in this article. The appropriations are from the general fund,  
310.23 or another named fund, and are available for the fiscal years indicated for each purpose.

310.24 The figures "2022" and "2023" used in this article mean that the appropriations listed under  
310.25 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

310.26 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"  
310.27 is fiscal years 2022 and 2023. If an appropriation in this act is enacted more than once in  
310.28 the 2022 legislative session, the appropriation must be given effect only once. Appropriations  
310.29 for the fiscal year ending June 30, 2022, are effective the day following final enactment.

310.30 The appropriations made under this article supplement, and do not supersede or replace,  
310.31 the appropriations made under Laws 2021, First Special Session chapter 4, article 1.

311.1	<b><u>APPROPRIATIONS</u></b>		
311.2	<b><u>Available for the Year</u></b>		
311.3	<b><u>Ending June 30</u></b>		
311.4	<b><u>2022</u></b>		<b><u>2023</u></b>
311.5	<b><u>Sec. 2. DEPARTMENT OF COMMERCE</u></b>		
311.6	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>-0-</u></b> <b>\$</b> <b><u>6,134,000</u></b>
311.7	<u>Appropriations by Fund</u>		
311.8		<u>2022</u>	<u>2023</u>
311.9	<u>General</u>	<u>-0-</u>	<u>5,634,000</u>
311.10	<u>Special Revenue</u>	<u>-0-</u>	<u>500,000</u>
311.11	<u>The amounts that may be spent for each</u>		
311.12	<u>purpose are specified in the following</u>		
311.13	<u>subdivisions.</u>		
311.14	<b><u>Subd. 2. Administrative Services</u></b>		<b><u>-0-</u></b> <b><u>392,000</u></b>
311.15	<u>\$301,000 in fiscal year 2023 is for the senior</u>		
311.16	<u>fraud prevention program.</u>		
311.17	<u>\$91,000 in fiscal year 2023 is for the licensing</u>		
311.18	<u>disqualification and preliminary application</u>		
311.19	<u>requirements under Minnesota Statutes,</u>		
311.20	<u>section 214.035.</u>		
311.21	<b><u>Subd. 3. Financial Services</u></b>		<b><u>-0-</u></b> <b><u>533,000</u></b>
311.22	<u>\$300,000 in fiscal year 2023 is for additional</u>		
311.23	<u>securities staff. The base for this appropriation</u>		
311.24	<u>is \$281,000 in fiscal year 2024 and \$281,000</u>		
311.25	<u>in fiscal year 2025.</u>		
311.26	<u>\$233,000 in fiscal year 2023 is to establish</u>		
311.27	<u>and operate a student loan advocate under</u>		
311.28	<u>Minnesota Statutes, section 58B.011. The base</u>		
311.29	<u>for this appropriation is \$203,000 in fiscal year</u>		
311.30	<u>2024 and \$203,000 in fiscal year 2025.</u>		
311.31	<b><u>Subd. 4. Insurance</u></b>		<b><u>-0-</u></b> <b><u>633,000</u></b>
311.32	<u>\$108,000 in fiscal year 2023 is for a study and</u>		
311.33	<u>report on disparities in geographic rating areas</u>		
311.34	<u>in individual and small group market health</u>		

312.1 insurance under article 3, section 34. This is  
 312.2 a onetime appropriation.

312.3 \$525,000 in fiscal year 2023 is for additional  
 312.4 staff in the insurance division. The additional  
 312.5 staff must focus on property- and  
 312.6 casualty-related insurance products.

312.7 **Subd. 5. Enforcement** -0- 4,576,000

312.8 \$4,076,000 in fiscal year 2023 is for the  
 312.9 automobile theft prevention program under  
 312.10 Minnesota Statutes, section 65B.84. This is a  
 312.11 onetime appropriation.

312.12 \$500,000 in fiscal year 2023 is appropriated  
 312.13 from the auto theft prevention account in the  
 312.14 special revenue fund to the commissioner of  
 312.15 commerce to reimburse law enforcement  
 312.16 agencies for investigation and enforcement  
 312.17 activities to combat automobile theft. This  
 312.18 appropriation does not cancel and remains  
 312.19 available until expended. This is a onetime  
 312.20 appropriation.

312.21 **Sec. 3. BOARD OF ACCOUNTANCY** \$ -0- \$ 6,000

312.22 **Licensing Disqualifications; Preliminary**  
 312.23 **Applications.**

312.24 \$6,000 in fiscal year 2023 is to the Board of  
 312.25 Accountancy for the licensing disqualification  
 312.26 and preliminary application requirements  
 312.27 under Minnesota Statutes, section 214.035.  
 312.28 This is a onetime appropriation.

312.29 **Sec. 4. ATTORNEY GENERAL** \$ -0- \$ 24,000

312.30 **Licensing Disqualifications; Preliminary**  
 312.31 **Applications.**

312.32 \$24,000 in fiscal year 2023 is to the attorney  
 312.33 general for the licensing disqualification and



313.1	<u>preliminary application requirements under</u>			
313.2	<u>Minnesota Statutes, section 214.035.</u>			
313.3	<b>Sec. 5. <u>PROFESSIONAL EDUCATOR</u></b>			
313.4	<b><u>LICENSING AND STANDARDS BOARD</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 514,000</u></b>
313.5	<b><u>Licensing Disqualifications; Preliminary</u></b>			
313.6	<b><u>Applications.</u></b>			
313.7	<u>\$514,000 in fiscal year 2023 is to the</u>			
313.8	<u>Professional Educator Licensing and Standards</u>			
313.9	<u>Board for the licensing disqualification and</u>			
313.10	<u>preliminary application requirements under</u>			
313.11	<u>Minnesota Statutes, section 214.035. The base</u>			
313.12	<u>for this appropriation is \$142,000 in fiscal year</u>			
313.13	<u>2024 and \$142,000 in fiscal year 2025.</u>			
313.14	<b>Sec. 6. <u>DEPARTMENT OF REVENUE</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 19,000</u></b>
313.15	<b><u>Licensing Disqualifications; Preliminary</u></b>			
313.16	<b><u>Applications.</u></b>			
313.17	<u>\$19,000 in fiscal year 2023 is to the</u>			
313.18	<u>Department of Revenue for the licensing</u>			
313.19	<u>disqualification and preliminary application</u>			
313.20	<u>requirements under Minnesota Statutes,</u>			
313.21	<u>section 214.035. The base for this</u>			
313.22	<u>appropriation is \$3,000 in fiscal year 2024 and</u>			
313.23	<u>\$3,000 in fiscal year 2025.</u>			
313.24	<b>Sec. 7. <u>GAMBLING CONTROL BOARD</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 3,000</u></b>
313.25	<b><u>Licensing Disqualifications; Preliminary</u></b>			
313.26	<b><u>Applications.</u></b>			
313.27	<u>\$3,000 in fiscal year 2023 is from the lawful</u>			
313.28	<u>gambling regulation account in the special</u>			
313.29	<u>revenue fund to the Gambling Control Board</u>			
313.30	<u>for the licensing disqualification and</u>			
313.31	<u>preliminary application requirements under</u>			
313.32	<u>Minnesota Statutes, section 214.035.</u>			
313.33	<b>Sec. 8. <u>DEPARTMENT OF EDUCATION</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 22,000</u></b>

314.1 **Licensing Disqualifications; Preliminary**

314.2 **Applications.**

314.3 \$22,000 in fiscal year 2023 is to the

314.4 Department of Education for the licensing

314.5 disqualification and preliminary application

314.6 requirements under Minnesota Statutes,

314.7 section 214.035.

314.8 **Sec. 9. COMMERCE FRAUD BUREAU; TRANSFER.**

314.9 \$870,000 in fiscal year 2023 is transferred from the general fund to the insurance fraud

314.10 prevention account for five additional peace officers in the Commerce Fraud Bureau. The

314.11 base for this transfer is \$811,000 in fiscal year 2024 and \$811,000 in fiscal year 2025.

314.12

**ARTICLE 28**

314.13

**COMMERCE POLICY**

314.14 Section 1. Minnesota Statutes 2020, section 45.0135, subdivision 2a, is amended to read:

314.15 Subd. 2a. **Authorization.** (a) The commissioner may appoint peace officers, as defined

314.16 in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as

314.17 defined in section 626.84, subdivision 1, paragraph (f), known as the Commerce Fraud

314.18 Bureau, to conduct investigations, and to make arrests under sections 629.30 and 629.34.

314.19 The primary jurisdiction of the law enforcement agency is limited to offenses ~~related to~~

314.20 ~~insurance fraud~~ with a nexus to insurance-related crimes or financial crimes.

314.21 (b) Upon request and at the commissioner's discretion, the Commerce Fraud Bureau

314.22 may respond to a law enforcement agency's request to exercise law enforcement duties in

314.23 cooperation with the law enforcement agency that has jurisdiction over the particular matter.

314.24 (c) The Commerce Fraud Bureau must allocate at least 70 percent of its work to

314.25 insurance-related crimes.

314.26 Sec. 2. Minnesota Statutes 2020, section 45.0135, subdivision 2b, is amended to read:

314.27 Subd. 2b. **Duties.** The Commerce Fraud Bureau shall:

314.28 (1) review notices and reports ~~of insurance fraud~~ within the Commerce Fraud Bureau's

314.29 primary jurisdiction submitted by authorized insurers, their employees, and agents or

314.30 producers;

315.1 (2) respond to notifications or complaints of ~~suspected insurance fraud~~ within the  
315.2 Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies,  
315.3 state or federal governmental units, or any other person;

315.4 (3) initiate inquiries and conduct investigations when the bureau has reason to believe  
315.5 that ~~insurance fraud~~ an offense within the Commerce Fraud Bureau's primary jurisdiction  
315.6 has been or is being committed; and

315.7 (4) report ~~incidents of alleged insurance fraud crimes~~ disclosed by its the Commerce  
315.8 Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not  
315.9 limited to, the attorney general, county attorneys, or any other appropriate law enforcement  
315.10 or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist  
315.11 any law enforcement authority having jurisdiction.

315.12 Sec. 3. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to  
315.13 read:

315.14 Subd. 9a. **Live course.** "Live course" means any learning experience that is actively led  
315.15 by an instructor, either online or in a classroom setting, that offers person-to-person, real-time  
315.16 feedback. A live course offered online must:

315.17 (1) specify the minimum system requirements;

315.18 (2) provide encryption that ensures that all personal information, including the student's  
315.19 name, address, and credit card number, cannot be read as it passes across the Internet;

315.20 (3) include technology to guarantee seat time;

315.21 (4) include the ability for the student to get technical support within a reasonable amount  
315.22 of time;

315.23 (5) include a statement that the student's information will not be sold or distributed to  
315.24 any third party without the prior written consent of the student. Taking the course does not  
315.25 constitute consent; and

315.26 (6) include a process to authenticate the student's identity.

315.27 Sec. 4. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to  
315.28 read:

315.29 Subd. 9b. **On-demand course.** "On-demand course" means a learning experience that  
315.30 enables a student to review learning material at a time and location that is convenient for  
315.31 the student. On-demand course includes but is not limited to asynchronous online courses,

316.1 text-based courses, and other courses not offered live that include prerecorded videos, class  
316.2 recordings, documents, or other learning activities.

316.3 Sec. 5. Minnesota Statutes 2020, section 45.25, subdivision 12, is amended to read:

316.4 Subd. 12. **Proctor.** (a) "Proctor" means a ~~disinterested third party with no conflict of~~  
316.5 ~~interest~~ person who (1) verifies a student's identity, and (2) processes an affidavit testifying  
316.6 that the student received no outside assistance with the course or examination.

316.7 (b) A proctor must be 18 years of age or older. A proctor must not have a financial or  
316.8 other conflict of interest with respect to a student's successful completion of the course or  
316.9 the examination. A proctor must not be:

316.10 (1) a relative of the student;

316.11 (2) the student's supervisor at work;

316.12 (3) a person the student supervises at work; or

316.13 (4) a student who is completing the same course.

316.14 Sec. 6. Minnesota Statutes 2020, section 45.25, subdivision 13, is amended to read:

316.15 Subd. 13. **Professional designation.** "Professional designation" means ~~a written,~~  
316.16 ~~proctored, and graded examination, the passage of which leads to a bona fide an~~  
316.17 industry-recognized professional designation used by ~~licensees~~ a licensee after completing  
316.18 a series of courses and passing a graded, proctored examination.

316.19 Sec. 7. **[45.301] ON-DEMAND CONTINUING EDUCATION; REQUIREMENTS.**

316.20 Subdivision 1. **On-demand course requirements.** An on-demand continuing education  
316.21 course offered online must:

316.22 (1) specify the minimum system requirements;

316.23 (2) provide encryption that ensures that all personal information, including the student's  
316.24 name, address, and credit card number, cannot be read as it passes across the Internet;

316.25 (3) include technology to guarantee seat time;

316.26 (4) include a high level of interactivity;

316.27 (5) include graphics that reinforce the content;

316.28 (6) include the ability for the student to contact an instructor within a reasonable amount  
316.29 of time;

- 317.1 (7) include the ability for the student to get technical support within a reasonable amount  
317.2 of time;
- 317.3 (8) include a statement that the student's information will not be sold or distributed to  
317.4 any third party without prior written consent of the student. Taking the course does not  
317.5 constitute consent;
- 317.6 (9) be available 24 hours a day, seven days a week, excluding minimal down time for  
317.7 updating and administration;
- 317.8 (10) provide viewing access to the online course at all times to the commissioner,  
317.9 excluding minimal down time for updating and administration;
- 317.10 (11) include a process to authenticate the student's identity;
- 317.11 (12) inform the student and the commissioner how long a course is accessible after the  
317.12 course is purchased;
- 317.13 (13) inform the student that license education credit is not awarded for taking the course  
317.14 after the course loses status as an approved course;
- 317.15 (14) provide clear instructions on how to navigate through the course;
- 317.16 (15) provide automatic bookmarking at any point in the course;
- 317.17 (16) provide questions after each unit or chapter that must be answered before the student  
317.18 can proceed to the next unit or chapter;
- 317.19 (17) include a reinforcement response when a quiz question is answered correctly;
- 317.20 (18) include a response when a quiz question is answered incorrectly;
- 317.21 (19) include a final examination;
- 317.22 (20) allow the student to return to and review any unit at any time, except during the  
317.23 final examination;
- 317.24 (21) provide a course evaluation at the end of the course. At a minimum, the evaluation  
317.25 must ask the student to report any difficulties caused by the online education delivery  
317.26 method; and
- 317.27 (22) provide a completion certificate when the course and exam have been completed  
317.28 and the provider has verified the completion. An electronic certificate is sufficient.
- 317.29 Subd. 2. **Final examination.** The final examination must be either an encrypted online  
317.30 examination or a paper examination that is monitored by a proctor who certifies that the

318.1 student took the examination. The student must not be allowed to review the course content  
318.2 once the examination has begun.

318.3 Sec. 8. Minnesota Statutes 2020, section 45.31, subdivision 2, is amended to read:

318.4 Subd. 2. **Approval.** (a) ~~The commissioner must approve as a coordinator a person~~  
318.5 ~~meeting one or more of the following criteria: at least three years of full-time experience~~  
318.6 ~~in the administration of an education program during the five-year period immediately~~  
318.7 ~~before the date of application, or a degree in education plus two years experience during~~  
318.8 ~~the immediately preceding five-year period in one of the regulated industries for which~~  
318.9 ~~courses are being approved, or a minimum of five years experience within the previous six~~  
318.10 ~~years in the regulated industry for which courses are held.~~ A person applying for approval  
318.11 as a course coordinator must:

318.12 (1) be qualified or have experience in the applicable subject matter of courses offered  
318.13 by the education provider or have experience administering an education program; and

318.14 (2) make available upon request such records and data required by the commissioner to  
318.15 administer the provisions and further the purposes of this chapter.

318.16 (b) Coordinator approval may not be transferred to an individual who has not already  
318.17 been approved as an additional coordinator for the applicable license type for the providership  
318.18 in question. An individual must be approved as a coordinator by the commissioner before  
318.19 acting on behalf of an approved education provider.

318.20 Sec. 9. Minnesota Statutes 2020, section 45.31, subdivision 3, is amended to read:

318.21 Subd. 3. **Responsibilities.** ~~A coordinator~~ An education provider is responsible for:

318.22 (1) assuring compliance with all laws and rules relating to educational offerings governed  
318.23 by the commissioner;

318.24 (2) assuring that students are provided with current and accurate information relating to  
318.25 the laws and rules governing their licensed activity;

318.26 (3) supervising and evaluating courses and instructors. Supervision includes assuring,  
318.27 especially when a course will be taught by more than one instructor, that all areas of the  
318.28 curriculum are addressed without redundancy and that continuity is present throughout the  
318.29 entire course;

318.30 (4) ensuring that instructors are qualified to teach the course offering;

319.1 (5) furnishing the commissioner, upon request, with copies of course and instructor  
319.2 evaluations and qualifications of instructors. Evaluations must be completed by students  
319.3 and coordinators;

319.4 (6) investigating complaints related to course offerings and instructors and forwarding  
319.5 a copy of the written complaints to the Department of Commerce;

319.6 (7) maintaining accurate records relating to course offerings, instructors, tests taken by  
319.7 students, and student attendance for a period of three years from the date on which the  
319.8 course was completed. These records must be made available to the commissioner upon  
319.9 request. In the event that an education provider ceases operation for any reason, the  
319.10 coordinator is responsible for maintaining the records or providing a custodian for the  
319.11 records acceptable to the commissioner. The coordinator must notify the commissioner of  
319.12 the name and address of that person. In order to be acceptable to the commissioner, custodians  
319.13 must agree to make copies of acknowledgments available to students at a reasonable fee.  
319.14 Under no circumstances will the commissioner act as custodian of the records;

319.15 (8) ensuring that the coordinator is available to instructors and students throughout course  
319.16 offerings and providing to the students and instructor the name of the coordinator and a  
319.17 telephone number at which the coordinator can be reached;

319.18 (9) attending workshops or instructional programs as reasonably required by the  
319.19 commissioner;

319.20 (10) providing course completion certificates within ten days of, but not before,  
319.21 completion of the entire course. Course completion certificates must be completed in their  
319.22 entirety. It is not necessary to provide a written course completion certificate if the course  
319.23 completion certificate has been electronically delivered to the department or its designated  
319.24 licensing contractor. A coordinator may require payment of the course tuition as a condition  
319.25 for receiving the course completion certificate;

319.26 (11) notifying the commissioner immediately of any change in an application for the  
319.27 course, coordinator, or instructor approval application; and

319.28 (12) in conjunction with the instructor, assuring and certifying attendance of students  
319.29 enrolled in courses.

319.30 Sec. 10. Minnesota Statutes 2020, section 46.131, subdivision 2, is amended to read:

319.31 Subd. 2. **Assessment authority.** Each ~~bank, trust company, savings bank, savings~~  
319.32 ~~association, regulated lender, industrial loan and thrift company, credit union, motor vehicle~~  
319.33 ~~sales finance company, debt management services provider, debt settlement services provider,~~

320.1 ~~insurance premium finance company, and residential PACE administrator, as defined in~~  
320.2 ~~section 216C.435, subdivision 10a,~~ financial institution governed by chapters 46 to 59A,  
320.3 216C, and 332 to 332B that is organized under the laws of this state or required to be  
320.4 administered by the commissioner of commerce shall pay into the state treasury its  
320.5 proportionate share of the cost of maintaining the Department of Commerce. This subdivision  
320.6 does not apply to student loan servicers or collection agencies.

320.7 Sec. 11. Minnesota Statutes 2020, section 46.131, subdivision 4, is amended to read:

320.8 Subd. 4. **General assessment basis.** (a) Assessments shall be made by the commissioner  
320.9 against each institution within the industry on an equitable basis, according to the total assets  
320.10 or business volume of each institution as of the end of the previous calendar year.

320.11 (b) Assessments against residential PACE administrators, as defined in section 216C.435,  
320.12 subdivision 10a, must be made by the commissioner according to the total business volume  
320.13 as of the end of the previous calendar year.

320.14 Sec. 12. Minnesota Statutes 2020, section 46.131, subdivision 11, is amended to read:

320.15 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions  
320.16 account is created as a separate account in the special revenue fund. Earnings, including  
320.17 interest, dividends, and any other earnings arising from account assets, must be credited to  
320.18 the account.

320.19 (b) The account consists of funds received from assessments under subdivision 7,  
320.20 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and  
320.21 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,  
320.22 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph  
320.23 (b); 49.36, subdivision 1; 52.203; 53B.09; 53B.11, subdivision 1; 53C.02; 56.02; 58.10;  
320.24 58A.045, subdivision 2; and 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.

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

320.27 Sec. 13. Minnesota Statutes 2020, section 47.08, is amended to read:

320.28 **47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER.**

320.29 All persons proposing to incorporate and organize any financial institution, whether  
320.30 defined or described as such by the laws of the state, shall, before doing any business in the  
320.31 state as a corporation, ~~and before filing their articles of incorporation with the secretary of~~



321.1 ~~state or with any other officer with whom the law requires such articles to be filed or~~  
321.2 ~~recorded,~~ file a copy of ~~such~~ the proposed articles of incorporation with the commissioner  
321.3 of commerce.

321.4 Sec. 14. Minnesota Statutes 2020, section 47.16, subdivision 1, is amended to read:

321.5 Subdivision 1. **Filing.** The certificate of a corporation must be filed for record with the  
321.6 ~~secretary of state~~ commissioner of commerce. If the ~~secretary of state~~ commissioner of  
321.7 commerce finds that it conforms to law and that the required fee has been paid, the ~~secretary~~  
321.8 ~~of state~~ commissioner of commerce must record it and certify that fact on it. ~~The secretary~~  
321.9 ~~of state may not accept a certificate for filing unless the certificate also contains the~~  
321.10 ~~endorsement of the commissioner of commerce.~~

321.11 Sec. 15. Minnesota Statutes 2020, section 47.16, subdivision 2, is amended to read:

321.12 Subd. 2. **Certificate of authority.** If the commissioner of commerce is satisfied that the  
321.13 corporation has been organized for legitimate purposes, and under such conditions as to  
321.14 merit and have public confidence, and that all provisions of law applicable to every branch  
321.15 of business in which, by the terms of its certificate, it is authorized to engage, have been  
321.16 complied with, the commissioner shall so certify. When the original ~~certificate and the~~  
321.17 ~~certificate of incorporation from the secretary of state~~ is filed with the commissioner of  
321.18 commerce, the commissioner shall, within 60 days thereafter, execute and deliver to it a  
321.19 certificate of authority.

321.20 Sec. 16. Minnesota Statutes 2020, section 47.172, subdivision 2, is amended to read:

321.21 Subd. 2. **Effect.** The certificate to be filed to accomplish a restated certificate of  
321.22 incorporation must be entitled "restated certificate of incorporation of (name of financial  
321.23 corporation)" and must contain a statement that the restated certificate supersedes and takes  
321.24 the place of the existing certificate of incorporation and all amendments to it. The restated  
321.25 certificate of incorporation when executed, filed and recorded in the manner prescribed for  
321.26 certificate of amendment supersedes and takes the place of an existing certificate of  
321.27 incorporation and amendments to it. ~~The secretary of state upon request must certify the~~  
321.28 ~~restated certificate of incorporation.~~

321.29 Sec. 17. Minnesota Statutes 2020, section 47.28, subdivision 3, is amended to read:

321.30 Subd. 3. **Recording.** Upon receipt of the fees required for filing and recording amended  
321.31 articles of incorporation of savings banks, the ~~secretary of state~~ commissioner of commerce

322.1 shall record the amended articles of incorporation and certify that fact thereon, whereupon  
322.2 the conversion of such savings bank into a savings association shall become final and  
322.3 complete and thereafter said corporation shall have the powers and be subject to the duties  
322.4 and obligations prescribed by the laws of this state applicable to savings associations.

322.5 Sec. 18. Minnesota Statutes 2020, section 47.30, subdivision 5, is amended to read:

322.6 Subd. 5. **Recording.** Upon receipt of the fees required for filing and recording amended  
322.7 articles of incorporation of savings associations, the ~~secretary of state~~ commissioner of  
322.8 commerce shall record the amended articles of incorporation and certify that fact thereon,  
322.9 whereupon the conversion of such savings association into a savings bank shall become  
322.10 final and complete and thereafter the signers of said amended articles and their successors  
322.11 shall be a corporation, and have the powers and be subject to the duties and obligations  
322.12 prescribed by the laws of this state applicable to savings banks.

322.13 Sec. 19. Minnesota Statutes 2020, section 48A.15, subdivision 1, is amended to read:

322.14 Subdivision 1. **Authorization.** (a) A trust company organized under the laws of this  
322.15 state or a state bank and trust may, after completing the notification procedure required by  
322.16 this subdivision, establish and maintain a trust service office at any office in this state or of  
322.17 any other state or national bank. A state bank may, after completing the notification procedure  
322.18 required by this subdivision, permit a trust company organized under the laws of this state  
322.19 or a state bank and trust or a national bank in this state that is authorized to exercise trust  
322.20 powers to establish and maintain a trust service office at any of its banking offices.

322.21 (b) The trust company or state bank and trust and a state bank at which a trust service  
322.22 office is to be established according to this section shall jointly file, on forms provided by  
322.23 the commissioner, a notification of intent to establish a trust service office. The notification  
322.24 must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited  
322.25 in the ~~general fund of the state~~ financial institutions account under section 46.131, subdivision  
322.26 11. No trust service office shall be established according to this section if disallowed by  
322.27 order of the commissioner within 30 days of the filing of a complete and acceptable  
322.28 notification of intent to establish a trust service office. An order of the commissioner to  
322.29 disallow the establishment of a trust service office under this section is subject to judicial  
322.30 review under sections 14.63 to 14.69.

323.1 Sec. 20. Minnesota Statutes 2020, section 53.03, subdivision 1, is amended to read:

323.2 Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an  
323.3 industrial loan and thrift company, shall, after compliance with the requirements set forth  
323.4 in sections 53.01 and 53.02, file a written application with the Department of Commerce  
323.5 for a certificate of authorization. A corporation that will not sell or issue thrift certificates  
323.6 for investment as permitted by this chapter need not comply with subdivision 2b. The  
323.7 application must be in the form prescribed by the Department of Commerce. The application  
323.8 must be made in the name of the corporation, executed and acknowledged by an officer  
323.9 designated by the board of directors of the corporation, requesting a certificate authorizing  
323.10 the corporation to transact business as an industrial loan and thrift company, at the place  
323.11 and in the name stated in the application. At the time of filing the application the applicant  
323.12 shall pay \$1,500 filing fee if the corporation will not sell or issue thrift certificates for  
323.13 investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates  
323.14 for investment. The fees must be ~~turned over by the commissioner to the commissioner of~~  
323.15 ~~management and budget and credited to the general fund~~ collected by the commissioner  
323.16 and deposited in the financial institutions account under section 46.131, subdivision 11.  
323.17 The applicant shall also submit a copy of the bylaws of the corporation, its articles of  
323.18 incorporation and all amendments thereto at that time. An application for powers under  
323.19 subdivision 2b must also require that a notice of the filing of the application must be  
323.20 published once within 30 days of the receipt of the form prescribed by the Department of  
323.21 Commerce, at the expense of the applicant, in a qualified newspaper published in the  
323.22 municipality in which the proposed industrial loan and thrift company is to be located, or,  
323.23 if there be none, in a qualified newspaper likely to give notice in the municipality in which  
323.24 the company is proposed to be located. If the Department of Commerce receives a written  
323.25 objection to the application from any person within 15 days of the notice having been fully  
323.26 published, the commissioner shall proceed in the same manner as required under section  
323.27 46.041, subdivisions 3 and 4, relating to state banks.

323.28 Sec. 21. Minnesota Statutes 2020, section 53.03, subdivision 5, is amended to read:

323.29 Subd. 5. **Place of business.** Not more than one place of business may be maintained  
323.30 under any certificate of authorization issued subsequent to the enactment of Laws 1943,  
323.31 chapter 67, pursuant to the provisions of this chapter, but the Department of Commerce  
323.32 may issue more than one certificate of authorization to the same corporation upon compliance  
323.33 with all the provisions of this chapter governing an original issuance of a certificate of  
323.34 authorization. To the extent that previously filed applicable information remains unchanged,  
323.35 the applicant need not refile this information, unless requested. The filing fee for a branch

324.1 application shall be \$500 and the investigation fee \$250. An industrial loan and thrift  
324.2 corporation with deposit liabilities may change one or more of its locations upon the written  
324.3 approval of the commissioner of commerce. A fee of \$100 must accompany each application  
324.4 to the commissioner for approval to change the location of an established office. An industrial  
324.5 loan and thrift corporation that does not sell and issue thrift certificates for investment may  
324.6 change one or more locations by giving 30 days' written notice to the Department of  
324.7 Commerce which shall promptly amend the certificate of authorization accordingly. No  
324.8 change in place of business of a company to a location outside of its current trade area or  
324.9 more than 25 miles from its present location, whichever distance is greater, shall be permitted  
324.10 under the same certificate unless all of the applicable requirements of this section have been  
324.11 met. All money collected by the commissioner under this chapter must be deposited into  
324.12 the financial institutions account under section 46.131, subdivision 11.

324.13 Sec. 22. Minnesota Statutes 2020, section 53C.02, is amended to read:

324.14 **53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.**

324.15 (a) No person shall engage in the business of a sales finance company in this state without  
324.16 a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank,  
324.17 trust company, savings bank, savings association, or credit union, whether state or federally  
324.18 chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated  
324.19 Loan Act authorized to do business in this state shall be required to obtain a license under  
324.20 sections 53C.01 to 53C.14.

324.21 (b) The application for a license shall be in writing, under oath and in the form prescribed  
324.22 by the commissioner. The application shall contain the name of the applicant; date of  
324.23 incorporation, if incorporated; the address where the business is or is to be conducted and  
324.24 similar information as to any branch office of the applicant; the name and resident address  
324.25 of the owner or partners, or, if a corporation or association, of the directors, trustees and  
324.26 principal officers, and other pertinent information the commissioner requires.

324.27 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the  
324.28 following year, or any part thereof shall be the sum of \$250 for the principal place of business  
324.29 of the licensee, and the sum of \$125 for each branch of the licensee. Any licensee who  
324.30 proves to the satisfaction of the commissioner, by affidavit or other proof satisfactory to  
324.31 the commissioner, that during the 12 calendar months of the immediately preceding fiscal  
324.32 year, for which the license has been paid that the licensee has not held retail installment  
324.33 contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each  
324.34 license fee paid in excess of \$25. The commissioner shall certify to the commissioner of

325.1 ~~management and budget~~ that the licensee is entitled to a refund, and payment ~~thereof~~ of the  
325.2 refund shall be made by the commissioner ~~of management and budget~~. The amount necessary  
325.3 to pay for the refundment of the license fee is appropriated ~~out of the general fund~~ from the  
325.4 financial institutions account under section 46.131, subdivision 11. All license fees received  
325.5 by the commissioner under sections 53C.01 to 53C.14 shall be deposited with the  
325.6 commissioner of management and budget.

325.7 (d) Each license shall specify the location of the office or branch and must be  
325.8 conspicuously displayed there. In case the location be changed, the commissioner shall  
325.9 endorse the change of location on the license.

325.10 (e) Upon the filing of such application, and the payment of the fee, the commissioner  
325.11 shall issue a license to the applicant to engage in the business of a sales finance company  
325.12 under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which  
325.13 shall expire the last day of June next following the date of its issuance. The license shall  
325.14 not be transferable or assignable. No licensee shall transact any business provided for by  
325.15 sections 53C.01 to 53C.14 under any other name.

325.16 (f) Section 58A.04, subdivisions 2 and 3, apply to this section.

325.17 Sec. 23. Minnesota Statutes 2020, section 55.10, subdivision 1, is amended to read:

325.18 Subdivision 1. **Permitting access, removal, or delivery.** When a safe deposit box shall  
325.19 have been hired from any licensed safe deposit company in the name of two or more persons,  
325.20 including ~~husband and wife~~ a married couple, with the right of access being given to either,  
325.21 or with access to either or the survivor or survivors of the person, or property is held for  
325.22 safekeeping by any licensed safe deposit company for two or more persons, including  
325.23 ~~husband and wife~~ a married couple, with the right of delivery being given to either, or with  
325.24 the right of delivery to either of the survivor or survivors of these persons, any one or more  
325.25 of these persons, whether the other or others be living or not, shall have the right of access  
325.26 to the safe deposit box and the right to remove all, or any part, of the contents thereof, or  
325.27 to have delivered to all or any one of them, or any part of the valuable personal property so  
325.28 held for safekeeping; and, in case of this access, removal, or delivery, the safe deposit  
325.29 company shall be exempt from any liability for permitting the access, removal, or delivery.

326.1 Sec. 24. Minnesota Statutes 2020, section 56.02, is amended to read:

326.2 **56.02 APPLICATION FEE.**

326.3 (a) Application for license shall be in writing, under oath, and in the form prescribed by  
326.4 the commissioner, and contain the name and the address, both of the residence and place  
326.5 of business, of the applicant and, if the applicant is a copartnership or association, of every  
326.6 member thereof, and if a corporation, of each officer and director thereof; also the county  
326.7 and municipality, with street and number, if any, where the business is to be conducted, and  
326.8 such further information as the commissioner may require. The applicant at the time of  
326.9 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating  
326.10 the application, and the additional sum of \$250 as an annual license fee for a period  
326.11 terminating on the last day of the current calendar year. In addition to the annual license  
326.12 fee, every licensee hereunder shall pay to the commissioner the actual costs of each  
326.13 examination, as provided for in section 56.10. All ~~moneys~~ money collected by the  
326.14 commissioner under this chapter shall be ~~turned over to the commissioner of management~~  
326.15 ~~and budget and credited by the commissioner of management and budget to the general~~  
326.16 ~~fund of the state~~ deposited in the financial institutions account under section 46.131,  
326.17 subdivision 11.

326.18 (b) Every applicant shall also prove, in form satisfactory to the commissioner, that the  
326.19 applicant has available for the operation of the business at the location specified in the  
326.20 application, liquid assets of at least \$50,000.

326.21 (c) Section 58A.04, subdivisions 2 and 3, apply to this section.

326.22 Sec. 25. Minnesota Statutes 2020, section 60A.033, subdivision 8, is amended to read:

326.23 Subd. 8. **Costs.** All bills for examination costs being charged to an insurance company  
326.24 pursuant to subdivision 5 or section 60A.031, subdivision 3, paragraph (c), must:

326.25 (1) be itemized and, with respect to examiner billings, contain activity detail on a quarterly  
326.26 hourly basis by an individual examiner and disclose the applicable hourly billing rates,  
326.27 together with per-charge detail for related travel or other expenses; and

326.28 (2) provide a due date no less than ~~30~~ 60 days from receipt of the bill.

326.29 Sec. 26. Minnesota Statutes 2020, section 60A.033, subdivision 9, is amended to read:

326.30 Subd. 9. **Completion of examination.** An examination under section 60A.031 must not  
326.31 exceed 18 months from the date the commissioner receives the insurance company's first  
326.32 submission pursuant to a scheduling order, unless:

327.1 (1) the commissioner determines that there has been a material lack of cooperation by  
327.2 the insurance company and advises the company in writing of the specific instances  
327.3 demonstrating a lack of cooperation;

327.4 (2) the examination is a multistate examination; or

327.5 (3) the commissioner determines that additional time is necessary to complete the  
327.6 examination and the commissioner notifies the insurance company in writing of the reasons  
327.7 why the examination requires additional time.

327.8 Sec. 27. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision  
327.9 to read:

327.10 Subd. 11. **Informal disposition.** (a) The commissioner must make an attempt to  
327.11 informally resolve any alleged violations of law identified during the examination or  
327.12 investigation. An attempt to informally resolve a violation may consist of a consent order,  
327.13 nonpublic letter of reprimand, or other informal resolution or disposition.

327.14 (b) The terms of a consent order or other informal disposition that prescribes compliance  
327.15 requirements must be consistent with the requirements of Minnesota law.

327.16 Sec. 28. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision  
327.17 to read:

327.18 Subd. 12. **Report to the legislature.** Each year by February 1, the commissioner must  
327.19 report the following information to the chairs and ranking minority members of the house  
327.20 of representatives and senate committees having jurisdiction over commerce:

327.21 (1) a listing of the number of pending market conduct exams and the year the exams  
327.22 were commenced;

327.23 (2) the number of exams closed during the prior year and the current total of costs charged  
327.24 to the companies for each exam;

327.25 (3) whether the exam is being conducted, in whole or in part, by third-party examiners;  
327.26 and

327.27 (4) other information that the chairs or ranking minority members may reasonably  
327.28 request, subject to the limitations of section 60A.031, subdivision 4, paragraph (f).

328.1 Sec. 29. Minnesota Statutes 2020, section 60A.954, subdivision 1, is amended to read:

328.2 Subdivision 1. **Establishment.** An insurer shall institute, implement, and maintain an  
328.3 antifraud plan. For the purpose of this section, the term insurer does not include reinsurers,  
328.4 the Workers' Compensation Reinsurance Association, self-insurers, and excess insurers.  
328.5 Within 30 days after instituting or materially modifying an antifraud plan, the insurer shall  
328.6 notify the commissioner in writing. The notice must include the name of the person  
328.7 responsible for administering the plan. An antifraud plan shall establish procedures to:

328.8 (1) prevent insurance fraud, including: internal fraud involving the insurer's officers,  
328.9 employees, or agents; fraud resulting from misrepresentations on applications for insurance;  
328.10 and claims fraud;

328.11 (2) report insurance fraud to appropriate law enforcement authorities; and

328.12 (3) cooperate with the prosecution of insurance fraud cases.

328.13 Sec. 30. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

328.14 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The  
328.15 commissioner of commerce shall:

328.16 (1) develop and sponsor the implementation of statewide plans, programs, and strategies  
328.17 to combat automobile theft, improve the administration of the automobile theft laws, and  
328.18 provide a forum for identification of critical problems for those persons dealing with  
328.19 automobile theft;

328.20 (2) coordinate the development, adoption, and implementation of plans, programs, and  
328.21 strategies relating to interagency and intergovernmental cooperation with respect to  
328.22 automobile theft enforcement;

328.23 (3) annually audit the plans and programs that have been funded in whole or in part to  
328.24 evaluate the effectiveness of the plans and programs and withdraw funding should the  
328.25 commissioner determine that a plan or program is ineffective or is no longer in need of  
328.26 further financial support from the fund;

328.27 (4) develop a plan of operation including:

328.28 (i) an assessment of the scope of the problem of automobile theft, including areas of the  
328.29 state where the problem is greatest;

328.30 (ii) an analysis of various methods of combating the problem of automobile theft;

328.31 (iii) a plan for providing financial support to combat automobile theft;



- 329.1 (iv) a plan for eliminating car hijacking; and
- 329.2 (v) an estimate of the funds required to implement the plan; and
- 329.3 (5) distribute money, in consultation with the commissioner of public safety, pursuant
- 329.4 to subdivision 3 from the automobile theft prevention special revenue account for automobile
- 329.5 theft prevention activities, including:
- 329.6 (i) paying the administrative costs of the program;
- 329.7 (ii) providing financial support to the State Patrol and local law enforcement agencies
- 329.8 for automobile theft enforcement teams;
- 329.9 (iii) providing financial support to state or local law enforcement agencies for programs
- 329.10 designed to reduce the incidence of automobile theft and for improved equipment and
- 329.11 techniques for responding to automobile thefts;
- 329.12 (iv) providing financial support to local prosecutors for programs designed to reduce
- 329.13 the incidence of automobile theft;
- 329.14 (v) providing financial support to judicial agencies for programs designed to reduce the
- 329.15 incidence of automobile theft;
- 329.16 (vi) providing financial support for neighborhood or community organizations or business
- 329.17 organizations for programs designed to reduce the incidence of automobile theft and to
- 329.18 educate people about the common methods of automobile theft, the models of automobiles
- 329.19 most likely to be stolen, and the times and places automobile theft is most likely to occur;
- 329.20 and
- 329.21 (vii) providing financial support for automobile theft educational and training programs
- 329.22 for state and local law enforcement officials, driver and vehicle services exam and inspections
- 329.23 staff, and members of the judiciary.
- 329.24 (b) The commissioner may not spend in any fiscal year more than ~~ten~~ 7.5 percent of the
- 329.25 money in the fund for the program's administrative and operating costs. The commissioner
- 329.26 is annually appropriated and must distribute the amount of the proceeds credited to the
- 329.27 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
- 329.28 each year to the insurance fraud prevention account described in section 297I.11, subdivision
- 329.29 2.
- 329.30 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
- 329.31 in the auto theft prevention account to the insurance fraud prevention account under section
- 329.32 45.0135, subdivision 6.

330.1 Sec. 31. Minnesota Statutes 2020, section 65B.84, subdivision 2, is amended to read:

330.2 Subd. 2. **Annual report.** By ~~January 15~~ of September 30 each year, the commissioner  
330.3 shall report to the governor and the chairs and ranking minority members of the house of  
330.4 representatives and senate committees having jurisdiction over the Departments of Commerce  
330.5 and Public Safety on the activities and expenditures in the preceding year.

330.6 Sec. 32. Minnesota Statutes 2020, section 80A.61, is amended to read:

330.7 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**  
330.8 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**  
330.9 **REPRESENTATIVE.**

330.10 (a) **Application for initial registration by broker-dealer, agent, investment adviser,**  
330.11 **or investment adviser representative.** A person shall register as a broker-dealer, agent,  
330.12 investment adviser, or investment adviser representative by filing an application and a  
330.13 consent to service of process complying with section 80A.88, and paying the fee specified  
330.14 in section 80A.65 and any reasonable fees charged by the designee of the administrator for  
330.15 processing the filing. The application must contain:

330.16 (1) the information or record required for the filing of a uniform application; and

330.17 (2) upon request by the administrator, any other financial or other information or record  
330.18 that the administrator determines is appropriate.

330.19 (b) **Amendment.** If the information or record contained in an application filed under  
330.20 subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant  
330.21 shall promptly file a correcting amendment.

330.22 (c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not  
330.23 pending under section 80A.67, registration becomes effective at noon on the 45th day after  
330.24 a completed application is filed, unless the registration is denied. A rule adopted or order  
330.25 issued under this chapter may set an earlier effective date or may defer the effective date  
330.26 until noon on the 45th day after the filing of any amendment completing the application.

330.27 (d) **Registration renewal.** A registration is effective until midnight on December 31 of  
330.28 the year for which the application for registration is filed. Unless an order is in effect under  
330.29 section 80A.67, a registration may be automatically renewed each year by filing such records  
330.30 as are required by rule adopted or order issued under this chapter, by paying the fee specified  
330.31 in section 80A.65, and by paying costs charged by the designee of the administrator for  
330.32 processing the filings.

331.1 (e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter  
331.2 may impose such other conditions, not inconsistent with the National Securities Markets  
331.3 Improvement Act of 1996. An order issued under this chapter may waive, in whole or in  
331.4 part, specific requirements in connection with registration as are in the public interest and  
331.5 for the protection of investors.

331.6 (f) **Funding portal registration.** A funding portal that has its principal place of business  
331.7 in the state of Minnesota shall register with the state of Minnesota by filing with the  
331.8 administrator a copy of the information or record required for the filing of an application  
331.9 for registration as a funding portal in the manner established by the Securities and Exchange  
331.10 Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with  
331.11 any rule adopted or order issued, and any amendments thereto.

331.12 (g) **Application for investment adviser representative registration.**

331.13 (1) The application for initial registration as an investment adviser representative pursuant  
331.14 to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities  
331.15 Industry Registration or Transfer) in accordance with the form instructions and by filing  
331.16 the form U-4 with the IARD. The application for initial registration must also include the  
331.17 following:

331.18 (i) proof of compliance by the investment adviser representative with the examination  
331.19 requirements of:

331.20 (A) the Uniform Investment Adviser Law Examination (Series 65); or

331.21 (B) ~~the General Securities Representative Examination (Series 7) and the Uniform~~  
331.22 Combined State Law Examination (Series 66);

331.23 (ii) any other information the administrator may reasonably require.

331.24 (2) The application for the annual renewal registration as an investment adviser  
331.25 representative shall be filed with the IARD.

331.26 (3)(i) The investment adviser representative is under a continuing obligation to update  
331.27 information required by Form U-4 as changes occur;

331.28 (ii) An investment adviser representative and the investment adviser must file promptly  
331.29 with the IARD any amendments to the representative's Form U-4; and

331.30 (iii) An amendment will be considered to be filed promptly if the amendment is filed  
331.31 within 30 days of the event that requires the filing of the amendment.

332.1 (4) An application for initial or renewal of registration is not considered filed for purposes  
332.2 of section 80A.58 until the required fee and all required submissions have been received  
332.3 by the administrator.

332.4 (5) The application for withdrawal of registration as an investment adviser representative  
332.5 pursuant to section 80A.58 shall be completed by following the instructions on Form U-5  
332.6 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5  
332.7 with the IARD.

332.8 Sec. 33. Minnesota Statutes 2020, section 80C.05, subdivision 2, is amended to read:

332.9 Subd. 2. **Commissioner's powers.** The commissioner shall have power to place such  
332.10 conditions, limitations, and restrictions on any registration as may be necessary to carry out  
332.11 the purposes of sections 80C.01 to 80C.22. Upon compliance with the provisions of sections  
332.12 80C.01 to 80C.22 and other requirements of the commissioner, and if the commissioner  
332.13 finds no ground for denial of the registration, the commissioner shall register the franchise.  
332.14 ~~Registration shall be by entry in a book called Register of Franchises, which entry shall~~  
332.15 show the franchise registered and for whom registered, and shall specify the conditions,  
332.16 limitations, and restrictions upon such registration, if any, or shall make proper reference  
332.17 to a formal order of the commissioner on file showing such conditions, limitations, and  
332.18 restrictions. The registration shall become effective upon issuance by the commissioner of  
332.19 an order for registration.

332.20 Sec. 34. Minnesota Statutes 2020, section 80C.08, subdivision 1, is amended to read:

332.21 Subdivision 1. **Filing; fee.** ~~Within 120 days after the fiscal year end of the registrant,~~  
332.22 ~~the registrant shall~~ A registration is effective for 12 months from the date the commissioner's  
332.23 order is issued. A registrant must file a report in the form prescribed by rule of the  
332.24 commissioner before the end of the registration effective period. A fee of \$200 shall  
332.25 accompany the annual report.

332.26 **EFFECTIVE DATE; APPLICABILITY.** This section is effective January 1, 2023,  
332.27 and applies to initial registrations filed on or after that date.

332.28 Sec. 35. Minnesota Statutes 2020, section 80G.01, subdivision 3, is amended to read:

332.29 Subd. 3. **Dealer.** (a) Subject to the exceptions in paragraph (b), a "dealer" means any  
332.30 person who buys, sells, solicits, or markets bullion products or investments in bullion  
332.31 products to consumers and: conducts Minnesota transactions.

332.32 ~~(1) is incorporated, registered, domiciled, or otherwise located in this state;~~

333.1 ~~(2) has a dealer representative located in this state; or~~

333.2 ~~(3) does business with a consumer at a location in this state, or delivers or ships a bullion~~  
333.3 ~~product or makes a payment to a consumer at an address in this state, unless the transaction~~  
333.4 ~~occurs when the consumer is at a business location outside of this state.~~

333.5 (b) A dealer does not include any of the following persons:

333.6 (1) a person who engages only in wholesale bullion product transactions with other  
333.7 persons who engage only in wholesale bullion product transactions or with dealers who buy  
333.8 or sell at retail and are properly registered under this chapter;

333.9 (2) a person who engages only in transactions at occasional garage or yard sales held at  
333.10 the seller's residence, farm auctions held at the seller's residence, or estate sales held at the  
333.11 decedent's residence;

333.12 (3) a person who is properly registered pursuant to chapter 80A, or the federal Securities  
333.13 Exchange Act of 1934 and rules promulgated thereunder as a securities broker dealer or  
333.14 broker dealer agent;

333.15 (4) an auctioneer who auctions bullion products on behalf of an owner, if the auctioneer  
333.16 does not take title or ownership of the bullion products, or the operator of an Internet website  
333.17 that allows users to offer the sale of bullion products through that website, does not set the  
333.18 price, is not the seller of record, and does not take possession of any bullion products to be  
333.19 offered; or

333.20 ~~(5) a person who engages only in transactions at no more than 12 trade shows per year~~  
333.21 ~~in this state where the consumer is present and the transaction is made at the trade show;~~  
333.22 ~~or~~

333.23 ~~(6)~~ (5) a federally or state-chartered bank, bank and trust, savings bank, savings  
333.24 association, or credit union or any operating subsidiary of them.

333.25 Sec. 36. Minnesota Statutes 2020, section 80G.01, is amended by adding a subdivision to  
333.26 read:

333.27 Subd. 5a. Minnesota transaction. "Minnesota transaction" means a bullion product  
333.28 transaction conducted:

333.29 (1) by a dealer that is incorporated, registered, domiciled, or otherwise located in  
333.30 Minnesota;

333.31 (2) by a dealer representative at a location in Minnesota;

- 334.1 (3) between a dealer and a consumer who lives in Minnesota; or  
334.2 (4) between a dealer and a Minnesota consumer when the transaction involves:  
334.3 (i) delivering or shipping a bullion product to an address in Minnesota;  
334.4 (ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota  
334.5 resident; or  
334.6 (iii) making payment to a consumer or receiving a payment from a consumer at an  
334.7 address in Minnesota, unless the transaction occurs when the consumer is at a business  
334.8 location outside of Minnesota.

334.9 Sec. 37. Minnesota Statutes 2020, section 80G.02, subdivision 1, is amended to read:

334.10 Subdivision 1. **Registration required.** It is unlawful for a dealer or dealer representative  
334.11 ~~to solicit, market, buy, sell, or deliver bullion products or investments in bullion products~~  
334.12 ~~to a consumer~~ conduct a Minnesota transaction without being registered by the commissioner  
334.13 as provided for in this chapter. A dealer must submit an application to register itself and  
334.14 each of its dealer representatives within 45 days of reaching \$25,000 in the aggregate of  
334.15 ~~bullion product transactions with consumers~~ Minnesota transactions between July 1 and  
334.16 June 30 of any year, as determined by the transactions' sale or purchase prices. Once a dealer  
334.17 is required to register itself and its dealer representatives, the dealer must thereafter renew  
334.18 its registration and the registration of each of its dealer representatives in accordance with  
334.19 this chapter, ~~regardless of the aggregate annual amount of transactions~~, unless the person  
334.20 ceases to be a dealer. A dealer representative may not buy, sell, solicit, or market bullion  
334.21 products or investments in bullion products on behalf of a dealer unless the dealer is properly  
334.22 registered with the commissioner under this section.

334.23 Sec. 38. Minnesota Statutes 2020, section 80G.02, subdivision 4, is amended to read:

334.24 Subd. 4. **Notice of change in registration information.** A registered dealer must provide  
334.25 the commissioner written notice of a change in the dealer's name, assumed names, doing  
334.26 business as names, business addresses, including all business addresses at which it or its  
334.27 dealer representatives conduct business, owners, e-mail addresses, website domain names,  
334.28 or primary telephone number used by it or its dealer representatives to buy, sell, solicit, or  
334.29 market to consumers bullion products or investments in bullion products no later than 30  
334.30 days after the change occurs.

335.1 Sec. 39. Minnesota Statutes 2020, section 80G.03, subdivision 2, is amended to read:

335.2 Subd. 2. **Dealer responsibility for actions of dealer representatives.** The commissioner  
335.3 may take action against a dealer for any violations of this chapter by its dealer representatives  
335.4 conducting ~~activities~~ Minnesota transactions on behalf of or at the direction of the dealer.  
335.5 The commissioner may also take action against the dealer representative.

335.6 Sec. 40. Minnesota Statutes 2020, section 80G.04, subdivision 1, is amended to read:

335.7 Subdivision 1. **Dealer registration precluded.** The commissioner must deny an  
335.8 application for registration or renewal of a dealer, or revoke such registration, if the bullion  
335.9 ~~coin~~ product dealer or its owners or officers have within the last ten years been convicted  
335.10 in any court of any financial crime or other crime involving fraud or theft.

335.11 Sec. 41. Minnesota Statutes 2020, section 80G.05, subdivision 1, is amended to read:

335.12 Subdivision 1. **Screening process required.** Each registered dealer must establish  
335.13 procedures to screen each of its owners and officers and each of its dealer representatives  
335.14 prior to submitting the application to the commissioner for initial registration and at each  
335.15 renewal. The results of such screenings shall be kept on file by the dealer and, if requested  
335.16 by the commissioner, provided to the commissioner as part of the initial registration and all  
335.17 renewal registrations.

335.18 Sec. 42. Minnesota Statutes 2021 Supplement, section 80G.06, subdivision 1, is amended  
335.19 to read:

335.20 Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current,  
335.21 valid surety bond issued by a surety company admitted to do business in Minnesota in an  
335.22 amount based on the Minnesota transactions ~~conducted with Minnesota consumers (purchases~~  
335.23 ~~from and sales to consumers at retail)~~ during the 12-month period prior to registration, or  
335.24 renewal, whichever is applicable.

335.25 (b) The amount of the surety bond shall be as specified in the table below:

335.26 Transaction Amount in Preceding	335.27 Surety Bond Required
335.28 <del>\$0</del> <u>\$25,000</u> to \$200,000	\$25,000
335.29 \$200,000.01 to \$500,000	\$50,000
335.30 \$500,000.01 to \$1,000,000	\$100,000
335.31 \$1,000,000.01 to \$2,000,000	\$150,000
335.32 Over \$2,000,000	\$200,000

336.1 Sec. 43. Minnesota Statutes 2020, section 80G.06, subdivision 2, is amended to read:

336.2 Subd. 2. **Action on bond permitted.** A consumer involved in a Minnesota transaction  
336.3 who is injured in money or property by a dealer's or dealer representative's failure to ~~provide~~  
336.4 ~~bullion products that the consumer has paid for or failure to remit money or goods owed to~~  
336.5 ~~the consumer in connection with the consumer's sale of bullion products~~ comply with this  
336.6 chapter may file a claim with the surety and if the claim is not paid, is authorized to bring  
336.7 an action based on the bond and recover against the surety. The commissioner or attorney  
336.8 general may also file a claim and bring an action on the bond and recover against the surety  
336.9 on behalf of a consumer so injured.

336.10 Sec. 44. Minnesota Statutes 2020, section 80G.07, subdivision 1, is amended to read:

336.11 Subdivision 1. **Sales practices.** ~~No~~ When conducting a Minnesota transaction, a dealer  
336.12 or dealer representative shall ~~shall~~ must not:

336.13 (1) prior to a transaction regarding bullion products, or concurrent with the delivery  
336.14 thereof, fail to provide to the consumer an invoice, which, in a clear and conspicuous manner,  
336.15 discloses the dealer's registration number, the Department of Commerce's e-mail address  
336.16 and telephone number, the sale or purchase price, the quantity of the bullion products, and  
336.17 specifically identifies and describes the bullion products, as well as their precious metal  
336.18 content, but only if it differs from the precious metal content specified by a government  
336.19 mint issuing the product and struck on the product, or if the product is not issued by a  
336.20 government mint;

336.21 (2) fail to investigate any consumer complaint and retain records of all consumer  
336.22 complaints, the results of its investigations, and the dealer's response and resolution of the  
336.23 complaint;

336.24 (3) fail to deliver by common carrier bullion products to a consumer within the time  
336.25 agreed upon with the consumer or, if no such agreement exists, within 30 days after the  
336.26 consumer has paid for the bullion products;

336.27 (4) fail to pay a consumer for purchased bullion products within the time agreed upon  
336.28 with the consumer or, if no such agreement exists, within 30 days after the consumer has  
336.29 provided the bullion products;

336.30 (5) misrepresent the delivery date of bullion products or payment for bullion products,  
336.31 or the dealer or representative's professional qualifications, affiliations, or registration;



337.1 (6) misrepresent any material aspect of a bullion product, including its performance,  
337.2 efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or  
337.3 profitability;

337.4 (7) misrepresent the manner in which any bullion products a consumer provides will be  
337.5 stored or otherwise handled once received;

337.6 (8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or  
337.7 bullion products without first obtaining the consumer's agreement to renegotiate and offering  
337.8 the consumer the option to have the payment fully refunded or the entirety of the bullion  
337.9 products returned;

337.10 (9) fail to respond within three business days to a consumer inquiry about the delivery  
337.11 status of bullion products that the consumer has paid for but not yet received or the status  
337.12 of a payment for bullion products that the consumer has already provided;

337.13 (10) telephone or solicit a consumer, or sell or provide the consumer's name to any other  
337.14 dealer or dealer representative, after the consumer requests not to be contacted;

337.15 (11) violate a subpoena or order of the commissioner or a court;

337.16 (12) make any communication to a potential buyer or seller of bullion products that  
337.17 misrepresents the relationship, if any, between the dealer or dealer representative and any  
337.18 government agency or mint;

337.19 (13) improperly withhold, misappropriate, or convert any money or properties received  
337.20 in the course of buying, selling, soliciting, or marketing bullion products or investments in  
337.21 bullion products to consumers;

337.22 (14) misrepresent the terms of an actual or proposed purchase or sale of bullion products  
337.23 or investment in bullion products to a consumer; or

337.24 (15) violate any other federal, state, or local law or rule related to selling, purchasing,  
337.25 soliciting, or marketing of bullion products, investments in bullion products, or precious  
337.26 metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest  
337.27 practices, or federal, state, or local law related to taxation or labor standards.

337.28 Sec. 45. Minnesota Statutes 2021 Supplement, section 80G.11, is amended to read:

337.29 **80G.11 NOTIFICATION TO COMMISSIONER.**

337.30 A registered dealer must notify the commissioner of any dealer representative termination  
337.31 within ten days of the termination if the termination is based in whole or in part on a violation  
337.32 of this chapter.

338.1 Sec. 46. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to  
338.2 read:

338.3 Subd. 4. **Minimum damage acquisition report.** A real estate appraiser may provide a  
338.4 minimum damage acquisition report for purposes of section 117.036. When providing a  
338.5 minimum damage acquisition report, a real estate appraiser is not engaged in real estate  
338.6 appraisal activity and is not subject to this chapter.

338.7 **EFFECTIVE DATE.** This section is effective September 1, 2022.

338.8 Sec. 47. Minnesota Statutes 2020, section 82B.19, is amended by adding a subdivision to  
338.9 read:

338.10 Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision,  
338.11 the following terms have the meanings given:

338.12 (1) "asynchronous educational offering" has the meaning given in the most recent version  
338.13 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser  
338.14 Qualifications Board; and

338.15 (2) "synchronous educational offering" has the meaning given in the most recent version  
338.16 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser  
338.17 Qualifications Board, and includes an educational process based on live or real-time  
338.18 instruction where there is no geographic separation of instructor and student.

338.19 (b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser may  
338.20 submit, in a form prescribed by the commissioner, an application for continuing education  
338.21 credit for a synchronous educational offering that has not been submitted for prior approval  
338.22 in Minnesota. The commissioner must grant a real estate appraiser continuing education  
338.23 credit if:

338.24 (1) the application is submitted on or before August 1 of the year in which the real estate  
338.25 appraiser license is due for renewal;

338.26 (2) the synchronous educational offering has been approved for continuing education  
338.27 credit by the regulator of real estate appraisers in at least one other state or United States  
338.28 territory; and

338.29 (3) an application is submitted by the real estate appraiser to the commissioner within  
338.30 30 days of successful completion of the synchronous education offering.

338.31 (c) The application must include a certificate of successful completion from the  
338.32 synchronous education offering provider. The commissioner must grant a real estate appraiser

339.1 the same number of continuing education credits for the successful completion of the  
339.2 synchronous educational offering as was approved for the offering by the out-of-state real  
339.3 estate appraiser regulatory authority. The commissioner must grant a real estate appraiser  
339.4 continuing education credit within 60 days of the submission of the completed application  
339.5 for out-of-state continuing education credit.

339.6 (d) The commissioner may charge a fee to a real estate appraiser, in an amount determined  
339.7 by the commissioner, to submit an application under this subdivision.

339.8 (e) This subdivision does not apply to asynchronous educational offerings.

339.9 **EFFECTIVE DATE.** This section is effective September 1, 2022.

339.10 Sec. 48. Minnesota Statutes 2021 Supplement, section 82B.25, subdivision 2, is amended  
339.11 to read:

339.12 Subd. 2. **Education.** ~~Within two years of receiving a license under this chapter and as~~  
339.13 ~~required by the Appraiser Qualifications Board,~~ A real property appraiser shall provide to  
339.14 the commissioner evidence of satisfactory completion of a continuing education course on  
339.15 the valuation bias of real property. An appraiser licensed after September 1, 2021, must  
339.16 complete the course required by this section prior to the appraiser's first license renewal.

339.17 **EFFECTIVE DATE.** This section is effective September 1, 2022.

339.18 Sec. 49. Minnesota Statutes 2020, section 82C.17, subdivision 2, is amended to read:

339.19 Subd. 2. **Evidence.** (a) An appraisal management company can evidence that the fees  
339.20 paid to an appraiser were reasonable and customary through:

339.21 (1) objective third-party information, including, but not limited to, government agency  
339.22 fee schedules or academic studies. An academic study used must exclude appraisal  
339.23 assignments ordered by an appraisal management company. ~~The commissioner may establish~~  
339.24 ~~a fee scheduled for use by an appraisal management company;~~ or

339.25 (2) reviewing each of the following factors and making adjustments to recent fees paid  
339.26 for appraisal services performed in the market area:

339.27 (i) the type of property appraised;

339.28 (ii) the scope of the appraisal work;

339.29 (iii) the time in which the appraisal service must be performed;

339.30 (iv) appraiser qualifications;

340.1 (v) appraiser experience and professional record; and

340.2 (vi) appraiser work quality.

340.3 (b) The fees paid for a complex appraisal assignment shall reflect the increased time,  
340.4 difficulty, and scope of work required.

340.5 (c) An appraisal management company shall maintain written documentation describing  
340.6 and substantiating all methods and information used to determine the customary and  
340.7 reasonable fees required by this section.

340.8 **EFFECTIVE DATE.** This section is effective September 1, 2022.

340.9 Sec. 50. **[214.035] LICENSING DISQUALIFICATIONS; PRELIMINARY**  
340.10 **APPLICATIONS; REPORTS.**

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

340.13 (b) "Conviction" has the meaning given in section 609.02, subdivision 5.

340.14 (c) "Criminal record" means a record of an arrest, prosecution, criminal proceeding, or  
340.15 conviction.

340.16 (d) "State licensor" or "licensor" means a state agency or examining and licensing board  
340.17 that issues an occupational or professional license, registration, or certificate and considers  
340.18 before issuing the license, registration, or certificate any criminal record or conviction of  
340.19 an applicant that may make an applicant ineligible to receive the license, registration, or  
340.20 certificate.

340.21 Subd. 2. **Scope.** (a) This section does not apply to a license, registration, or certificate  
340.22 issued by a state licensor if the license, registration, or certificate does not require an applicant  
340.23 to report to the state licensor as part of the application process the applicant's criminal record  
340.24 or does not require an applicant to obtain a criminal background check or study as part of  
340.25 the application process to obtain the license, registration, or certificate.

340.26 (b) This section does not apply to a license, registration, or certificate issued by the  
340.27 Department of Health, Department of Human Services, or any health-related licensing board,  
340.28 as defined in section 214.01, subdivision 2.

340.29 (c) The preliminary application process described under this section may only be utilized  
340.30 by an individual who has a criminal record.

341.1 Subd. 3. Preliminary applications. (a) Notwithstanding any law to the contrary, all  
341.2 state licensors shall permit an individual to submit a preliminary application for a  
341.3 determination pursuant to this section as to whether a criminal record or conviction that  
341.4 may be considered by the state licensor under state law would make the individual ineligible  
341.5 to receive an occupational or professional license, registration, or certificate issued by the  
341.6 state licensor.

341.7 (b) An applicant shall submit a preliminary application and any other supporting  
341.8 documents to the appropriate state licensor in a form and manner approved by the licensor.  
341.9 The state licensor may require that the applicant provide information about the applicant's  
341.10 criminal record in the form and manner approved by the licensor.

341.11 (c) A state licensor may charge a fee to cover any expenses incurred in connection with  
341.12 processing a preliminary application, provided the fee does not exceed the actual cost to  
341.13 the state licensor of processing the application or the initial fee for the applicable license,  
341.14 registration, or certificate. If the applicant subsequently applies for the license, registration,  
341.15 or certificate, the amount of the preliminary application fee paid by the applicant must be  
341.16 credited toward the applicant's initial fee for the license, registration, or certificate. An  
341.17 applicant may request a waiver of this fee. A fee collected under this paragraph for the  
341.18 expenses incurred by the state licensor shall be deposited in the fund in the state treasury  
341.19 in which the state licensor deposits fees collected for issuing occupational or professional  
341.20 licenses, registrations, or certificates. If the state licensor does not collect a fee for issuing  
341.21 occupational or professional licenses, registrations, or certificates, any fee collected under  
341.22 this paragraph shall be deposited pursuant to section 214.06, subdivision 1.

341.23 (d) Upon receipt of a completed preliminary application and any necessary supporting  
341.24 documents, the state licensor must determine under state law whether a criminal record or  
341.25 conviction that may be considered under state law would make the applicant ineligible to  
341.26 receive a professional or occupational license, registration, or certificate from the licensor.  
341.27 The state licensor must issue a written decision within 60 days of receiving a completed  
341.28 preliminary application. If the state licensor determines that a criminal record or conviction  
341.29 would make the applicant ineligible to receive a professional or occupational license,  
341.30 registration, or certificate, the written decision must:

341.31 (1) state all reasons the professional or occupational license, registration, or certificate  
341.32 would be denied, including the standard used to make the decision;

341.33 (2) notify the applicant of the right to appeal the decision or seek reconsideration of the  
341.34 results of a background check or background study, if applicable; and

342.1 (3) inform the applicant of any action or additional steps the applicant could take to  
342.2 qualify for a professional or occupational license, registration, or certificate.

342.3 (e) If a state licensor determines that no criminal records or convictions would make the  
342.4 applicant ineligible to receive a professional or occupational license, registration, or  
342.5 certificate, that decision is binding on the licensor unless the decision is clearly erroneous  
342.6 under state law or:

342.7 (1) the applicant is convicted of a crime or commits any other disqualifying act that may  
342.8 be considered by the state licensor under state law after submission of the preliminary  
342.9 application;

342.10 (2) the applicant provided incomplete information in the preliminary application;

342.11 (3) the applicant provided inaccurate or fraudulent information in the preliminary  
342.12 application; or

342.13 (4) changes to state law were enacted after the date the decision was issued, making the  
342.14 applicant ineligible under state law to receive a license, registration, or certificate.

342.15 (f) Nothing in this section precludes a licensor from issuing a license, registration, or  
342.16 certificate to an applicant that includes limitations or conditions on the license, registration,  
342.17 or certificate based on a criminal conviction or alleged misconduct of the applicant.

342.18 (g) By August 1 of each year, each state licensor shall submit to the commissioner of  
342.19 management and budget the number of applicants who submitted preliminary applications  
342.20 to the licensor in accordance with this section and the number of applicants who subsequently  
342.21 applied for a license, registration, or certificate for the previous fiscal year. The state licensor  
342.22 shall also submit the total amount of initial application fees that were not paid by these  
342.23 applicants pursuant to paragraph (c), or, if the licensor does not collect a fee for issuing a  
342.24 license, registration, or certificate, the cost of processing the preliminary application fee  
342.25 that was not covered pursuant to paragraph (c). Each fiscal year, an amount necessary to  
342.26 pay each state licensor the rest of each initial application fee or the rest of the cost of  
342.27 processing each preliminary application if an initial application fee was not collected by  
342.28 the licensor is appropriated from the general fund to the appropriate state licensor.

342.29 (h) This section does not apply to a state licensor that does not require an applicant to  
342.30 provide a criminal record, complete a background check, or complete a background study.

342.31 Subd. 4. **Reports.** (a) By January 15 of each year, every state licensor shall report to the  
342.32 Department of Employment and Economic Development on:

- 343.1 (1) the number of individuals who applied for a professional or occupational license,  
343.2 registration, or certificate from the licensor;
- 343.3 (2) the number of individuals described in clause (1) who were found to be ineligible  
343.4 due to a criminal record or conviction;
- 343.5 (3) the number of individuals who submitted a preliminary application under this section;  
343.6 and
- 343.7 (4) the number of individuals described in clause (3) who were found to be ineligible  
343.8 due to a criminal record or conviction.
- 343.9 (b) On or before February 15 of each year, the commissioner of employment and  
343.10 economic development shall compile the reports received under paragraph (a) and provide  
343.11 the compiled reports to the chairs and ranking minority members of the house of  
343.12 representatives and senate committees and divisions with jurisdiction over employment.  
343.13 The commissioner of employment and economic development must make the report readily  
343.14 available on the department's public website.

343.15 Sec. 51. Minnesota Statutes 2020, section 239.761, subdivision 3, is amended to read:

343.16 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated  
343.17 with water or other impurities and must comply with ASTM specification D4814-11b.  
343.18 Gasoline that is not blended with biofuel must also comply with the volatility requirements  
343.19 in Code of Federal Regulations, title 40, part ~~80~~ 1090.

343.20 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,  
343.21 a person responsible for the product:

343.22 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision  
343.23 4;

343.24 (2) shall not blend the gasoline with any oxygenate other than biofuel;

343.25 (3) shall not blend the gasoline with other petroleum products that are not gasoline or  
343.26 biofuel;

343.27 (4) shall not blend the gasoline with products commonly and commercially known as  
343.28 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural  
343.29 gasoline; and

343.30 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive  
343.31 designed to replace tetra-ethyl lead, that is registered by the EPA.

344.1 Sec. 52. Minnesota Statutes 2020, section 239.761, subdivision 4, is amended to read:

344.2 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with  
344.3 agriculturally derived, denatured ethanol that complies with the requirements of subdivision  
344.4 5.

344.5 (b) A gasoline-ethanol blend must:

344.6 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part  
344.7 ~~80~~ 1090;

344.8 (2) comply with ASTM specification D4814-11b, or the gasoline base stock from which  
344.9 a gasoline-ethanol blend was produced must comply with ASTM specification D4814-11b;  
344.10 and

344.11 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,  
344.12 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,  
344.13 or otherwise removed from a refinery or terminal.

344.14 Sec. 53. Minnesota Statutes 2020, section 239.791, subdivision 2a, is amended to read:

344.15 Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by  
344.16 the United States Environmental Protection Agency under United States Code, title 42,  
344.17 section 7545, may alter the minimum content level required by subdivision 1, paragraph  
344.18 (a), clause (1), item (ii), the waiver must:

344.19 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

344.20 (2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal  
344.21 Regulations, title 40, ~~section 80.27~~ part 1090.215, paragraph ~~(d)~~ (b), for blends of gasoline  
344.22 and ethanol up to the maximum percent of denatured ethanol by volume authorized under  
344.23 the waiver.

344.24 (b) The minimum biofuel requirement in subdivision 1, paragraph (a), clause (1), item  
344.25 (ii), shall, upon the grant of the federal waiver, be effective the day after the commissioner  
344.26 of commerce publishes notice in the State Register. In making this determination, the  
344.27 commissioner shall consider the amount of time required by refiners, retailers, pipeline and  
344.28 distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the  
344.29 operational and logistical changes required to supply fuel in compliance with the minimum  
344.30 biofuel requirement.



345.1 Sec. 54. Minnesota Statutes 2020, section 296A.01, subdivision 23, is amended to read:

345.2 Subd. 23. **Gasoline.** (a) "Gasoline" means:

345.3 (1) all products commonly or commercially known or sold as gasoline regardless of  
345.4 their classification or uses, except casinghead gasoline, absorption gasoline, condensation  
345.5 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,  
345.6 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise  
345.7 removed from a refinery or terminal; and

345.8 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and  
345.9 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when  
345.10 tested by the Weights and Measures Division meets the specifications in ASTM specification  
345.11 D4814-11b.

345.12 (b) Gasoline that is not blended with ethanol must not be contaminated with water or  
345.13 other impurities and must comply with both ASTM specification D4814-11b and the volatility  
345.14 requirements in Code of Federal Regulations, title 40, part ~~80~~ 1090.

345.15 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,  
345.16 a person responsible for the product:

345.17 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision  
345.18 24;

345.19 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally  
345.20 derived ethanol;

345.21 (3) must not blend the gasoline with other petroleum products that are not gasoline or  
345.22 denatured, agriculturally derived ethanol;

345.23 (4) must not blend the gasoline with products commonly and commercially known as  
345.24 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural  
345.25 gasoline; and

345.26 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive  
345.27 designed to replace tetra-ethyl lead, that is registered by the EPA.

345.28 Sec. 55. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

345.29 Subd. 3. **Term.** Licenses issued or renewed and registrations received by the  
345.30 commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each  
345.31 collection agency license shall plainly state the name and business address of the licensee,  
345.32 and shall be posted in a conspicuous place in the office where the business is transacted.

346.1 The fee for each collection agency license is \$500, and renewal is \$400. The fee for each  
346.2 collector registration and renewal is \$10, which entitles the individual collector to work at  
346.3 a licensee's business location or in another location as provided under subdivision 5b. An  
346.4 additional branch license is not required for a location used under subdivision 5b. A collection  
346.5 agency licensee who desires to carry on business in more than one place shall procure a  
346.6 license for each place where the business is to be conducted.

346.7 **EFFECTIVE DATE.** This section is effective June 1, 2022.

346.8 Sec. 56. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to  
346.9 read:

346.10 **Subd. 5b. Work from home.** An employee of a licensed collection agency may work  
346.11 from a location other than the licensee's business location if the licensee and employee  
346.12 comply with all requirements under this section that would apply if the employee were  
346.13 working at the business location.

346.14 **EFFECTIVE DATE.** This section is effective June 1, 2022.

346.15 Sec. 57. Minnesota Statutes 2020, section 336.9-510, is amended to read:

346.16 **336.9-510 EFFECTIVENESS OF FILED RECORD.**

346.17 (a) **Filed record effective if authorized.** A filed record is effective only to the extent  
346.18 that it was filed by a person that may file it under section 336.9-509 or by the filing office  
346.19 under section 336.9-5135.

346.20 (b) **Authorization by one secured party of record.** A record authorized by one secured  
346.21 party of record does not affect the financing statement with respect to another secured party  
346.22 of record.

346.23 (c) **Continuation statement not timely filed.** A continuation statement that is not filed  
346.24 within the six-month period prescribed by section 336.9-515(d) is ineffective.

346.25 Sec. 58. **[336.9-5135] TERMINATION OF WRONGFULLY FILED FINANCING**  
346.26 **STATEMENT; REINSTATEMENT.**

346.27 (a) **Intent to harass.** "Intent to harass" means that from the totality of the information  
346.28 provided in the record, it appears obvious to the filing office that there is no valid basis for  
346.29 the filing of the record.

346.30 (b) **Affidavit of wrongful filing.** A person identified as the debtor in a filed financing  
346.31 statement may deliver to the filing office a notarized affidavit that identifies the financing

347.1 statement by file number, indicates the person's mailing address, and states that the person  
347.2 believes the filed record identifying the person as the debtor was not authorized to be filed  
347.3 and was communicated or caused to be communicated to the office with the intent to harass  
347.4 or defraud the person identified as the debtor. The office may reject an affidavit that is  
347.5 incomplete or that the office believes was delivered with the intent to harass or defraud the  
347.6 secured party. The secretary of state must provide a form of affidavit for use under this  
347.7 section.

347.8 **(c) Termination statement by filing office.** If an affidavit is delivered to the filing  
347.9 office under subsection (b) and is not rejected under subsection (b), the office must promptly  
347.10 file a termination statement with respect to the financing statement identified in the affidavit.  
347.11 The termination statement must identify by its file number the initial financing statement  
347.12 it relates to and must indicate that it was filed pursuant to this section. A termination  
347.13 statement filed under this subsection is not effective until 20 days after the date it is filed.

347.14 **(d) No fee charged or refunded.** The filing office must not charge a fee to file an  
347.15 affidavit under subsection (b) or a termination statement under subsection (c). The office  
347.16 must not return any fee paid to file the financing statement identified in the affidavit, whether  
347.17 or not the financing statement is reinstated under subsection (g).

347.18 **(e) Notice of termination statement.** Within two business days of the date a filing office  
347.19 files a termination statement under subsection (c), it must send to the secured party of record  
347.20 for the financing statement the termination statement relates to a notice stating the termination  
347.21 statement has been filed and becomes effective 20 days after the date the termination  
347.22 statement was filed. The notice must be sent by certified mail, return receipt requested, to  
347.23 the address provided for the secured party of record in the financing statement, with a copy  
347.24 sent by e-mail to the e-mail address provided by the secured party of record, if any.

347.25 **(f) Administrative review; action for reinstatement.** If a secured party believes in  
347.26 good faith the filed record identified in an affidavit and delivered to the filing office under  
347.27 subsection (b) was authorized to be filed and was not communicated or caused to be  
347.28 communicated to the filing office with the intent to harass or defraud, the secured party may  
347.29 do the following:

347.30 (1) before the termination statement takes effect, request that the filing office conduct  
347.31 an expedited review of the filed record and any documentation provided by the secured  
347.32 party. The filing office may, as a result of the review, remove from the record the termination  
347.33 statement the filing office filed under subsection (c) before the termination statement takes  
347.34 effect; or

348.1 (2) at any time, commence an action against the filing office seeking reinstatement of  
348.2 the financing statement the filed record relates to. The action must be commenced before  
348.3 the expiration of six months after the date the termination statement was filed under  
348.4 subsection (c) becomes effective. If the person identified as the debtor is not named as a  
348.5 defendant in the action, the secured party must send a copy of the complaint to the person  
348.6 identified as the debtor at the address indicated in the affidavit. The exclusive venue for the  
348.7 action is the district court for the county where the filing office in which the financing  
348.8 statement was filed is located. The action must be considered by the court on an expedited  
348.9 basis.

348.10 (g) **Office to file notice of action for reinstatement.** Within ten days after the date the  
348.11 filing office is served with process in an action under subsection (f), the filing office must  
348.12 file in the central filing system a notice indicating the action has been commenced. The  
348.13 notice must indicate the file number of the initial financing statement it relates to.

348.14 (h) **Action for reinstatement successful.** In an action under subsection (f), if the court  
348.15 determines the financing statement was authorized to be filed and was not communicated  
348.16 or caused to be communicated to the filing office with the intent to harass or defraud the  
348.17 person identified as the debtor, the court must order that the financing statement is reinstated.  
348.18 If a reinstatement order is issued by the court, the filing office must promptly file a record  
348.19 that identifies by its file number the initial financing statement the record relates to and  
348.20 indicates the financing statement has been reinstated.

348.21 (i) **Effect of reinstatement.** Upon the filing of a record reinstating a financing statement  
348.22 under subsection (h), the effectiveness of the financing statement is reinstated and the  
348.23 financing statement is considered to never have been terminated under this section. A  
348.24 continuation statement filed under section 336.9-515(d) after the effective date of a  
348.25 termination statement filed under subsection (c) becomes effective if the financing statement  
348.26 is reinstated.

348.27 (j) **Liability for wrongful filing.** In an action under subsection (f), if the court determines  
348.28 the filed record identified in an affidavit delivered to the filing office under subsection (b)  
348.29 was not authorized to be filed and was communicated or caused to be communicated to the  
348.30 filing office with the intent to harass or defraud the person identified as the debtor, the filing  
348.31 office and the person identified as the debtor may recover from the secured party that filed  
348.32 the action the costs and expenses, including reasonable attorney fees, that the filing office  
348.33 and the person identified as the debtor incurred in the action. The recovery is under this  
348.34 subsection in addition to any recovery the person identified as the debtor is entitled to under  
348.35 section 336.9-625.

349.1 Sec. 59. Minnesota Statutes 2020, section 336.9-516, is amended to read:

349.2 **336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.**

349.3 (a) **What constitutes filing.** Except as otherwise provided in subsection (b),  
349.4 communication of a record to a filing office and tender of the filing fee or acceptance of  
349.5 the record by the filing office constitutes filing.

349.6 (b) **Refusal to accept record; filing does not occur.** Filing does not occur with respect  
349.7 to a record that a filing office refuses to accept because:

349.8 (1) the record is not communicated by a method or medium of communication authorized  
349.9 by the filing office. For purposes of filing office authorization, transmission of records using  
349.10 the Extensible Markup Language (XML) format is authorized by the filing office after the  
349.11 later of July 1, 2007, or the determination of the secretary of state that the central filing  
349.12 system is capable of receiving and processing these records;

349.13 (2) an amount equal to or greater than the applicable filing fee is not tendered;

349.14 (3) the filing office is unable to index the record because:

349.15 (A) in the case of an initial financing statement, the record does not provide a name for  
349.16 the debtor;

349.17 (B) in the case of an amendment or information statement, the record:

349.18 (i) does not identify the initial financing statement as required by section 336.9-512 or  
349.19 336.9-518, as applicable; or

349.20 (ii) identifies an initial financing statement whose effectiveness has lapsed under section  
349.21 336.9-515;

349.22 (C) in the case of an initial financing statement that provides the name of a debtor  
349.23 identified as an individual or an amendment that provides a name of a debtor identified as  
349.24 an individual which was not previously provided in the financing statement to which the  
349.25 record relates, the record does not identify the debtor's surname; or

349.26 (D) in the case of a record filed or recorded in the filing office described in section  
349.27 336.9-501 (a)(1), the record does not provide a sufficient description of the real property  
349.28 to which it relates;

349.29 (4) in the case of an initial financing statement or an amendment that adds a secured  
349.30 party of record, the record does not provide a name and mailing address for the secured  
349.31 party of record;

350.1 (5) in the case of an initial financing statement or an amendment that provides a name  
350.2 of a debtor which was not previously provided in the financing statement to which the  
350.3 amendment relates, the record does not:

350.4 (A) provide a mailing address for the debtor; or

350.5 (B) indicate whether the name provided as the name of the debtor is the name of an  
350.6 individual or an organization;

350.7 (6) in the case of an assignment reflected in an initial financing statement under section  
350.8 336.9-514 (a) or an amendment filed under section 336.9-514 (b), the record does not provide  
350.9 a name and mailing address for the assignee; or

350.10 (7) in the case of a continuation statement, the record is not filed within the six-month  
350.11 period prescribed by section 336.9-515 (d); or

350.12 (8) in the case of an initial financing statement or an amendment that provides a name  
350.13 of a debtor not previously provided in the financing statement to which the amendment  
350.14 relates, the office reasonably believes the record was communicated or caused to be  
350.15 communicated (i) with the intent to harass or defraud the person identified as the debtor, or  
350.16 (ii) for another unlawful purpose. The office has no duty to form a belief as to whether a  
350.17 record was communicated or caused to be communicated with the intent to harass or defraud  
350.18 the person identified as the debtor or for another unlawful purpose, and has no duty to  
350.19 investigate or ascertain facts relevant to whether the intent or purpose was present. The  
350.20 secretary of state is not required to return an image of a filing rejected under this clause.

350.21 (c) **Rules applicable to subsection (b).** For purposes of subsection (b):

350.22 (1) a record does not provide information if the filing office is unable to read or decipher  
350.23 the information; and

350.24 (2) a record that does not indicate that it is an amendment or identify an initial financing  
350.25 statement to which it relates, as required by section 336.9-512, 336.9-514, or 336.9-518, is  
350.26 an initial financing statement.

350.27 (d) **Refusal to accept record; record effective as filed record.** A record that is  
350.28 communicated to the filing office with tender of the filing fee, but which the filing office  
350.29 refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed  
350.30 record except as against a purchaser of the collateral which gives value in reasonable reliance  
350.31 upon the absence of the record from the files.

350.32 (e) **Effectiveness of record; purchaser in good faith.** A record that the filing office  
350.33 initially refuses to accept under subsection (b)(8) but later accepts after receiving additional

351.1 information is effective as if the office had not initially refused to accept the record, except  
351.2 as against a purchaser of the collateral that gives value in reasonable reliance upon the  
351.3 absence of the record from the files.

351.4 Sec. 60. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

351.5 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

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

351.8 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of  
351.9 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common  
351.10 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may  
351.11 jeopardize the health, safety or welfare of other occupants, which involves noise or other  
351.12 disturbing activity, or which may damage the common elements or other units; (iii) regulating  
351.13 or prohibiting animals; (iv) regulating changes in the appearance of the common elements  
351.14 and conduct which may damage the common interest community; (v) regulating the exterior  
351.15 appearance of the common interest community, including, for example, balconies and patios,  
351.16 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)  
351.17 implementing the articles of incorporation, declaration and bylaws, and exercising the  
351.18 powers granted by this section; and (vii) otherwise facilitating the operation of the common  
351.19 interest community;

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

351.22 (3) hire and discharge managing agents and other employees, agents, and independent  
351.23 contractors;

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

351.28 (5) make contracts and incur liabilities;

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

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

352.1 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to  
352.2 real estate or personal property, but (i) common elements in a condominium or planned  
352.3 community may be conveyed or subjected to a security interest only pursuant to section  
352.4 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative  
352.5 may be subjected to a security interest, only pursuant to section 515B.3-112;

352.6 (9) grant or amend easements for public utilities, public rights-of-way or other public  
352.7 purposes, and cable television or other communications, through, over or under the common  
352.8 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized  
352.9 by the declaration; and, subject to approval by a vote of unit owners other than declarant  
352.10 or its affiliates, grant or amend other easements, leases, and licenses through, over or under  
352.11 the common elements;

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

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

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

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

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

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

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

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



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

353.4 (1) if applicable, indicates the amount, date, and reason for the levy;

353.5 (2) identifies the violation for which a fine is being levied and the specific section of  
353.6 the declaration, bylaws, or rules and regulations allegedly violated;

353.7 (3) states that all unpaid fines and assessments are liens which, if not satisfied, could  
353.8 lead to foreclosure of the unit;

353.9 (4) describes the right of the unit owner to be heard by the board or a committee appointed  
353.10 by the board;

353.11 (5) states that if the assessment, fees, charges, or fine is not paid, the amount owed may  
353.12 increase as a result of the imposition of attorney fees and other costs of collection; and

353.13 (6) informs the unit owner that homeownership assistance is available from, and includes  
353.14 the contact information for, the Minnesota Homeownership Center.

353.15 (d) No further collection or enforcement action may be taken by the association for the  
353.16 15-day period following delivery of the notice required under paragraph (c).

353.17 (e) No attorney fees are chargeable or may be collected from a unit owner who disputes  
353.18 the levy or assessment and prevails at a hearing held by the board or a committee appointed  
353.19 by the board.

353.20 ~~(e)~~ (f) Notwithstanding subsection (a), powers exercised under this section must comply  
353.21 with section 500.215.

353.22 ~~(d)~~ (g) Notwithstanding subsection (a)(4) or any other provision of this chapter, the  
353.23 association, before instituting litigation or arbitration involving construction defect claims  
353.24 against a development party, shall:

353.25 (1) mail or deliver written notice of the anticipated commencement of the action to each  
353.26 unit owner at the addresses, if any, established for notices to owners in the declaration and,  
353.27 if the declaration does not state how notices are to be given to owners, to the owner's last  
353.28 known address. The notice shall specify the nature of the construction defect claims to be  
353.29 alleged, the relief sought, and the manner in which the association proposes to fund the cost  
353.30 of pursuing the construction defect claims; and

353.31 (2) obtain the approval of owners of units to which a majority of the total votes in the  
353.32 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the

354.1 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale  
354.2 are excluded. The association may obtain the required approval by a vote at an annual or  
354.3 special meeting of the members or, if authorized by the statute under which the association  
354.4 is created and taken in compliance with that statute, by a vote of the members taken by  
354.5 electronic means or mailed ballots. If the association holds a meeting and voting by electronic  
354.6 means or mailed ballots is authorized by that statute, the association shall also provide for  
354.7 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means  
354.8 or mailed ballots, except that the votes must be used in combination with the vote taken at  
354.9 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered  
354.10 for purposes of determining whether a quorum was present. Proxies may not be used for a  
354.11 vote taken under this paragraph unless the unit owner executes the proxy after receipt of  
354.12 the notice required under subsection ~~(d)~~ (g)(1) and the proxy expressly references this notice.

354.13 ~~(e)~~ (h) The association may intervene in a litigation or arbitration involving a construction  
354.14 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party  
354.15 claim before complying with subsections ~~(d)~~ (g)(1) and ~~(d)~~ (g)(2) but the association's  
354.16 complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed  
354.17 without prejudice unless the association has complied with the requirements of subsection  
354.18 ~~(d)~~ (g) within 90 days of the association's commencement of the complaint in an intervention  
354.19 or the assertion of the counterclaim, crossclaim, or third-party claim.

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

354.21 Sec. 61. Minnesota Statutes 2020, section 549.30, subdivision 3, is amended to read:

354.22 Subd. 3. **Applicable law.** "Applicable law" means: (1) the laws of the United States; (2)  
354.23 the laws of this state, including principles of equity applied in the courts of this state; and  
354.24 (3) the laws of any other jurisdiction: (i) which is the domicile of the payee ~~or any other~~  
354.25 ~~interested party~~; (ii) under whose laws a structured settlement agreement was approved by  
354.26 a court or responsible administrative authority; or (iii) in whose courts a settled claim was  
354.27 pending when the parties entered into a structured settlement agreement.

354.28 Sec. 62. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to  
354.29 read:

354.30 **Subd. 3a. Assignee.** "Assignee" means a person acquiring or proposing to acquire  
354.31 structured settlement payment rights from a transferee.

355.1 Sec. 63. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to  
355.2 read:

355.3 Subd. 5a. **Effective equivalent annual interest rate.** "Effective equivalent annual  
355.4 interest rate" means the annualized rate of interest on the net advance amount, calculated  
355.5 by treating the transferred settlement payments as if the transferred settlement payments  
355.6 were installment payments on a loan, with each payment applied first to the accrued unpaid  
355.7 interest and then to the principal.

355.8 Sec. 64. Minnesota Statutes 2020, section 549.30, subdivision 6, is amended to read:

355.9 Subd. 6. **Independent professional advice.** "Independent professional advice" means  
355.10 advice of an attorney, certified public accountant, actuary, financial adviser, or other licensed  
355.11 professional adviser: (1) who is engaged by a payee to render advice concerning the legal,  
355.12 tax, and financial implications of a transfer of structured settlement payment rights; (2) to  
355.13 whom the payee is not referred directly or indirectly and who is not in any manner affiliated  
355.14 with or compensated by the transferee of the transfer; and (3) whose compensation for  
355.15 providing the advice is not affected by whether a transfer occurs or does not occur.

355.16 Sec. 65. Minnesota Statutes 2020, section 549.30, subdivision 15, is amended to read:

355.17 Subd. 15. **Structured settlement payment rights.** "Structured settlement payment  
355.18 rights" means rights to receive periodic payments, including lump-sum payments, under a  
355.19 structured settlement, whether from the settlement obligor or the annuity issuer, where: (1)  
355.20 ~~the payee or any other interested party~~ is domiciled in the state; (2) the structured settlement  
355.21 agreement was approved by a court or responsible administrative authority in the state; or  
355.22 (3) the settled claim was pending before the courts of this state when the parties entered  
355.23 into the structured settlement agreement.

355.24 Sec. 66. Minnesota Statutes 2020, section 549.30, subdivision 19, is amended to read:

355.25 Subd. 19. **Transferee.** "Transferee" means a person ~~who is receiving or will receive~~  
355.26 acquiring or proposing to acquire structured settlement payment rights resulting from a  
355.27 transfer.

356.1 Sec. 67. Minnesota Statutes 2020, section 549.31, is amended to read:

356.2 **549.31 CONDITIONS TO TRANSFERS OF STRUCTURED SETTLEMENT**  
356.3 **PAYMENT RIGHTS AND STRUCTURED SETTLEMENT AGREEMENTS.**

356.4 Subdivision 1. **Generally.** No direct or indirect transfer of structured settlement payment  
356.5 rights is effective and no structured settlement obligor or annuity issuer is required to make  
356.6 a payment directly or indirectly to a transferee of structured settlement payment rights unless  
356.7 the transfer has been authorized in advance in a final order of a court of competent jurisdiction  
356.8 or responsible administrative authority, based on the court's or responsible administrative  
356.9 authority's written express findings, after notice and hearing, that:

356.10 (a) the transfer complies with the requirements of sections 549.31 to 549.34 and will  
356.11 not contravene other applicable law;

356.12 (b) not less than ten days before the date on which the payee first incurred an obligation  
356.13 with respect to the transfer, the transferee has provided to the payee, an attorney representing  
356.14 the payee or advising the payee, or any other professional known to be advising the payee  
356.15 a disclosure statement in bold type, no smaller than 14 points, specifying:

356.16 (1) the amounts and due dates of the structured settlement payments to be transferred;

356.17 (2) the aggregate amount of the payments;

356.18 (3) the discounted present value of the payments, together with the discount rate used  
356.19 in determining the discounted present value;

356.20 (4) the gross amount payable to the payee in exchange for the payments;

356.21 (5) an itemized listing of all brokers' commissions, service charges, application fees,  
356.22 processing fees, closing costs, filing fees, referral fees, administrative fees, legal fees, notary  
356.23 fees, and other commissions, fees, costs, expenses, and any other charges payable by the  
356.24 payee or deductible from the gross amount otherwise payable to the payee, and verification  
356.25 that the total fees and charges do not exceed two percent of the total compensation payable  
356.26 to the payee;

356.27 (6) the net amount payable to the payee after deduction of all commissions, fees, costs,  
356.28 expenses, and charges described in clause (5);

356.29 (7) the quotient, expressed as a percentage, obtained by dividing the net payment amount  
356.30 by the discounted present value of the payments; ~~and~~

357.1 (8) the amount of any penalty and the aggregate amount of any liquidated damages,  
357.2 including penalties, payable by the payee in the event of a breach of the transfer agreement  
357.3 by the payee;

357.4 (9) the effective equivalent annual interest rate, disclosed in the following form: "Based  
357.5 on the net amount that you will receive from us and the amounts and timing of the structured  
357.6 settlement payments you are transferring to us, in effect you will be paying us at an interest  
357.7 rate of ..... % per year"; and

357.8 (10) that the payee is advised to obtain independent professional advice about the transfer,  
357.9 disclosed in the following form: "Before agreeing to sell any of your payment rights, you  
357.10 should seek guidance from an attorney, accountant, actuary, financial adviser, or tax or  
357.11 other licensed professional adviser who is not associated with the buyer. It is illegal for the  
357.12 buyer to refer you to anyone for this advice and for anyone associated with or paid for by  
357.13 the buyer to give you advice.";

357.14 (c) based on the files, records, disclosures, and evidence presented at the hearing, the  
357.15 payee court has established that the financial terms of the proposed transfer are fair and  
357.16 reasonable and the proposed transfer is in the best interests of the payee and the payee's  
357.17 dependents;, after considering:

357.18 (1) the payee's age, legal knowledge, and apparent maturity level, and any other relevant  
357.19 factors and the stated purpose of the transfer;

357.20 (2) whether the payee has the capacity to fully understand the financial terms and  
357.21 implications of the transfer agreement;

357.22 (3) whether the payee is employed or employable;

357.23 (4) the payee's ability to meet (i) ongoing and known future living expenses, including  
357.24 medical expenses, and (ii) the current and future financial obligations of the payee and the  
357.25 payee's dependents, including child support and spousal maintenance;

357.26 (5) whether the payee completed previous transactions involving the payee's structured  
357.27 settlement payments, and the timing, size, stated purpose, and actual use of the proceeds;

357.28 (6) the impact of the proposed transfer on current or future eligibility of the payee or  
357.29 the payee's dependents for public benefits; and

357.30 (7) any other factors or facts the court determines are relevant and should be considered;

357.31 (d) the payee has or has not received independent professional advice regarding the  
357.32 legal, tax, and financial implications of the transfer;

358.1 (e) the transferee has given written notice of the transferee's name, address, and taxpayer  
358.2 identification number to the annuity issuer and the structured settlement obligor and has  
358.3 filed a copy of the notice with the court or responsible administrative authority; and

358.4 (f) that the transfer agreement provides that any disputes between the parties will be  
358.5 governed, interpreted, construed, and enforced in accordance with the laws of this state and  
358.6 that the domicile state of the payee is the proper place of venue to bring any cause of action  
358.7 in district court arising out of a breach of the agreement. The transfer agreement must also  
358.8 provide that the parties agree to the jurisdiction of any court of competent jurisdiction located  
358.9 in this state and that no predispute arbitration is required by the agreement.

358.10 ~~If the transfer would contravene the terms of the structured settlement, upon the filing~~  
358.11 ~~of a written objection by any interested party and after considering the objection and any~~  
358.12 ~~response to it, the court or responsible administrative authority may grant, deny, or impose~~  
358.13 ~~conditions upon the proposed transfer as the court or responsible administrative authority~~  
358.14 ~~deems just and proper under the facts and circumstances in accordance with established~~  
358.15 ~~principles of law.~~ Any order approving a transfer must require that the transferee indemnify  
358.16 the annuity issuer and the structured settlement obligor for any liability including reasonable  
358.17 costs and attorney fees arising from compliance by the issuer or obligor with the order of  
358.18 the court or responsible administrative authority.

358.19 Subd. 1a. **Appointment of evaluator.** The court may, in its discretion in any case,  
358.20 appoint an attorney to make an independent assessment and advise the court whether the  
358.21 financial terms of the proposed transfer agreement are fair and reasonable, and whether the  
358.22 transfer is in the best interests of the payee and the payee's dependents. The evaluator must  
358.23 present the findings of the evaluation to the court at or prior to a hearing on the application.  
358.24 All costs and reasonable fees for the evaluator shall be borne by the transferee.

358.25 Subd. 1b. **Obligations of annuity issuers and structured settlement obligors; liability**  
358.26 of transferees. (a) The annuity issuer and the structured settlement obligor may rely on the  
358.27 court order approving the transfer of structured settlement payment rights in redirecting  
358.28 periodic payments and, as to all parties except the transferee or an assignee, be discharged  
358.29 and released from any and all liability for the redirected payments. The failure of any party  
358.30 to the transfer to comply with sections 549.30 to 549.34 or with the court order approving  
358.31 the transfer has no effect on the discharge and release.

358.32 (b) The transferee is liable to the structured settlement obligor and annuity issuer:

359.1 (1) if the transfer contravenes the terms of the structured settlement, and for any taxes  
359.2 incurred by the structured settlement obligor or annuity issuer resulting from the transfer;  
359.3 or

359.4 (2) for any other liabilities or costs, including reasonable attorney fees, arising from  
359.5 compliance by the annuity issuer or the structured settlement obligor with the court order  
359.6 approving the transfer, or from the failure of any party to the transfer to comply with sections  
359.7 549.30 to 549.34.

359.8 (c) Compliance with the requirements in sections 549.30 to 549.34 regarding any transfer  
359.9 of structured settlement payment rights is solely the responsibility of the transferee, and  
359.10 neither the annuity issuer nor the structured settlement obligor bears any responsibility for,  
359.11 or any liability arising from, the failure to comply with the requirements or failure to fulfill  
359.12 the conditions of the transfer.

359.13 (d) Neither the annuity issuer nor the structured settlement obligor is required to divide  
359.14 any periodic payment between the payee and any transferee or assignee or between two or  
359.15 more transferees or assignees.

359.16 Subd. 2. **Unenforceable confessions of judgment.** A provision in a transfer agreement  
359.17 giving a transferee power to confess judgment against a payee is unenforceable ~~to the extent~~  
359.18 ~~the amount of the judgment would exceed the amount paid by the transferee to the payee,~~  
359.19 ~~less any payments received from the structured settlement obligor or the payee.~~

359.20 Subd. 3. **Initial disclosure of structured settlement terms.** In negotiating a structured  
359.21 settlement of claims brought by or on behalf of a claimant who is domiciled in this state,  
359.22 the structured settlement obligor shall disclose in writing to the claimant or the claimant's  
359.23 legal representative all of the following information that is not otherwise specified in the  
359.24 structured settlement agreement:

359.25 (1) the amounts and due dates of the periodic payments to be made under the structured  
359.26 settlement agreement. In the case of payments that will be subject to periodic percentage  
359.27 increases, the amounts of future payments may be disclosed by identifying the base payment  
359.28 amount, the amount and timing of scheduled increases, and the manner in which increases  
359.29 will be compounded;

359.30 (2) the amount of the premium payable to the annuity issuer;

359.31 (3) the discounted present value of all periodic payments that are not life-contingent,  
359.32 together with the discount rate used in determining the discounted present value;

360.1 (4) the nature and amount of any cost that may be deducted from any of the periodic  
360.2 payments;

360.3 (5) where applicable, that any transfer of the periodic payments is prohibited by the  
360.4 terms of the structured settlement and may otherwise be prohibited or restricted under  
360.5 applicable law; and

360.6 (6) that any transfer of the periodic payments by the claimant may subject the claimant  
360.7 to serious adverse tax consequences.

360.8 Sec. 68. [549.315] DISCOUNT RATE.

360.9 The discount rate used in determining the net amount payable to the payee under the  
360.10 transfer agreement may not exceed an annual percentage rate of prime plus five percentage  
360.11 points calculated as if the net amount payable to the payee was the principal of a consumer  
360.12 loan made by the transferee to the payee, and if the structured settlement payments to be  
360.13 transferred to the transferee were the payee's payments of principal plus interest on such  
360.14 loan. For purposes of this subdivision, the prime rate shall be as reported by the Federal  
360.15 Reserve Statistical Release H.15 on the first Monday of the month in which the transfer  
360.16 agreement is signed by both the payee and the transferee, except when the transfer agreement  
360.17 is signed prior to the first Monday of that month then the prime rate shall be as reported by  
360.18 the Federal Reserve Statistical Release H.15 on the first Monday of the preceding month.

360.19 Sec. 69. Minnesota Statutes 2020, section 549.32, is amended to read:

360.20 **549.32 ~~JURISDICTION APPLICATION~~; PROCEDURE FOR APPROVAL OF**  
360.21 **TRANSFERS.**

360.22 Subdivision 1. **Jurisdiction; venue.** ~~The district court has nonexclusive jurisdiction~~  
360.23 ~~over~~ (a) An application for authorization under section 549.31 of a transfer of structured  
360.24 settlement payment rights must be filed in the district court in the county in which the payee  
360.25 resides.

360.26 (b) The payee must appear in person at the hearing unless the court determines that good  
360.27 cause exists to excuse the payee from appearing in person.

360.28 Subd. 2. **Notice.** Not less than 20 days before the scheduled hearing on an application  
360.29 for authorization of a transfer of structured settlement payment rights under section 549.31,  
360.30 the transferee shall file with the court or responsible administrative authority and serve on:  
360.31 any other government authority that previously approved the structured settlement; and all



361.1 interested parties, a notice of the proposed transfer and the application for its authorization.

361.2 The notice must include:

361.3 (1) a copy of the transferee's application to the court or responsible administrative  
361.4 authority, which must contain the payee's name and age;

361.5 (2) a copy of the transfer agreement;

361.6 (3) a copy of the disclosure statement required under section 549.31, subdivision 1,  
361.7 paragraph (b), and proof that the disclosure statement has been delivered to the payee, to  
361.8 an attorney representing or advising the payee, and to any other professional known to be  
361.9 advising the payee;

361.10 (4) notification that an interested party is entitled to support, oppose, or otherwise respond  
361.11 to the transferee's application, either in person or by counsel, by submitting written comments  
361.12 to the court or responsible administrative authority or by participating in the hearing;

361.13 (5) notification of the time and place of the hearing and notification of the manner in  
361.14 which and the time by which written responses to the application must be filed, in order to  
361.15 be considered by the court or responsible administrative authority. Written responses to the  
361.16 application must be filed within 15 days after service of the transferee's notice; and

361.17 (6) notification of the date and ~~judicial district~~ court, and details of any prior application  
361.18 for transfer filed by the transferee, an affiliate or assignee of the transferee, or any other  
361.19 transferee relating to a prior proposed transfer with the payee, including whether the prior  
361.20 application was granted or denied. If any prior application was granted, the notice shall  
361.21 provide the amount and due dates of any structured settlement payments that were transferred,  
361.22 the aggregate amount of the payments, the discounted present value of the payments, and  
361.23 the gross amount that was payable to the payee in exchange for the payments.

361.24 Sec. 70. **[549.325] PROHIBITED PRACTICES.**

361.25 Subdivision 1. Prohibitions. No transferee shall:

361.26 (1) represent the payee;

361.27 (2) intervene in a pending structured settlement transfer proceeding, if the transferee is  
361.28 not a party to such proceeding or an interested party relative to the proposed transfer that  
361.29 is the subject of the pending structured settlement transfer proceeding;

361.30 (3) offer or provide any gift, loan, extension of credit, or advance as an inducement to  
361.31 enter into a transfer agreement or pay a fee to any person to refer a potential payee to the  
361.32 transferee or any affiliate of the transferee;

362.1 (4) communicate with a payee or a person associated with the payee with excessive  
362.2 frequency, at unusual hours, or in any other manner as reasonably may be expected to abuse  
362.3 or harass the payee in connection with a proposed transfer;

362.4 (5) solicit a prospective payee through the conveyance of a document in any way  
362.5 resembling a check or other form of payment;

362.6 (6) provide in a transfer agreement or related document that gives to the transferee the  
362.7 first choice or option to purchase any remaining structured settlement rights belonging to  
362.8 the payee; or

362.9 (7) solicit or petition for a transfer of a structured settlement from a minor or a parent  
362.10 or guardian of a minor.

362.11 Subd. 2. **Enforcement.** A violation of this section is a deceptive practice in violation of  
362.12 section 325F.69.

362.13 Sec. 71. Minnesota Statutes 2020, section 549.34, is amended to read:

362.14 **549.34 CONSTRUCTION.**

362.15 (a) Nothing contained in sections 549.30 to 549.34 may be construed to authorize the  
362.16 transfer of workers' compensation payment rights in contravention of applicable law or to  
362.17 give effect to the transfer of workers' compensation payment rights that is invalid under  
362.18 applicable law.

362.19 (b) No transfer of structured settlement payment rights shall extend to any payments  
362.20 that are life contingent unless, prior to the date on which the payee signs the transfer  
362.21 agreement, the transferee has established and has agreed to maintain procedures reasonably  
362.22 satisfactory to the annuity issuer and the structured settlement obligor for:

362.23 (1) periodically confirming the payee's survival; and

362.24 (2) giving the annuity issuer and the structured settlement obligor prompt written notice  
362.25 in the event of the payee's death.

362.26 Sec. 72. **REVISOR INSTRUCTION.**

362.27 (a) The revisor of statutes shall change the term "self-study course" to "on-demand  
362.28 course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make  
362.29 grammatical changes related to the change in term.

363.1 (b) The revisor of statutes shall change the term "classroom course" to "live course"  
363.2 wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make  
363.3 grammatical changes related to the change in term.

363.4 Sec. 73. **REPEALER.**

363.5 (a) Minnesota Statutes 2020, section 45.25, subdivisions 2a and 14, are repealed.

363.6 (b) Minnesota Statutes 2020, section 60A.033, subdivision 3, is repealed.

363.7 **ARTICLE 29**

363.8 **INSURANCE**

363.9 Section 1. Minnesota Statutes 2020, section 61A.02, is amended by adding a subdivision  
363.10 to read:

363.11 Subd. 7. **Regulatory flexibility.** (a) Notwithstanding any other requirement of this  
363.12 section, the commissioner may authorize long-term care insurance to be sold as part of or  
363.13 in conjunction with life insurance, if the proposed policy:

363.14 (1) is not permitted under current law;

363.15 (2) represents an innovative and reasonable approach to provide both life insurance and  
363.16 long-term care insurance;

363.17 (3) provides reasonable coverage; and

363.18 (4) is in the best interest of insureds.

363.19 (b) The insurer filing for authorization under this section must demonstrate that the  
363.20 proposed policy satisfies the requirements of paragraph (a).

363.21 Sec. 2. Minnesota Statutes 2021 Supplement, section 62J.26, subdivision 2, is amended  
363.22 to read:

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

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

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

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

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

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

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

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

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

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

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

364.26 (d) The commissioner must summarize the nature and quality of available information  
364.27 on these issues, and, if possible, must provide preliminary information to the public. The  
364.28 commissioner may conduct research on these issues or may determine that existing research  
364.29 is sufficient to meet the informational needs of the legislature. The commissioner may seek  
364.30 the assistance and advice of researchers, community leaders, or other persons or organizations  
364.31 with relevant expertise.

364.32 (e) The commissioner shall not make public any information submitted under this section  
364.33 if that information is trade secret information under section 13.37, subdivision 1, paragraph

365.1 (b). Trade secret information submitted by a health plan company or other proponent or  
365.2 opponent of the mandated health benefit proposal must be clearly and specifically identified  
365.3 as trade secret information. If the commissioner disagrees with the classification of the  
365.4 information as trade secret, the commissioner must notify in writing the health plan company  
365.5 or other proponent or opponent of the mandated health benefit proposal that the information  
365.6 will be made public at least 30 days prior to the information being made public.

365.7 (f) When requesting information from a health plan company or other proponent or  
365.8 opponent of the mandated health benefit proposal pursuant to this section, the commissioner  
365.9 must provide at least 60 days' notice.

365.10 Sec. 3. Minnesota Statutes 2020, section 62Q.56, subdivision 1a, is amended to read:

365.11 Subd. 1a. **Change in health care provider; nonrenewal termination ~~not for cause~~.** (a)  
365.12 If the contract termination was ~~not for cause~~ a nonrenewal and the contract was terminated  
365.13 by the health plan company, the health plan company must provide the terminated provider  
365.14 and all enrollees being treated by that provider with notification of the enrollees' rights to  
365.15 continuity of care with the terminated provider.

365.16 (b) The health plan company must provide, upon request, authorization to receive services  
365.17 that are otherwise covered under the terms of the health plan through the enrollee's current  
365.18 provider:

365.19 (1) for up to 120 days if the enrollee is engaged in a current course of treatment for one  
365.20 or more of the following conditions:

365.21 (i) an acute condition;

365.22 (ii) a life-threatening mental or physical illness;

365.23 (iii) pregnancy beyond the first trimester of pregnancy;

365.24 (iv) a physical or mental disability defined as an inability to engage in one or more major  
365.25 life activities, provided that the disability has lasted or can be expected to last for at least  
365.26 one year, or can be expected to result in death; or

365.27 (v) a disabling or chronic condition that is in an acute phase; or

365.28 (2) for the rest of the enrollee's life if a physician, advanced practice registered nurse,  
365.29 or physician assistant certifies that the enrollee has an expected lifetime of 180 days or less.

365.30 For all requests for authorization to receive services under this paragraph, the health plan  
365.31 company must grant the request unless the enrollee does not meet the criteria provided in  
365.32 this paragraph.

366.1 (c) The health plan company shall prepare a written plan that provides a process for  
366.2 coverage determinations regarding continuity of care of up to 120 days for enrollees who  
366.3 request continuity of care with their former provider, if the enrollee:

366.4 (1) is receiving culturally appropriate services and the health plan company does not  
366.5 have a provider in its preferred provider network with special expertise in the delivery of  
366.6 those culturally appropriate services within the time and distance requirements of section  
366.7 62D.124, subdivision 1; or

366.8 (2) does not speak English and the health plan company does not have a provider in its  
366.9 preferred provider network who can communicate with the enrollee, either directly or through  
366.10 an interpreter, within the time and distance requirements of section 62D.124, subdivision  
366.11 1.

366.12 The written plan must explain the criteria that will be used to determine whether a need for  
366.13 continuity of care exists and how it will be provided.

366.14 Sec. 4. Minnesota Statutes 2020, section 62Q.733, subdivision 1, is amended to read:

366.15 Subdivision 1. **Applicability.** For purposes of sections 62Q.732 to ~~62Q.739~~ 62Q.7391,  
366.16 the following definitions apply.

366.17 Sec. 5. Minnesota Statutes 2020, section 62Q.735, subdivision 1, is amended to read:

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

366.21 (1) all attachments and exhibits;

366.22 (2) operating manuals;

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

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

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

366.29 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan~~  
366.30 ~~organization, as defined in section 62Q.76, shall disclose information related to the individual~~  
366.31 ~~contracted provider's expected reimbursement from the dental plan organization.~~ Nothing

367.1 in this section requires a dental plan organization to disclose the plan's aggregate maximum  
367.2 allowable fee table used to determine other providers' fees. The contracted provider must  
367.3 not release this information in any way that would violate any state or federal antitrust law.

367.4 Sec. 6. Minnesota Statutes 2020, section 62Q.735, subdivision 5, is amended to read:

367.5 Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any  
367.6 additional fees or fee schedules relevant to the particular provider's practice beyond those  
367.7 provided with the renewal documents for the next contract year to all participating providers,  
367.8 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the  
367.9 requirements of this section by making the full fee schedules available through a secure  
367.10 web portal for contracted providers.

367.11 ~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,~~  
367.12 ~~subdivision 1, paragraph (c).~~

367.13 Sec. 7. **[62Q.7391] HEALTH CARE PROVIDER CONTRACT TERMINATION.**

367.14 Subdivision 1. **Termination for cause.** (a) A contract between a health care provider  
367.15 and a health plan company may be terminated by the health plan company for cause only  
367.16 if the contract includes an appeal process for the provider to appeal the termination. The  
367.17 health plan company must provide the provider with written notice of termination that  
367.18 includes:

367.19 (1) the reasons for the termination;

367.20 (2) the date upon which the termination is effective; and

367.21 (3) a statement that the provider has the right to appeal the termination decision and a  
367.22 description of the appeal process available to the provider to request an appeal.

367.23 (b) The process must permit the provider with the opportunity to request an appeal and  
367.24 present any relevant documents and arguments against termination. The process must also  
367.25 include (1) an internal review, and (2) an external review that occurs if the internal review  
367.26 upholds the decision to terminate. The external review must be conducted by an independent  
367.27 external review entity agreed to by the provider. The decision of the external review entity  
367.28 is final. If the external review entity determines that the reason for termination is not  
367.29 supported the provider's contract with the health plan company must be reinstated.

367.30 (c) A health plan company regulated by the commissioner of commerce must submit to  
367.31 the commissioner of commerce for approval the appeal process required under this  
367.32 subdivision. A health plan company regulated by the commissioner of health must submit

368.1 to the commissioner of health for approval the appeal process required under this subdivision.  
368.2 If the health plan company fails to submit the process or the appeal process is not approved,  
368.3 the commissioner of commerce or commissioner of health, as appropriate, may take  
368.4 regulatory action against the health plan company.

368.5 Subd. 2. **Termination not for cause.** A health plan company is prohibited from  
368.6 terminating a contract with a health care provider without cause.

368.7 Sec. 8. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to  
368.8 read:

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

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

368.16 Sec. 9. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to  
368.17 read:

368.18 Subd. 7. **Network leasing.** (a) A dental organization may grant a third party access to  
368.19 a dental provider contract, or a provider's dental care services or contractual discounts  
368.20 provided pursuant to a dental provider contract, if at the time the dental provider contract  
368.21 is entered into or renewed the dental organization allows a dentist to choose not to participate  
368.22 in third-party access to the dental provider contract, without any penalty to the dentist. The  
368.23 third-party access provision of the dental provider contract must be clearly identified. A  
368.24 dental organization must not grant a third party access to the dental provider contract of any  
368.25 dentist who does not participate in third-party access to the dental provider contract.

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

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



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

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

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

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

369.13 (e) This subdivision does not apply when:

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

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

369.23 Sec. 10. Minnesota Statutes 2020, section 62Q.79, is amended by adding a subdivision to  
369.24 read:

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

370.1 Sec. 11. Minnesota Statutes 2020, section 72A.20, is amended by adding a subdivision to  
370.2 read:

370.3 Subd. 41. **Discrimination based on status as a living organ or bone marrow donor**  
370.4 **prohibited.** A life insurance, long-term care insurance, or disability insurance carrier is  
370.5 prohibited from declining or limiting coverage of an insured or otherwise discriminating in  
370.6 the premium rating, offering, issuance, cancellation, amount of coverage, or any other  
370.7 condition based solely upon the status of an insured as a living organ or bone marrow donor  
370.8 and without additional actuarial risks.

370.9 **EFFECTIVE DATE.** This section is effective for insurance policies issued and renewed  
370.10 on or after August 1, 2022.

370.11 Sec. 12. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
370.12 to read:

370.13 Subd. 3a. **Cash compensation.** "Cash compensation" means any discount, concession  
370.14 fee, service fee, commission, sales charge, loan, override, or cash benefit received by an  
370.15 insurance producer from an insurer, intermediary, or consumer in connection with  
370.16 recommending or selling an annuity.

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

370.18 Sec. 13. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
370.19 to read:

370.20 Subd. 3b. **Consumer profile information.** "Consumer profile information" means  
370.21 information that is reasonably appropriate to determine whether a recommendation addresses  
370.22 the consumer's financial situation, insurance needs, and financial objectives, including at a  
370.23 minimum the following:

370.24 (1) age;

370.25 (2) annual income and anticipated material changes in annual income;

370.26 (3) financial situation and needs, including debts and other obligations, and anticipated  
370.27 material changes in financial situation and needs;

370.28 (4) financial experience;

370.29 (5) insurance needs;

370.30 (6) financial objectives;

- 371.1 (7) intended use of the annuity;
- 371.2 (8) financial time horizon;
- 371.3 (9) existing assets or financial products, including investment, annuity, and insurance
- 371.4 holdings, and anticipated material changes in existing assets;
- 371.5 (10) liquidity needs and anticipated material changes in liquidity needs;
- 371.6 (11) liquid net worth and anticipated material changes in liquid net worth;
- 371.7 (12) risk tolerance, including but not limited to willingness to accept nonguaranteed
- 371.8 elements in the annuity;
- 371.9 (13) financial resources used to fund the annuity;
- 371.10 (14) tax status; and
- 371.11 (15) whether or not the consumer has a reverse mortgage.

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

371.13 Sec. 14. Minnesota Statutes 2020, section 72A.2031, subdivision 8, is amended to read:

371.14 Subd. 8. **Insurance producer.** "Insurance producer" means a person required to be  
371.15 licensed under the laws of this state to sell, solicit, or negotiate insurance, including annuities.  
371.16 For purposes of sections 72A.203 to 72A.2036, insurance producer includes an insurer  
371.17 where no insurance producer is involved.

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

371.19 Sec. 15. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
371.20 to read:

371.21 Subd. 8a. **Intermediary.** "Intermediary" means an entity contracted directly with an  
371.22 insurer or with another entity contracted with an insurer to facilitate the sale of the insurer's  
371.23 annuities by insurance producers.

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

371.25 Sec. 16. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
371.26 to read:

371.27 Subd. 8b. **Material conflict of interest.** "Material conflict of interest" means a financial  
371.28 interest of the insurance producer in the sale of an annuity that a reasonable person would  
371.29 expect to influence the impartiality of a recommendation. The payment of compensation,

372.1 including both cash and noncash compensation, does not in and of itself constitute a material  
372.2 conflict of interest.

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

372.4 Sec. 17. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
372.5 to read:

372.6 Subd. 8c. **Noncash compensation.** "Noncash compensation" means any form of  
372.7 compensation that is not cash compensation, including but not limited to health insurance,  
372.8 office rent, office support, and retirement benefits.

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

372.10 Sec. 18. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
372.11 to read:

372.12 Subd. 8d. **Nonguaranteed elements.** "Nonguaranteed elements" means the premiums  
372.13 and credited interest rates, including any bonus, benefits, values, dividends, noninterest-based  
372.14 credits, charges, or elements of formulas used to determine any of the elements in this  
372.15 subdivision, that are subject to company discretion and are not guaranteed at issue. An  
372.16 element is considered nonguaranteed if any of the underlying nonguaranteed elements are  
372.17 used in the element's calculation.

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

372.19 Sec. 19. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision  
372.20 to read:

372.21 Subd. 8e. **Recommendation.** "Recommendation" means advice provided by an insurance  
372.22 producer to an individual consumer that was intended to result or does result in a purchase,  
372.23 exchange, or replacement of an annuity in accordance with the advice rendered.  
372.24 Recommendation does not include a general communication to the public, generalized  
372.25 customer services, assistance or administrative support, general educational information  
372.26 and tools, prospectuses, or other product and sales material.

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

372.28 Sec. 20. Minnesota Statutes 2020, section 72A.2031, subdivision 10, is amended to read:

372.29 Subd. 10. **Replacement.** "Replacement" means a transaction in which a new policy or  
372.30 ~~contract~~ annuity is to be purchased; and it is known or should be known to the proposing

373.1 insurance producer; or the proposing insurer, whether or not ~~there is~~ an insurance producer  
373.2 is involved, that by reason of the transaction; an existing annuity or other insurance policy  
373.3 ~~or contract~~ has been or is to be any of the following:

373.4 (1) lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing  
373.5 insurer, or otherwise terminated;

373.6 (2) converted to reduced paid-up insurance, continued as extended term insurance, or  
373.7 otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

373.8 (3) amended so as to effect either a reduction in benefits or in the term for which coverage  
373.9 would otherwise remain in force or for which benefits would be paid;

373.10 (4) reissued with any reduction in cash value; or

373.11 (5) used in a financed purchase.

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

373.13 Sec. 21. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision  
373.14 to read:

373.15 Subd. 1a. **Best interest obligations.** An insurance producer, when recommending an  
373.16 annuity, shall act in the best interest of the consumer under the circumstances known at the  
373.17 time the recommendation is made. An insurance producer shall not place the insurance  
373.18 producer's or the insurer's financial interest ahead of the consumer's interest. An insurance  
373.19 producer has acted in the best interest of the consumer if the insurance producer has satisfied  
373.20 obligations regarding care, disclosure, conflict of interest, and documentation specified in  
373.21 subdivisions 1b, 1c, 1d, and 1e.

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

373.23 Sec. 22. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision  
373.24 to read:

373.25 Subd. 1b. **Care obligation.** (a) The insurance producer, in making a recommendation,  
373.26 shall exercise reasonable diligence, care, and skill to:

373.27 (1) know the consumer's financial situation, insurance needs, and financial objectives;

373.28 (2) understand the available recommendation options after making a reasonable inquiry  
373.29 into the options available to the insurance producer;

374.1 (3) have a reasonable basis to believe the recommended option effectively addresses the  
374.2 consumer's financial situation, insurance needs, and financial objectives over the life of the  
374.3 product, as evaluated in light of the consumer profile information; and

374.4 (4) communicate the basis or rationale supporting the recommendation.

374.5 (b) The requirements under paragraph (a) include making reasonable efforts to obtain  
374.6 consumer profile information from the consumer prior to recommending an annuity.

374.7 (c) Paragraph (a) requires an insurance producer to consider the types of products the  
374.8 insurance producer is authorized and licensed to recommend or sell that address the  
374.9 consumer's financial situation, insurance needs, and financial objectives. This paragraph  
374.10 does not require an insurance producer to analyze or consider (1) any products outside the  
374.11 insurance producer's authority and license, or (2) other possible alternative products or  
374.12 strategies available in the market at the time of the recommendation. Insurance producers  
374.13 shall be held to standards applicable to insurance producers with similar authority and  
374.14 licensure.

374.15 (d) This subdivision does not create a fiduciary obligation or relationship and only creates  
374.16 a statutory obligation under sections 72A.203 to 72A.2036.

374.17 (e) The consumer profile information; characteristics of the insurer; and product costs,  
374.18 rates, benefits, and features are the factors generally relevant in determining whether an  
374.19 annuity effectively addresses the consumer's financial situation, insurance needs, and financial  
374.20 objectives. The level of importance of each factor under paragraph (a) may vary depending  
374.21 on the facts and circumstances of a particular case. Each factor must not be considered in  
374.22 isolation.

374.23 (f) The requirements under paragraph (a) include having a reasonable basis to believe  
374.24 the consumer benefits from certain features of the annuity, including but not limited to  
374.25 annuitization, death or living benefit, or other insurance-related features.

374.26 (g) Paragraph (a) applies to the particular annuity as a whole and the underlying  
374.27 subaccounts to which funds are allocated at the time of the purchase or exchange of an  
374.28 annuity, riders, and similar product enhancements, if any.

374.29 (h) Paragraph (a) does not require that the annuity with the lowest onetime or  
374.30 multiple-occurrence compensation structure must be recommended.

374.31 (i) Paragraph (a) does not require the insurance producer to assume ongoing monitoring  
374.32 obligations. An ongoing monitoring obligation may be separately owed under the terms of

375.1 a fiduciary, consulting, investment advising, or financial planning agreement between the  
375.2 consumer and the insurance producer.

375.3 (j) When an annuity is being exchanged or replaced, the insurance producer shall consider  
375.4 the whole transaction, which includes considering whether:

375.5 (1) the consumer incurs a surrender charge; is subject to the commencement of a new  
375.6 surrender period; loses existing benefits such as death, living, or other contractual benefits;  
375.7 or is subject to increased fees, investment advisory fees, or charges for riders and similar  
375.8 product enhancements;

375.9 (2) the replacing product substantially benefits the consumer in comparison to the replaced  
375.10 product over the life of the product; and

375.11 (3) the consumer had another annuity exchange or replacement and, in particular, an  
375.12 annuity exchange or replacement within the preceding 60 months.

375.13 (k) If a person is 65 years of age or older, neither an insurance producer nor an insurer  
375.14 shall recommend replacing or exchanging an annuity that requires the insured to pay a  
375.15 surrender charge for the annuity being replaced or exchanged if the replacement or exchange  
375.16 does not confer a substantial financial benefit over the life of the annuity to the consumer,  
375.17 so that a reasonable person would believe the purchase is unnecessary.

375.18 (l) Nothing in sections 72A.203 to 72A.2036 requires an insurance producer to obtain  
375.19 any license other than an insurance producer license with the appropriate line of authority  
375.20 to sell, solicit, or negotiate insurance in Minnesota, including but not limited to any securities  
375.21 license in order to fulfill the duties and obligations contained in sections 72A.203 to  
375.22 72A.2036, provided that the insurance producer does not give advice or provide services  
375.23 that are subject to other securities law or engage in any other activity requiring other  
375.24 professional licenses.

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

375.26 Sec. 23. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision  
375.27 to read:

375.28 Subd. 1c. **Disclosure obligation.** (a) Prior to recommending and selling an annuity, the  
375.29 insurance producer shall prominently disclose to the consumer the information required  
375.30 under this paragraph on a form prescribed by the commissioner. The form prescribed by  
375.31 the commissioner must contain:

376.1 (1) a description of (i) the scope and terms of the relationship with the consumer, and  
376.2 (ii) the role of the insurance producer in the transaction;

376.3 (2) an affirmative statement indicating whether the insurance producer is licensed and  
376.4 authorized to sell the following products:

376.5 (i) fixed annuities;

376.6 (ii) fixed indexed annuities;

376.7 (iii) variable annuities;

376.8 (iv) life insurance;

376.9 (v) mutual funds;

376.10 (vi) stocks and bonds; and

376.11 (vii) certificates of deposit;

376.12 (3) an affirmative statement describing the insurers that the insurance producer is  
376.13 authorized, contracted, appointed, or otherwise able to sell insurance products for, using  
376.14 the following descriptions:

376.15 (i) from one insurer;

376.16 (ii) from two or more insurers; or

376.17 (iii) from two or more insurers, although primarily contracted with one insurer;

376.18 (4) a description of the sources and types of cash and noncash compensation received  
376.19 by the insurance producer, including whether the insurance producer is (i) compensated for  
376.20 the sale of a recommended annuity by commission as part of a premium, or (ii) receives  
376.21 other remuneration from the insurer, intermediary, or other insurance producer or by fee as  
376.22 a result of a contract for advice or consulting service; and

376.23 (5) a notice of the consumer's right to request additional information regarding cash  
376.24 compensation.

376.25 (b) Upon request of the consumer or the consumer's designated representative, the  
376.26 insurance producer shall disclose:

376.27 (1) a reasonable estimate of the amount of cash compensation received by the insurance  
376.28 producer, which may be stated as a range of amounts or percentages; and



377.1 (2) whether the cash compensation is a onetime or multiple-occurrence amount and, if  
377.2 a multiple-occurrence amount, the frequency and amount of the occurrence, which may be  
377.3 stated as a range of amounts or percentages.

377.4 (c) Prior to or at the time an annuity is recommended or sold, the insurance producer  
377.5 shall have a reasonable basis to believe the consumer has been reasonably informed of  
377.6 various features of the annuity, including the potential surrender period and surrender charge;  
377.7 potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes  
377.8 the annuity; mortality and expense fees; investment advisory fees; annual fees; potential  
377.9 charges for and features of riders or other options of the annuity; limitations on interest  
377.10 returns; potential changes in nonguaranteed elements of the annuity; insurance and investment  
377.11 components; and market risk.

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

377.13 Sec. 24. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision  
377.14 to read:

377.15 Subd. 1d. **Conflict of interest obligation.** An insurance producer shall identify and  
377.16 avoid or reasonably manage and disclose material conflicts of interest, including a material  
377.17 conflict of interest related to an ownership interest.

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

377.19 Sec. 25. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision  
377.20 to read:

377.21 Subd. 1e. **Documentation obligation.** An insurance producer shall, at the time of  
377.22 recommendation or sale:

377.23 (1) make a written record of any recommendation and the basis for the recommendation,  
377.24 subject to sections 72A.203 to 72A.2036;

377.25 (2) obtain a signed statement, on a form prescribed by the commissioner, that includes:

377.26 (i) a customer's refusal to provide the consumer profile information, if any; and

377.27 (ii) a customer's understanding of the ramifications of not providing the customer's  
377.28 consumer profile information or providing insufficient consumer profile information; and

377.29 (3) a consumer-signed statement, on a form prescribed by the commissioner, that  
377.30 acknowledges the annuity transaction is not recommended if the customer decides to enter  
377.31 into an annuity transaction that is not based on the insurance producer's recommendation.

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

378.2 Sec. 26. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision  
378.3 to read:

378.4 **Subd. 1f. Application of best interest obligation.** Any requirement applicable to an  
378.5 insurance producer under this section applies to every insurance producer who (1) exercises  
378.6 control or influence in making a recommendation, and (2) has received direct compensation  
378.7 as a result of the recommendation or sale, regardless of whether the insurance producer had  
378.8 any direct contact with the consumer. Providing or delivering marketing or educational  
378.9 materials, product wholesaling or other back office product support, and general supervision  
378.10 of an insurance producer do not, in and of themselves, constitute material control or influence.

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

378.12 Sec. 27. Minnesota Statutes 2020, section 72A.2032, subdivision 4, is amended to read:

378.13 **Subd. 4. ~~Exception~~ Transactions not based on recommendation.** (a) Except as provided  
378.14 under paragraph (b), an insurance producer; or an insurer; does not have any obligation to  
378.15 a consumer under subdivision ~~1 or 3~~ 1a related to an annuity transaction if:

378.16 (1) no recommendation is made;

378.17 ~~(+)~~ (2) a recommendation was made and was later found to have been prepared based  
378.18 on materially inaccurate information provided by the consumer; or

378.19 ~~(2)~~ (3) a consumer refuses to provide relevant ~~suitability~~ consumer profile information  
378.20 and the annuity transaction is not recommended; or

378.21 (4) a consumer decides to enter into an annuity transaction that is not based on a  
378.22 recommendation made by the insurance producer.

378.23 (b) An insurer's issuance of an annuity subject to paragraph (a) shall be reasonable under  
378.24 all the circumstances actually known, ~~or which after reasonable inquiry should be known~~  
378.25 to the insurer or the insurance producer; at the time the annuity is issued.

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

378.27 Sec. 28. Minnesota Statutes 2020, section 72A.2032, subdivision 6, is amended to read:

378.28 **Subd. 6. ~~Supervision system~~ Insurer duties.** (a) Except as permitted under subdivision  
378.29 4, an insurer shall not issue an annuity recommended to a consumer unless there is a  
378.30 reasonable basis to believe the annuity effectively addresses the particular consumer's

379.1 financial situation, insurance needs, and financial objectives based on the consumer's  
379.2 consumer profile information.

379.3 ~~(a)~~ (b) An insurer shall establish and maintain a supervision system that is reasonably  
379.4 designed to achieve the insurer's and its insurance producers' compliance with sections  
379.5 72A.203 to 72A.2036, including, but not limited to, all of the following:

379.6 (1) the insurer shall establish and maintain reasonable procedures to inform its insurance  
379.7 producers of the requirements of sections 72A.203 to 72A.2036 and shall incorporate the  
379.8 requirements of sections 72A.203 to 72A.2036 into relevant insurance producer training  
379.9 programs and manuals;

379.10 (2) the insurer shall establish and maintain standards for insurance producer product  
379.11 training and shall establish and maintain reasonable procedures to require its insurance  
379.12 producers to comply with the requirements of section 72A.2033;

379.13 (3) the insurer shall provide product-specific training and training materials which explain  
379.14 all material features of its annuity products to its insurance producers;

379.15 (4) the insurer shall establish and maintain procedures for the review of each  
379.16 recommendation before issuance of an annuity that are designed to ensure ~~that~~ there is a  
379.17 reasonable basis to determine ~~that a recommendation is suitable~~ the recommended annuity  
379.18 effectively addresses the particular consumer's financial situation, insurance needs, and  
379.19 financial objectives. The review procedures shall apply a screening system for the purpose  
379.20 of identifying selected transactions for additional review and may be accomplished  
379.21 electronically or through other reasonable means including, but not limited to, physical  
379.22 review. The electronic or other system shall be designed to require an elevated individual  
379.23 review for those transactions involving consumers 65 years of age or older on the basis of  
379.24 the review procedure's thresholds for liquidity, liquid net worth, income, and anticipated  
379.25 material changes in their financial situation and needs and the elevated review shall be  
379.26 conducted by a natural person or persons;

379.27 (5) the insurer shall establish and maintain reasonable procedures to detect  
379.28 recommendations that are not ~~suitable~~ in compliance with subdivisions 1a to 1f, 4, 7, and  
379.29 8. This may include, but is not limited to, confirmation of ~~consumer suitability~~ the consumer's  
379.30 profile information, systematic customer surveys, insurance producer and consumer  
379.31 interviews, confirmation letters, insurance producer attestations, and programs of internal  
379.32 monitoring. Nothing in this clause prevents an insurer from complying with this clause by  
379.33 applying sampling procedures, or by confirming ~~suitability~~ consumer profile information

380.1 or other required information under this subdivision after issuance or delivery of the annuity;

380.2 ~~and~~

380.3 (6) the insurer shall establish and maintain reasonable procedures to assess, prior to or

380.4 upon issuance or delivery of an annuity, whether an insurance producer has provided to the

380.5 consumer the information required under this subdivision;

380.6 (7) the insurer shall establish and maintain reasonable procedures to identify and address

380.7 suspicious consumer refusals to provide consumer profile information;

380.8 (8) the insurer shall establish and maintain reasonable procedures to identify and eliminate

380.9 any sales contests, sales quotas, bonuses, and noncash compensation that are based on the

380.10 sales of specific annuities within a limited period of time. This clause does not prohibit the

380.11 receipt of health insurance, office rent, office support, retirement benefits, or other employee

380.12 benefits, as long as the benefits are not based on the volume of sales of a specific annuity

380.13 within a limited period of time; and

380.14 ~~(6)~~ (9) the insurer shall annually provide a written report to senior management, including

380.15 to the senior manager responsible for audit functions, which details a review, with appropriate

380.16 testing, reasonably designed to determine the effectiveness of the supervision system, the

380.17 exceptions found, and corrective action taken or recommended, if any.

380.18 ~~(b)(1)~~ (c)(1) Nothing in this subdivision restricts an insurer from contracting for

380.19 performance of a function, including maintenance of procedures, required under paragraph

380.20 ~~(a)~~ (b). An insurer is responsible for taking appropriate corrective action and may be subject

380.21 to sanctions and penalties pursuant to section 72A.2034 regardless of whether the insurer

380.22 contracts for performance of a function and regardless of the insurer's compliance with

380.23 ~~subdivision 2~~ clause (2), and an insurer is responsible for the compliance of an insurance

380.24 producer with the provisions of sections 72A.203 to 72A.2036 regardless of whether the

380.25 insurer contracts for performance of a function required under this paragraph; and

380.26 (2) an insurer's supervision system under paragraph ~~(a)~~ (b) must include supervision of

380.27 contractual performance under this clause. This includes, but is not limited to, the following:

380.28 (i) monitoring and, as appropriate, conducting audits to assure that the contracted function

380.29 is properly performed; and

380.30 (ii) annually obtaining a certification from a senior manager who has responsibility for

380.31 the contracted function that the manager has a reasonable basis to represent, and does

380.32 represent, that the function is properly performed.

381.1 ~~(e)~~ (d) An insurer is not required to include in its system of supervision an insurance  
381.2 producer's recommendations to consumers of products other than the annuities offered by  
381.3 the insurer, or consideration of or comparison to options available to the insurance producer  
381.4 or compensation relating to the options other than annuities or other products offered by  
381.5 the insurer.

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

381.7 Sec. 29. Minnesota Statutes 2020, section 72A.2032, subdivision 7, is amended to read:

381.8 Subd. 7. ~~Undue influence~~ **Prohibited practices.** An insurance producer or insurer shall  
381.9 not dissuade, or attempt to dissuade, a consumer from:

381.10 (1) providing ~~suitability~~ consumer profile information to the insurance producer or  
381.11 insurer and truthfully responding to an insurer's request for confirmation of ~~suitability~~  
381.12 consumer profile information;

381.13 (2) filing a complaint; or

381.14 (3) cooperating with the investigation of a complaint.

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

381.16 Sec. 30. Minnesota Statutes 2020, section 72A.2032, subdivision 8, is amended to read:

381.17 Subd. 8. ~~FINRA Comparable standards; compliance.~~ (a) Recommendations and sales  
381.18 of annuities made by broker-dealers in compliance with comparable standards satisfy the  
381.19 requirements under sections 72A.203 to 72A.2036, ~~so long as:~~ This subdivision applies to  
381.20 recommendations and sales of annuities made by financial professionals in compliance with  
381.21 business rules, controls, and procedures that satisfy a comparable standard even if the  
381.22 standard would not otherwise apply to the product or recommendation at issue. Nothing in  
381.23 this subdivision limits the commissioner's ability to investigate and enforce sections 72A.203  
381.24 to 72A.2036.

381.25 ~~(1) those sales comply with FINRA requirements pertaining to suitability and supervision~~  
381.26 ~~of annuity transactions; and~~

381.27 ~~(2) a registered principal reviews and approves the transaction based on review criteria~~  
381.28 ~~that include consideration of the customer's age, income, liquidity needs, and financial~~  
381.29 ~~situation.~~

382.1 ~~(b) The insurer remains responsible for the suitability of every transaction and must take~~  
382.2 ~~reasonably appropriate corrective action for any consumer harmed by violation of law and~~  
382.3 ~~is subject to the penalty provisions described in section 72A.2034, subdivision 1.~~

382.4 ~~(e)~~ (b) For paragraph (a) to apply, an insurer shall:

382.5 (1) monitor the ~~FINRA member broker-dealer~~ relevant conduct of the financial  
382.6 professional seeking to rely on paragraph (a) or the entity responsible for supervising the  
382.7 financial professional, including the financial professional's broker-dealer or an investment  
382.8 adviser registered under federal or state securities law using information collected in the  
382.9 normal course of the insurer's business; and

382.10 (2) provide to the ~~FINRA member broker-dealer~~ entity responsible for supervising the  
382.11 financial professional seeking to rely on paragraph (a), including the financial professional's  
382.12 broker-dealer or investment adviser registered under federal or state securities law,  
382.13 information and reports that are reasonably appropriate to assist ~~the FINRA member~~  
382.14 ~~broker-dealer~~ the entity to maintain its supervision system.

382.15 ~~(d) Nothing in this subdivision limits:~~ (c) For purposes of this subdivision, "financial  
382.16 professional" means an insurance producer that is regulated and acting as:

382.17 (1) ~~the responsibilities of the insurer to monitor the broker-dealer as provided in this~~  
382.18 ~~subdivision; and~~ a broker-dealer registered under federal or state securities law or a registered  
382.19 representative of a broker-dealer;

382.20 (2) ~~the commissioner of commerce's ability to enforce the provisions of sections 72A.203~~  
382.21 ~~to 72A.2036 with respect to sales made in compliance with FINRA requirements and federal~~  
382.22 ~~law;~~ an investment adviser registered under federal or state securities law, or an investment  
382.23 adviser representative associated with the federal or state registered investment adviser; or

382.24 (3) a plan fiduciary under the Employee Retirement Income Security Act of 1974  
382.25 (ERISA), United States Code, title 29, section 1001; Code of Federal Regulations, title 29,  
382.26 part 2510.3-21; fiduciary under the Internal Revenue Code, section 4975(e)(3); or any  
382.27 amendments or successor statutes.

382.28 (d) For purposes of this subdivision, "comparable standards" means:

382.29 (1) with respect to broker-dealers and registered representatives of broker-dealers,  
382.30 applicable United States Securities and Exchange Commission and FINRA rules pertaining  
382.31 to best interest obligations and supervision of annuity recommendations and sales, including  
382.32 but not limited to regulation best interest and any amendments or successor regulations;

383.1 (2) with respect to investment advisers registered under federal or state securities law  
383.2 or investment adviser representatives, the fiduciary duties and all other requirements imposed  
383.3 on the investment advisers or investment adviser representatives by contract or under the  
383.4 Investment Advisers Act of 1940 or applicable state securities law, including but not limited  
383.5 to Form ADV and interpretations; and

383.6 (3) with respect to plan fiduciaries or fiduciaries, the duties, obligations, prohibitions,  
383.7 and all other requirements attendant to status under ERISA or the Internal Revenue Code  
383.8 and any amendments or successor statutes.

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

383.10 Sec. 31. Minnesota Statutes 2020, section 72A.2033, is amended to read:

383.11 **72A.2033 INSURANCE PRODUCER TRAINING.**

383.12 Subdivision 1. **Requirement.** An insurance producer shall not solicit the sale of an  
383.13 annuity product unless the insurance producer has adequate knowledge of the product to  
383.14 recommend the annuity and the insurance producer is in compliance with the insurer's  
383.15 standards for product training. An insurance producer may rely on insurer-provided  
383.16 product-specific training standards and materials to comply with this ~~subdivision~~ section.

383.17 Subd. 2. **Initial training.** (a) An insurance producer who is otherwise entitled to engage  
383.18 in the sale of annuity products shall complete a onetime four-credit training course approved  
383.19 by the commissioner and provided by a continuing education provider approved by the  
383.20 commissioner prior to commencing the transaction of annuities.

383.21 Insurance producers who hold a life insurance line of authority on ~~June 1, 2013~~ December  
383.22 31, 2022, and who desire to sell annuities shall complete the requirements of this subdivision  
383.23 no later than six months after January 1, ~~2014~~ 2023. Individuals who obtain a life insurance  
383.24 line of authority on or after January 1, ~~2014~~ 2023, may not engage in the sale of annuities  
383.25 until the annuity training course required under this subdivision has been completed.

383.26 (b) The length of the training required under this subdivision must be four continuing  
383.27 education hours.

383.28 (c) The training required under this subdivision must include information on the following  
383.29 topics:

383.30 (1) the types of annuities and various classifications of annuities;

383.31 (2) identification of the parties to an annuity;

383.32 (3) how fixed, variable, and indexed annuity contract provisions affect consumers;

384.1 (4) the application of income taxation of qualified and nonqualified annuities;

384.2 (5) the primary uses of annuities;

384.3 (6) appropriate ~~and lawful~~ standards of conduct, sales practices, replacement, and  
384.4 disclosure requirements, ~~and suitability information and whether an annuity is suitable for~~  
384.5 ~~a consumer~~; and

384.6 (7) the recognition of indicators that a prospective insured may lack the short-term  
384.7 memory or judgment to knowingly purchase an insurance product.

384.8 (d) Providers of courses intended to comply with this subdivision shall cover all topics  
384.9 listed in the prescribed outline and shall not present any marketing information or provide  
384.10 training on sales techniques or provide specific information about a particular insurer's  
384.11 products.

384.12 (e) A provider of an annuity training course intended to comply with this subdivision  
384.13 must be an approved continuing education provider in this state and comply with the  
384.14 requirements applicable to insurance producer continuing education courses.

384.15 (f) An insurance producer licensed by December 31, 2022, who holds a life insurance  
384.16 line of authority and has previously completed the training in subdivision 2, paragraph (a),  
384.17 shall, by July 1, 2023, complete either:

384.18 (1) a new four-credit training course approved by the Department of Commerce after  
384.19 July 1, 2022; or

384.20 (2) an additional onetime one-credit training course approved by the Department of  
384.21 Commerce by July 1, 2022, and provided by a Department of Commerce-approved education  
384.22 provider on appropriate sales practices and replacement and disclosure requirements under  
384.23 sections 72A.203 to 72A.2036.

384.24 (f) Annuity training courses may be conducted and completed by classroom or self-study  
384.25 methods in accordance with chapter 45. In order to assist compliance with this section, all  
384.26 courses approved by the commissioner for the purposes of this section shall be given the  
384.27 course title "~~Annuity Suitability and Disclosure~~ Best Interest Standards of Conduct for  
384.28 Annuity Sales." Only courses satisfying the requirements of this section shall use this course  
384.29 title after ~~June~~ July 1, 2013 2023.

384.30 (g) Providers of annuity training shall comply with the course completion reporting  
384.31 requirements of chapter 45.



385.1 (h) The satisfaction of the training requirements of another state that are substantially  
385.2 similar to the provisions of this subdivision satisfies the training requirements of this  
385.3 subdivision in this state, ~~but does not satisfy any of the continuing education requirements~~  
385.4 ~~of chapter 60K unless the training requirements of the other state are satisfied through one~~  
385.5 ~~or more continuing education courses approved by the commissioner.~~

385.6 (i) The satisfaction of the components of the training requirements of any course or  
385.7 courses with components substantially similar to the provisions of this subdivision satisfy  
385.8 the training requirements of this subdivision.

385.9 ~~(h)~~ (j) An insurer shall verify that an insurance producer has completed the annuity  
385.10 training course required under this subdivision before allowing the insurance producer to  
385.11 sell an annuity product for that insurer. An insurer may satisfy its responsibility under this  
385.12 subdivision by obtaining certificates of completion of the training course or obtaining reports  
385.13 provided by commissioner-sponsored database systems, vendors, or from a reasonably  
385.14 reliable commercial database vendor that has a reporting arrangement with approved  
385.15 insurance education providers. If such data collection and reporting arrangements are not  
385.16 in place, an insurer must maintain records verifying that the producer has completed the  
385.17 annuity training course required under this subdivision and make the records available to  
385.18 the commissioner upon request.

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

385.20 Sec. 32. Minnesota Statutes 2020, section 72A.2034, is amended to read:

385.21 **72A.2034 PENALTIES.**

385.22 Subdivision 1. **Imposition; mitigation; enforcement.** (a) An insurer is responsible for  
385.23 compliance with sections 72A.203 to 72A.2036. If a violation occurs, either because of the  
385.24 action or inaction of the insurer or its insurance producer, the commissioner may order, in  
385.25 addition to any available penalties, remedies, or administrative actions:

385.26 (1) an insurer to take reasonably appropriate corrective action, including but not limited  
385.27 to canceling a transaction ~~action~~, for any consumer harmed by a failure to comply with  
385.28 sections 72A.203 to 72A.2036 by the insurer's insurer, an entity contracted to perform the  
385.29 insurer supervisory duties, or by its the insurer's insurance producer's, violation of sections  
385.30 72A.203 to 72A.2036 producer;

385.31 (2) a general agency, independent agency, or the insurance producer to take reasonably  
385.32 appropriate corrective action for any consumer harmed by the insurance producer's violation  
385.33 of sections 72A.203 to 72A.2036; and

386.1 (3) appropriate penalties and sanctions.

386.2 (b) Nothing in sections 72A.203 to 72A.2036 shall affect any obligation of an insurer  
386.3 for the acts of its insurance producers, or any consumer remedy or any cause of action that  
386.4 is otherwise provided for under applicable federal or state law, including without limitation  
386.5 chapter 60K.

386.6 Subd. 2. **Aggravation or mitigation.** Any applicable penalty for a violation of sections  
386.7 72A.203 to 72A.2036 may be increased or decreased upon consideration of any aggravating  
386.8 or mitigating circumstances, including if corrective action for the consumer was taken  
386.9 promptly after a violation was discovered, or if the violation was not part of a pattern or  
386.10 practice. The authority to enforce compliance with sections 72A.203 to 72A.2036 is vested  
386.11 exclusively with the commissioner.

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

386.13 Sec. 33. Minnesota Statutes 2020, section 72A.2035, subdivision 1, is amended to read:

386.14 Subdivision 1. **Duration.** Insurers and insurance producers shall maintain or be able to  
386.15 make available to the commissioner records of the information collected from the consumer;  
386.16 disclosures made to the consumer, including summaries of oral disclosures; and other  
386.17 information used in making the recommendations that were the basis for insurance  
386.18 transactions for ten years after the insurance transaction is completed by the insurer. An  
386.19 insurer is permitted, but shall not be required, to maintain documentation on behalf of an  
386.20 insurance producer.

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

386.22 Sec. 34. Minnesota Statutes 2020, section 72A.2036, is amended to read:

386.23 **72A.2036 RELATIONSHIP TO OTHER LAWS; ENFORCEMENT.**

386.24 (a) Nothing in sections 72A.203 to 72A.2036 ~~shall be interpreted to:~~ limits the  
386.25 commissioner's authority to make any investigation or take any action under chapter 45 or  
386.26 other applicable law with respect to any insurer, insurance producer, broker-dealer, third-party  
386.27 contractor, or other entity engaged in any activity involving the sale of an annuity that is  
386.28 subject to sections 72A.203 to 72A.2036.

386.29 ~~(1) change, alter, or modify any of the obligations, duties, or responsibilities of insurers~~  
386.30 ~~or insurance producers, pursuant to any orders of the commissioner or consent decrees in~~  
386.31 ~~effect as of June 1, 2013; or~~

387.1 ~~(2) limit the commissioner's authority to make any investigation or take any action under~~  
387.2 ~~chapter 45 or other applicable state law with respect to any insurer, insurance producer,~~  
387.3 ~~broker-dealer, third-party contractor, or other entity engaged in any activity involving the~~  
387.4 ~~sale of an annuity that is subject to sections 72A.203 to 72A.2036.~~

387.5 (b) In addition to any other penalties provided by the laws of this state, a violation of  
387.6 sections 72A.203 to 72A.2036 shall be considered a violation of section 72A.20.

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

387.8 Sec. 35. **STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC**  
387.9 **RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH**  
387.10 **INSURANCE RATES.**

387.11 **Subdivision 1. Study and recommendations.** (a) The commissioner of commerce must  
387.12 (1) study disparities between Minnesota's nine geographic rating areas in individual and  
387.13 small group market health insurance rates, and (2) recommend ways to reduce or eliminate  
387.14 rate disparities between the geographic rating areas and provide stability for the individual  
387.15 and small group health insurance markets in Minnesota.

387.16 (b) As part of the study, the commissioner of commerce must:

387.17 (1) identify the factors that cause higher individual and small group market health  
387.18 insurance rates in certain geographic rating areas, and determine the extent to which each  
387.19 identified factor contributes to the higher rates;

387.20 (2) identify the impact of referral centers on individual and small group market health  
387.21 insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity  
387.22 between southeastern Minnesota and the metropolitan area, taking into consideration the  
387.23 patterns of referral center usage by patients in those regions;

387.24 (3) determine the extent to which individuals and small employers located in a geographic  
387.25 rating area with higher health insurance rates than surrounding geographic rating areas have  
387.26 obtained health insurance in a lower-cost geographic rating area, identify the strategies that  
387.27 individuals and small employers use to obtain health insurance in a lower-cost geographic  
387.28 rating area, and measure the effects of this practice on the rates of the individuals and small  
387.29 employers remaining in the geographic rating area with higher health insurance rates; and

387.30 (4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas  
387.31 and calculate the effect each proposal would have on rates in each of the proposed rating  
387.32 areas. The commissioner of commerce must examine at least three options for redrawing  
387.33 the boundaries of Minnesota's geographic rating areas, at least one of which must reduce

388.1 the number of geographic rating areas and at least one which must be based on the first  
388.2 three digits of area zip codes. The commissioner must not take into consideration the  
388.3 requirements of Minnesota Statutes, section 62A.65, subdivision 3, paragraph (b), clause  
388.4 (2), when developing the proposals required by this section. All options for redrawing  
388.5 Minnesota's geographic rating areas considered by the commissioner of commerce must be  
388.6 designed:

388.7 (i) to reduce or eliminate rate disparities between geographic rating areas and provide  
388.8 for stability of the individual and small group health insurance markets in Minnesota;

388.9 (ii) after considering the composition of existing provider networks and referral patterns  
388.10 in regions of Minnesota; and

388.11 (iii) in compliance with the requirements for geographic rating areas in Code of Federal  
388.12 Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

388.13 (c) Health carriers that cover Minnesota residents, health systems that provide care to  
388.14 Minnesota residents, and the commissioner of health must cooperate with any request for  
388.15 information from the commissioner of commerce that the commissioner of commerce  
388.16 determines is necessary to conduct the study.

388.17 (d) The commissioner of commerce may recommend one or more proposals to redraw  
388.18 Minnesota's geographic rating areas if the commissioner of commerce determines that the  
388.19 proposal would reduce or eliminate individual and small group market health insurance rate  
388.20 disparities between the geographic rating areas and provide stability for the individual and  
388.21 small group health insurance markets in Minnesota.

388.22 Subd. 2. **Contract.** The commissioner of commerce may contract with another entity  
388.23 for technical assistance in conducting the study and developing recommendations under  
388.24 subdivision 1.

388.25 Subd. 3. **Report.** The commissioner of commerce must complete the study and  
388.26 recommendations by January 1, 2023, and submit a report on the study and recommendations  
388.27 by January 1, 2023, to the chairs and ranking minority members of the legislative committees  
388.28 with jurisdiction over health care and health insurance.

388.29 Sec. 36. **REPEALER.**

388.30 Minnesota Statutes 2020, sections 72A.2031, subdivisions 3, 9, and 11; and 72A.2032,  
388.31 subdivisions 1, 2, 3, and 5, are repealed.

389.1 **ARTICLE 30**

389.2 **CONSUMER PROTECTION**

389.3 Section 1. **[58B.011] STUDENT LOAN ADVOCATE.**

389.4 Subdivision 1. **Designation of a student loan advocate.** The commissioner of commerce  
389.5 must designate a student loan advocate within the Department of Commerce to provide  
389.6 timely assistance to borrowers and to effectuate this chapter.

389.7 Subd. 2. **Duties.** The student loan advocate has the following duties:

389.8 (1) receive, review, and attempt to resolve complaints from borrowers, including but  
389.9 not limited to attempts to resolve borrower complaints in collaboration with institutions of  
389.10 higher education, student loan servicers, and any other participants in student loan lending;

389.11 (2) compile and analyze data on borrower complaints received under clause (1);

389.12 (3) help borrowers understand the rights and responsibilities under the terms of student  
389.13 loans;

389.14 (4) provide information to the public, state agencies, legislators, and relevant stakeholders  
389.15 regarding the problems and concerns of borrowers;

389.16 (5) make recommendations to resolve the problems of borrowers;

389.17 (6) analyze and monitor the development and implementation of federal, state, and local  
389.18 laws, regulations, and policies relating to borrowers, and recommend any changes deemed  
389.19 necessary;

389.20 (7) review the complete student loan history for any borrower who has provided written  
389.21 consent to conduct the review;

389.22 (8) increase public awareness that the advocate is available to assist in resolving the  
389.23 student loan servicing concerns of potential and actual borrowers, institutions of higher  
389.24 education, student loan servicers, and any other participant in student loan lending; and

389.25 (9) take other actions as necessary to fulfill the duties of the advocate, as provided under  
389.26 this section.

389.27 Subd. 3. **Student loan education course.** The advocate must establish and maintain a  
389.28 borrower education course. The course must include educational presentations and materials  
389.29 regarding important topics in student loans, including but not limited to:

389.30 (1) the meaning of important terminology used in student lending;

389.31 (2) documentation requirements;

390.1 (3) monthly payment obligations;

390.2 (4) income-based repayment options;

390.3 (5) the availability of state and federal loan forgiveness programs; and

390.4 (6) disclosure requirements.

390.5 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report  
390.6 to the legislative committees with jurisdiction over commerce and higher education. The  
390.7 report must describe (1) the advocate's implementation of this section, (2) the outcomes  
390.8 achieved by the advocate during the previous two years, and (3) any recommendations to  
390.9 improve the regulation of student loan servicers.

390.10 Sec. 2. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

390.11 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The  
390.12 commissioner of commerce shall:

390.13 (1) develop and sponsor the implementation of statewide plans, programs, and strategies  
390.14 to combat automobile theft, improve the administration of the automobile theft laws, and  
390.15 provide a forum for identification of critical problems for those persons dealing with  
390.16 automobile theft;

390.17 (2) coordinate the development, adoption, and implementation of plans, programs, and  
390.18 strategies relating to interagency and intergovernmental cooperation with respect to  
390.19 automobile theft enforcement;

390.20 (3) annually audit the plans and programs that have been funded in whole or in part to  
390.21 evaluate the effectiveness of the plans and programs and withdraw funding should the  
390.22 commissioner determine that a plan or program is ineffective or is no longer in need of  
390.23 further financial support from the fund;

390.24 (4) develop a plan of operation including:

390.25 (i) an assessment of the scope of the problem of automobile theft, including areas of the  
390.26 state where the problem is greatest;

390.27 (ii) an analysis of various methods of combating the problem of automobile theft;

390.28 (iii) a plan for providing financial support to combat automobile theft;

390.29 (iv) a plan for eliminating car hijacking; and

390.30 (v) an estimate of the funds required to implement the plan; and

391.1 (5) distribute money, in consultation with the commissioner of public safety, pursuant  
391.2 to subdivision 3 from the automobile theft prevention special revenue account for automobile  
391.3 theft prevention activities, including:

391.4 (i) paying the administrative costs of the program;

391.5 (ii) providing financial support to the State Patrol and local law enforcement agencies  
391.6 for automobile theft enforcement teams;

391.7 (iii) providing financial support to state or local law enforcement agencies for programs  
391.8 designed to reduce the incidence of automobile theft and for improved equipment and  
391.9 techniques for responding to automobile thefts;

391.10 (iv) providing financial support to local prosecutors for programs designed to reduce  
391.11 the incidence of automobile theft;

391.12 (v) providing financial support to judicial agencies for programs designed to reduce the  
391.13 incidence of automobile theft;

391.14 (vi) providing financial support for neighborhood or community organizations or business  
391.15 organizations for programs designed to reduce the incidence of automobile theft and to  
391.16 educate people about the common methods of automobile theft, the models of automobiles  
391.17 most likely to be stolen, and the times and places automobile theft is most likely to occur;  
391.18 and

391.19 (vii) providing financial support for automobile theft educational and training programs  
391.20 for state and local law enforcement officials, driver and vehicle services exam and inspections  
391.21 staff, and members of the judiciary.

391.22 (b) The commissioner may not spend in any fiscal year more than ten percent of the  
391.23 money in the fund for the program's administrative and operating costs. The commissioner  
391.24 is annually appropriated and must distribute the amount of the proceeds credited to the  
391.25 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000  
391.26 each year to the insurance fraud prevention account described in section 297I.11, subdivision  
391.27 2.

391.28 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances  
391.29 in the auto theft prevention account to the insurance fraud prevention account under section  
391.30 45.0135, subdivision 6.

391.31 (d) The commissioner must establish a library of equipment to combat automobile-related  
391.32 theft offenses. The equipment must be available to all law enforcement agencies upon  
391.33 request to support law enforcement agency efforts to combat automobile theft.

392.1 Sec. 3. Minnesota Statutes 2021 Supplement, section 325E.21, subdivision 1b, is amended  
392.2 to read:

392.3 Subd. 1b. **Purchase or acquisition record required.** ~~(a) Any person who purchases or~~  
392.4 ~~receives a catalytic converter must comply with this section.~~

392.5 ~~(b)~~ Every scrap metal dealer, including an agent, employee, or representative of the  
392.6 dealer, shall create a permanent record written in English, using an electronic record program  
392.7 at the time of each purchase or acquisition of scrap metal. The record must include:

392.8 (1) a complete and accurate account or description, including the weight if customarily  
392.9 purchased by weight, of the scrap metal purchased or acquired;

392.10 (2) the date, time, and place of the receipt of the scrap metal purchased or acquired and  
392.11 a unique transaction identifier;

392.12 (3) a photocopy or electronic scan of the seller's proof of identification including the  
392.13 identification number;

392.14 (4) the amount paid and the number of the check or electronic transfer used to purchase  
392.15 the scrap metal;

392.16 (5) the license plate number and description of the vehicle used by the person when  
392.17 delivering the scrap metal, including the vehicle make and model, and any identifying marks  
392.18 on the vehicle, such as a business name, decals, or markings, if applicable;

392.19 (6) a statement signed by the seller, under penalty of perjury as provided in section  
392.20 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances  
392.21 and the seller has the right to sell it;

392.22 (7) a copy of the receipt, which must include at least the following information: the name  
392.23 and address of the dealer, the date and time the scrap metal was received by the dealer, an  
392.24 accurate description of the scrap metal, and the amount paid for the scrap metal;

392.25 (8) in order to purchase a detached catalytic converter, the vehicle identification number  
392.26 of the car it was removed from or as an alternative any numbers, bar codes, stickers, or other  
392.27 unique markings that result whether resulting from the pilot project created under subdivision  
392.28 2b or some other source. The alternative number must be under a numbering system that  
392.29 can be immediately linked to the vehicle identification number by law enforcement; and

392.30 (9) ~~the name of the person who removed the catalytic converter~~ identity, or identifier,  
392.31 of the employee completing the transaction.



393.1 ~~(e)~~ (b) The record, as well as the scrap metal purchased or received, shall at all reasonable  
393.2 times be open to the inspection of any properly identified law enforcement officer.

393.3 ~~(d)~~ (c) Except for the purchase of detached catalytic converters, no record is required  
393.4 for property purchased from merchants, manufacturers, salvage pools, insurance companies,  
393.5 rental car companies, financial institutions, charities, dealers licensed under section 168.27,  
393.6 or wholesale dealers, having an established place of business, or of any goods purchased at  
393.7 open sale from any bankrupt stock, but a receipt as required under paragraph (b), clause  
393.8 (7), shall be obtained and kept by the person, which must be shown upon demand to any  
393.9 properly identified law enforcement officer.

393.10 ~~(e)~~ (d) The dealer must provide a copy of the receipt required under paragraph (b), clause  
393.11 (7), to the seller in every transaction.

393.12 ~~(f)~~ (e) Law enforcement agencies in the jurisdiction where a dealer is located may conduct  
393.13 regular and routine inspections to ensure compliance, refer violations to the city or county  
393.14 attorney for criminal prosecution, and notify the registrar of motor vehicles.

393.15 ~~(g)~~ (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's  
393.16 agent, employee, or representative may not disclose personal information concerning a  
393.17 customer without the customer's consent unless the disclosure is required by law or made  
393.18 in response to a request from a law enforcement agency. A scrap metal dealer must implement  
393.19 reasonable safeguards to protect the security of the personal information and prevent  
393.20 unauthorized access to or disclosure of the information. For purposes of this paragraph,  
393.21 "personal information" is any individually identifiable information gathered in connection  
393.22 with a record under paragraph (a).

393.23 Sec. 4. Minnesota Statutes 2020, section 325E.21, subdivision 2, is amended to read:

393.24 Subd. 2. **Retention required.** Records required to be maintained by ~~subdivision~~  
393.25 subdivisions 1a ~~or~~, 1b, 11, 12, and 13, shall be retained by the scrap metal dealer for a period  
393.26 of three years.

393.27 Sec. 5. Minnesota Statutes 2020, section 325E.21, subdivision 5, is amended to read:

393.28 Subd. 5. **Training.** Each scrap metal dealer shall review the educational materials  
393.29 provided by the superintendent of the Bureau of Criminal Apprehension under section  
393.30 299C.25 and ensure that all employees do so as well. A scrap metal dealer engaged in the  
393.31 purchase of used catalytic converters shall ensure employees handling catalytic converter

394.1 transactions are specifically trained and familiar with the additional requirements for catalytic  
394.2 converters.

394.3 Sec. 6. Minnesota Statutes 2020, section 325E.21, subdivision 6, is amended to read:

394.4 Subd. 6. **Criminal penalty.** (a) A scrap metal dealer, or the agent, employee, or  
394.5 representative of the dealer, who intentionally violates a provision of this section, except  
394.6 for subdivisions 11 to 13, is guilty of a misdemeanor.

394.7 (b) A person who violates subdivisions 11 to 13 is guilty of a:

394.8 (1) misdemeanor for possession or purchase of one catalytic converter; and

394.9 (2) gross misdemeanor for possession or purchase of two or more catalytic converters.

394.10 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes  
394.11 committed on or after that date.

394.12 Sec. 7. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to  
394.13 read:

394.14 **Subd. 11. Prohibition on possessing catalytic converters; exception.** (a) It is unlawful  
394.15 for a person who is not a registered scrap metal dealer to possess a used catalytic converter  
394.16 that is not attached to a motor vehicle except when:

394.17 (1) the converter is marked with (i) the date the converter was removed from the vehicle,  
394.18 and (ii) the identification number of the vehicle from which the converter was removed or  
394.19 an alternative number to the vehicle identification number from the vehicle from which the  
394.20 converter was removed; or

394.21 (2) the converter has been EPA certified for reuse as a replacement part.

394.22 (b) If an alternative number to the vehicle identification number is used, it must be under  
394.23 a numbering system that can be immediately linked to the vehicle identification number by  
394.24 law enforcement. The marking of the alternative number may be made in any permanent  
394.25 manner, including but not limited to an engraving or use of permanent ink. The marking  
394.26 must clearly and legibly indicate (1) the date the converter was removed; and (2) the (i)  
394.27 vehicle identification number, or (ii) alternative number and the method by which law  
394.28 enforcement can link the converter to the vehicle identification number.

394.29 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes  
394.30 committed on or after that date.

395.1 Sec. 8. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to  
395.2 read:

395.3 Subd. 12. **Prohibition.** It is unlawful for a person who is not a registered scrap metal  
395.4 dealer to purchase a used catalytic converter that is not EPA certified for reuse as a  
395.5 replacement part, except when the catalytic converter is attached to a motor vehicle. A used  
395.6 catalytic converter that is EPA certified for reuse as a replacement part may be sold to a  
395.7 person or business for reuse as a replacement part for a motor vehicle when the requirements  
395.8 of subdivision 11 are met.

395.9 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes  
395.10 committed on or after that date.

395.11 Sec. 9. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to  
395.12 read:

395.13 Subd. 13. **Purchase of catalytic converters.** A scrap metal dealer is prohibited from  
395.14 processing, selling, or removing a catalytic converter from the dealer's premises for at least  
395.15 seven days after the catalytic converter acquisition by the scrap metal dealer.

395.16 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes  
395.17 committed on or after that date.

395.18 Sec. 10. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision  
395.19 to read:

395.20 Subd. 14. **New and used motor vehicles.** Dealers, as defined in section 168.002,  
395.21 subdivision 6, and dealers in used motor vehicles must mark the catalytic converters of all  
395.22 motor vehicles held for sale with unique identification numbers using labels, engraving,  
395.23 theft deterrence paint, or other methods that permanently mark the catalytic converter without  
395.24 damaging its function. The commissioner shall advise dealers and dealers in used motor  
395.25 vehicles of the best method to accomplish permanently marking the catalytic converter.

395.26 Sec. 11. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision  
395.27 to read:

395.28 Subd. 15. **Audits.** The commissioner may conduct periodic audits on scrap metal dealers  
395.29 to ensure compliance with the catalytic converter theft prevention requirements of this  
395.30 section.

396.1 Sec. 12. [325F.6945] UNLAWFUL SOCIAL MEDIA ACTIVITIES.

396.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
396.3 the meanings given.

396.4 (b) "Account holder" means a person who accesses a social media account through a  
396.5 social media platform.

396.6 (c) "Social media algorithm" means the software used by social media platforms to (1)  
396.7 prioritize content, and (2) direct the prioritized content to the account holder.

396.8 (d) "Social media platform" means an electronic medium, including a browser-based or  
396.9 application-based interactive computer service, telephone network, or data network, that  
396.10 allows users to create, share, and view user-generated content. Social media platform does  
396.11 not include Internet search providers, Internet service providers, or e-mail. Social media  
396.12 platform does not include a communication service, including audio and video  
396.13 communication technology, provided by a business to their employees and clients for use  
396.14 in the course of business activities and not as part of a publicly accessible platform.

396.15 (e) "User-generated content" means any content created or shared by an account holder,  
396.16 including without limitation written posts, photographs, graphics, video recordings, or audio  
396.17 recordings.

396.18 Subd. 2. Prohibitions; social media algorithm. (a) A social media platform with more  
396.19 than 1,000,000 account holders operating in Minnesota is prohibited from using a social  
396.20 media algorithm to target user-generated content at an account holder under the age of 18  
396.21 and who is located in Minnesota, except as provided in subdivision 3. Nothing in this section  
396.22 prohibits a social media platform from allowing content to appear in a chronological manner  
396.23 for an account holder under the age of 18.

396.24 (b) The social media platform is liable to an individual account holder who received  
396.25 user-generated content through a social media algorithm while the individual account holder  
396.26 was under the age of 18 and was using the individual account holder's own account, if the  
396.27 social media platform knew or had reason to know that the individual account holder was  
396.28 under the age of 18 and located in Minnesota. A social media platform subject to this  
396.29 paragraph is liable to the account holder for (1) any general or special damages, (2) a statutory  
396.30 penalty of \$1,000 for each violation of this section, provided that no individual account  
396.31 holder may recover more than \$100,000 in statutory penalties under this subdivision in any  
396.32 calendar year, and (3) any other penalties available under law.

397.1 Subd. 3. **Exceptions.** (a) An algorithm, software, or device that acts as a parental control,  
397.2 or an internal control used by the social media platform that is intended to control the ability  
397.3 of a minor to access content, or is used to filter content for age-appropriate or banned  
397.4 material, is exempt from this section.

397.5 (b) User-generated content that is created by a federal, state, or local government or by  
397.6 a public or private school, college, or university, including software and applications used  
397.7 by a public or private school, college, or university that are created and used for educational  
397.8 purposes, is exempt from this section.

397.9 Sec. 13. **[332.365] CREDIT COUNSELING ORGANIZATIONS; DEBTORS.**

397.10 Subdivision 1. **Duties of commissioner.** (a) On or before July 1, 2023, the commissioner  
397.11 must develop and maintain a document that includes the contact information for nonprofit  
397.12 organizations domiciled in Minnesota that provide credit counseling services to debtors.  
397.13 Credit counseling services include but are not limited to (1) helping a debtor understand  
397.14 the debtor's rights and responsibilities, and (2) working with debtors, creditors, and collection  
397.15 agencies to satisfy debts. The document must include contact information for organizations  
397.16 that provide credit counseling services in languages other than English to individuals whose  
397.17 primary language is a language other than English. The document must include the following  
397.18 statement in English, Spanish, Somali, Hmong, Vietnamese, and Chinese:

397.19 "There are resources available to help manage your debt. The following Minnesota  
397.20 organizations offer debt and credit counseling services. The Department of Commerce does  
397.21 not control or guarantee any of the services provided by these organizations. This list is not  
397.22 a referral to, or endorsement or recommendation of, any organization or the organization's  
397.23 services."

397.24 (b) The document must be no more than one 8-1/2 by 11-inch sheet of paper. The  
397.25 commissioner must maintain the document and make it publicly available on the department's  
397.26 website in a printable format.

397.27 (c) Beginning September 1, 2024, the commissioner may update the document no more  
397.28 than once per year and must notify all licensed collection agencies after an update occurs.  
397.29 A collection agency has 120 days from the date the collection agency receives notice of an  
397.30 update to the document from the commissioner to apply the changes to the document.

397.31 Subd. 2. **Duties of collection agency.** Beginning September 1, 2023, a collection agency  
397.32 must include the document described in subdivision 1 with the initial written communication

398.1 sent to a debtor if the initial communication is performed via United States mail, e-mail, or  
398.2 text message.

398.3 **EFFECTIVE DATE.** This section is effective July 1, 2022.

398.4 Sec. 14. Minnesota Statutes 2020, section 609.5316, subdivision 3, is amended to read:

398.5 Subd. 3. **Weapons, telephone cloning paraphernalia, automated sales suppression**  
398.6 **devices, catalytic converters, and bullet-resistant vests.** Weapons used are contraband  
398.7 and must be summarily forfeited to the appropriate agency upon conviction of the weapon's  
398.8 owner or possessor for a controlled substance crime; for any offense of this chapter or  
398.9 chapter 624, or for a violation of an order for protection under section 518B.01, subdivision  
398.10 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the  
398.11 commission or attempted commission of a crime are contraband and must be summarily  
398.12 forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled  
398.13 substance crime or for any offense of this chapter. Telephone cloning paraphernalia used  
398.14 in a violation of section 609.894, and automated sales suppression devices, phantom-ware,  
398.15 and other devices containing an automated sales suppression or phantom-ware device or  
398.16 software used in violation of section 289A.63, subdivision 12, are contraband and must be  
398.17 summarily forfeited to the appropriate agency upon a conviction. A catalytic converter  
398.18 possessed in violation of section 325E.21 is contraband and must be summarily forfeited  
398.19 to the appropriate agency upon a conviction.

398.20 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes  
398.21 committed on or after that date.

### **16B.323 SOLAR ENERGY IN STATE BUILDINGS.**

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

(b) "Major renovation" means a substantial addition to an existing building, or a substantial change to the interior configuration or the energy system of an existing building.

(c) "Solar energy system" means photovoltaic devices alone or installed in conjunction with a solar thermal system.

(d) "Photovoltaic device " has the meaning given in section 216C.06, subdivision 16.

(e) "Solar thermal system" has the meaning given "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

(f) "State building" means a building whose construction or renovation is paid wholly or in part by the state from the bond proceeds fund.

Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for the construction or major renovation of a state building, after the completion of a cost-benefit analysis, may include installation of solar energy systems of up to 300 kilowatts capacity on, adjacent, or in proximity to the state building.

(b) The capacity of a solar energy system must be less than 300 kilowatts to the extent necessary to match the electrical load of the building, or the capacity must be no more than necessary to keep the costs for the installation below the five percent maximum set by paragraph (c).

(c) The cost of the solar energy system must not exceed five percent of the appropriations from the bond proceeds fund for the construction or renovation of the state building. Purchase and installation of a solar thermal system may account for no more than 25 percent of the cost of a solar energy system installation.

(d) A project subject to this section is ineligible to receive a rebate for the installation of a solar energy system under section 116C.7791 or from any utility.

### **16B.326 HEATING AND COOLING SYSTEMS; STATE-FUNDED BUILDINGS.**

The commissioner must review project proposer's study for geothermal and solar thermal applications as possible uses for heating or cooling for all building projects subject to a predesign review under section 16B.335 that receive any state funding for replacement of heating or cooling systems. When practicable, geothermal and solar thermal heating and cooling systems must be considered when designing, planning, or letting bids for necessary replacement or initial installation of cooling or heating systems in new or existing buildings that are constructed or maintained with state funds. The predesign review must include a written plan for compliance with this section from a project proposer.

For the purposes of this section, "solar thermal" means a flat plate or evacuated tube with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy for heating and cooling.

### **45.25 DEFINITIONS.**

Subd. 2a. **Classroom course.** "Classroom course" means an educational process based on live or real-time instruction including, but not limited to:

(1) a course in which there is no geographic separation of instructor and learner;

(2) a course taught live that is concurrently simulcast to remote locations and where each location is monitored by a proctor; and

(3) a course taught live that is concurrently simulcast to individual students online and that includes a process to authenticate the student's identity and technology to guarantee seat time.

Subd. 14. **Self-study course.** "Self-study course" means a distance learning course that is not entirely taught by the instructor live via the Internet, video, or other electronic means.

### **60A.033 SCHEDULING CONFERENCE AND ORDER.**

Subd. 3. **Exception.** A scheduling conference and order is not required under this section if the insurance company waives its right to a scheduling conference and order.

**72A.2031 DEFINITIONS.**

Subd. 3. **Broker-dealer.** "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

- (1) an agent;
- (2) an issuer;
- (3) a depository institution, provided such activities are conducted in accordance with rules as may be adopted by the administrator;
- (4) an international banking institution; or
- (5) a person excluded by rule adopted or order issued under this chapter.

Subd. 9. **Registered principal.** "Registered principal" means a person associated with a FINRA member broker-dealer, who is actively engaged in the management of the FINRA member broker-dealer investment banking or securities business, including supervision, solicitation, conduct of business, or the training of persons associated with a FINRA member broker-dealer for any of these functions.

Subd. 11. **Suitability information.** "Suitability information" means information that is reasonably appropriate to determine the suitability of a recommendation, including but not limited to the following:

- (1) age;
- (2) annual income and anticipated material changes in annual income;
- (3) financial situation and needs, including the financial resources used for the funding of the annuity, and including anticipated material changes in financial situation and needs;
- (4) financial experience;
- (5) financial objectives;
- (6) intended use of the annuity;
- (7) financial time horizon;
- (8) existing assets, including investment and life insurance holdings and anticipated material changes in existing assets;
- (9) liquidity needs and anticipated material changes in liquidity needs;
- (10) liquid net worth and anticipated material changes in liquid net worth;
- (11) risk tolerance;
- (12) tax status; and
- (13) whether or not the consumer has a reverse mortgage.

**72A.2032 DUTIES OF INSURERS AND INSURANCE PRODUCERS.**

Subdivision 1. **Suitability standard.** In recommending to a consumer the purchase of an annuity or the exchange of an annuity that results in another insurance transaction or series of insurance transactions, the insurance producer, or the insurer where no producer is involved, shall have reasonable grounds for believing, after a reasonable inquiry, that the recommendation is suitable for the consumer, under the totality of the circumstances based on the facts disclosed by the consumer as to the consumer's investments and other insurance products and as to the consumer's financial situation and needs, including the consumer's suitability information, and that there is a reasonable basis to believe all of the following:

- (1) the consumer has been reasonably informed of various features of the annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes the annuity, mortality and expense fees, investment advisory fees, potential charges for and features of riders, limitations on interest returns, insurance and investment components, and market risk;
- (2) the consumer would receive a tangible net benefit from the transaction;



APPENDIX  
Repealed Minnesota Statutes: UES4091-1

(3) for the particular consumer based on the consumer's suitability information:

(i) the particular annuity as a whole, the underlying subaccounts to which funds are allocated at the time of purchase or exchange of the annuity, and riders and similar product enhancements, if any, are suitable; and

(ii) in the case of an exchange or replacement, the transaction as a whole is suitable taking into account, among other things, the age of the consumer; and

(4) in the case of an exchange or replacement of an annuity, the exchange or replacement is suitable including taking into consideration all of the following:

(i) the consumer will incur a surrender charge; be subject to the commencement of a new surrender period; lose existing benefits, such as death, living, or other contractual benefits; or be subject to increased fees, investment advisory fees, or charges for riders and similar product enhancements;

(ii) the consumer would receive a tangible net benefit from the transaction, and in the case of a person 65 years of age or older, neither a producer nor an insurer shall recommend a replacement or exchange of an annuity that requires the insured to pay a surrender charge for the annuity being replaced or exchanged if the replacement or exchange does not confer a substantial financial benefit over the life of the annuity to the consumer so that a reasonable person would believe the purchase is unnecessary; and

(iii) the consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 60 months.

**Subd. 2. Obtaining suitability information.** Before the execution of a purchase, exchange, or replacement of an annuity resulting from a recommendation, an insurance producer, or an insurer where no producer is involved, shall make reasonable efforts to obtain the consumer's suitability information, and record this information on a form, inventory, or similar record. The producer, upon request, shall provide to the consumer or the consumer's legal representative a copy of the information used in the making of the suitability determination.

**Subd. 3. Restriction on issuance of annuity.** Except as permitted under subdivision 4, an insurer shall not issue an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity is suitable based on the consumer's suitability information.

**Subd. 5. Documentation.** An insurance producer or, where no insurance producer is involved, the responsible insurer representative shall at the time of sale:

(1) make a record of any recommendation subject to subdivision 1;

(2) obtain a consumer-signed statement documenting a consumer's refusal to provide suitability information, if any; and

(3) obtain a consumer-signed statement acknowledging that an annuity transaction is not recommended if a consumer decides to enter into an annuity transaction that is not based on the insurance producer's or insurer's recommendation.

**116J.9924 TARGETED COMMUNITY CAPITAL PROJECT GRANT PROGRAM.**

**Subd. 6. Applicability of other laws.** The provisions of chapter 16A that apply to general fund appropriations for capital projects also apply to grants under this section. Money granted under this section is available until the project is completed or abandoned subject to section 16A.642.

**181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.**

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave

APPENDIX  
Repealed Minnesota Statutes: UES4091-1

for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or harassment or stalking. For the purpose of this paragraph:

(1) "domestic abuse" has the meaning given in section 518B.01;

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "harass" and "stalking" have the meanings given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section.

**216B.16 RATE CHANGE; PROCEDURE; HEARING.**

Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual granted formal intervenor status by the commission is eligible to receive compensation.

(b) The commission may order a utility to compensate all or part of an eligible intervenor's reasonable costs of participation in a general rate case that comes before the commission when the commission finds that the intervenor has materially assisted the commission's deliberation and when a lack of compensation would present financial hardship to the intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding. For the purpose of this subdivision, "materially assisted" means that the intervenor's participation and presentation was useful and seriously considered, or otherwise substantially contributed to the commission's deliberations in the proceeding.

(c) In determining whether an intervenor has materially assisted the commission's deliberation, the commission must consider, among other factors, whether:

(1) the intervenor represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the intervenor were an important factor in producing a fair decision;

(3) the intervenor's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the intervenor would not have been a part of the record without the intervenor's participation; and

(5) the administrative law judge or the commission adopted, in whole or in part, a position advocated by the intervenor.

(d) In determining whether the absence of compensation would present financial hardship to the intervenor, the commission must consider:

(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

APPENDIX  
Repealed Minnesota Statutes: UES4091-1

(e) An intervenor seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed 30 days after the later of (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(f) The compensation request must include:

(1) the name and address of the intervenor or representative of the nonprofit organization the intervenor is representing;

(2) proof of the organization's nonprofit, tax-exempt status;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) a list of actual annual revenues and expenses of the organization the intervenor is representing for the preceding year and projected revenues, revenue sources, and expenses for the current year;

(5) the organization's balance sheet for the preceding year and a current monthly balance sheet;

(6) an itemization of intervenor costs and the total compensation request; and

(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention.

(g) Within 30 days after service of the request for compensation, a party may file a response, together with an affidavit of service, with the commission. A copy of the response must be served on the intervenor and all other parties to the proceeding.

(h) Within 15 days after the response is filed, the intervenor may file a reply with the commission. A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(i) If additional costs are incurred as a result of additional proceedings following the commission's initial order, the intervenor may file an amended request within 30 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

(j) The commission must issue a decision on intervenor compensation within 60 days of a filing by an intervenor.

(k) A party may request reconsideration of the commission's compensation decision within 30 days of the decision.

(l) If the commission issues an order requiring payment of intervenor compensation, the utility that was the subject of the proceeding must pay the compensation to the intervenor, and file with the commission proof of payment, within 30 days after the later of (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed or (2) the date the commission issues an order following reconsideration of its order on intervenor compensation.

**268.085 ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.**

Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject to subdivision 7, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7 if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to food services provided to the school by the employer.

*Laws 2017, chapter 5, section 1*

Section 1. NATURAL GAS COMBINED CYCLE ELECTRIC GENERATION PLANT.

(a) Notwithstanding Minnesota Statutes, section 216B.243 and Minnesota Statutes, chapter 216E, a public utility may, at its sole discretion, construct, own, and operate a natural gas combined cycle electric generation plant as the utility proposed to the Public Utilities Commission in docket number E-002/RP-15-21, or as revised by the utility and approved by the Public Utilities Commission in the latest resource plan filed after the effective date of this section, provided that the plant is located on property in Sherburne County, Minnesota, already owned by the public utility, and will be constructed after January 1, 2018.

(b) Reasonable and prudently incurred costs and investments by a public utility under this section may be recovered pursuant to the provisions of Minnesota Statutes, section 216B.16.

(c) No less than 20 months prior to the start of construction, a public utility intending to construct a plant under this section shall file with the commission an evaluation of the utility's forecasted costs prepared by an independent evaluator and may ask the commission to establish a sliding scale rate of return mechanism for this capital investment to provide an incentive for the utility to complete the project at or under the forecasted costs.