

CHAPTER 452—H.F.No. 3243

An act relating to the organization and operation of state government; appropriating money for economic development and other purposes; providing for assessments against utilities; amending Minnesota Statutes 1994, sections 138.35, by adding a subdivision; 138.664, by adding a subdivision; 138.763, subdivision 1; 298.22, by adding a subdivision; 469.056, subdivision 2; and 469.303; Minnesota Statutes 1995 Supplement, sections 79.561, subdivision 3; 138.01, by adding a subdivision; and 473.252; Laws 1980, chapter 595, section 3, as amended; Laws 1994, chapter 573, sections 1, subdivisions 6 and 7; 4; and 5, subdivisions 1 and 2; Laws 1995, chapters 231, article 1, section 33; and 224, section 5, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1994, sections 116J.873, subdivisions 1, 2, and 4; 138.662, subdivision 5; and 268.9783, subdivision 8; Minnesota Statutes 1995 Supplement, section 116J.873, subdivisions 3 and 5; Laws 1988, chapter 684, article 1, section 23.

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

Section 1. **ECONOMIC DEVELOPMENT APPROPRIATIONS.**

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose.

SUMMARY BY FUND

	1996	1997
General	\$ 1,654,000	\$ 23,724,000
Petroleum		
Tank Cleanup	47,000	93,000
Special		
Compensation	-0-	2,800,000
TOTAL	\$ 1,701,000	\$ 26,617,000

APPROPRIATIONS
Available for the Year
Ending June 30

	1996	1997
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT	-0-	5,105,000

(a) Minnesota investment fund

-0-	4,000,000
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This appropriation is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731.

Any funds previously appropriated for the economic recovery grant program under

Minnesota Statutes, section 116J.873, may be spent for the Minnesota investment fund program.

(b) Minnesota film board

-0- 100,000

This appropriation is for the Minnesota film board and is added to the appropriation for fiscal year 1997 in Laws 1995, chapter 224, section 2, subdivision 4.

(c) Morrison county rural development finance authority

-0- 750,000

This appropriation is for a grant to the Morrison county rural development finance authority established under Laws 1982, chapter 437. The authority must use the grant only for capital improvements to a paper and wood products manufacturer in the county primarily for the purposes of facility upgrading and expansion of the manufacturer's capability to utilize recycled wastepaper as a fiber source. Minnesota Statutes, section 116J.991, applies to the grant. The commissioner shall make the grant only if the commissioner determines that at least \$500,000 of the grant will be matched from other sources. The authority or any city or county within which the improvements and equipment are located may issue general obligation bonds in accordance with Minnesota Statutes, chapter 475, to finance the local match, except that sections 475.53, 475.58, and 475.59, do not apply.

(d) Job Skills Partnership Board

-0- 250,000

This appropriation is for the job skills partnership program and is added to the appropriation for fiscal year 1997 in Laws 1995, chapter 224, section 2, subdivision 2.

(e) Study

-0-

5,000

This appropriation is for a study, in consultation with the pollution control agency and the department of natural resources, to evaluate the compatibility of metal materials shredding projects and other industrial uses with tourism and other nonindustrial uses of the Mississippi River Critical Area, which has been designated an area of critical concern under Minnesota Statutes, section 116G.15. The commissioner of trade and economic development shall report the findings and recommendations of the evaluation to the legislature by January 1, 1997.* **(The preceding text beginning "(e)" was vetoed by the governor.)**

Sec. 3. MINNESOTA TECHNOLOGY, INC.

-0-

700,000

Of this appropriation, \$575,000 is for a grant to the natural resources research institute.

Of this appropriation, \$125,000 is for a study of cold weather research needs and opportunities. The corporation shall contract with the Minnesota cold weather resource center for the study. The study must address at least the following:

- (1) opportunities for research funded by non-state entities, including businesses, to be conducted in Minnesota;
- (2) strategies to attract a significant share of funded cold weather research to Minnesota;
- (3) types of facilities that are needed to attract cold weather research projects;
- (4) recommended ownership structure and lease arrangements with research entities or businesses for such facilities; and
- (5) economic benefits that might accrue to the people of Minnesota if a greater amount of cold weather research is conducted in the state.

The study may also include predesign or architectural design of facilities for cold weather research.

The corporation shall submit a report of the study findings to the legislature by January 1, 1998.

Sec. 4. WORLD TRADE CENTER CORPORATION	78,000
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This appropriation is for the corporation's December 31, 1996, debt payment.

Sec. 5. HOUSING FINANCE AGENCY	550,000
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This appropriation is for transfer to the housing development fund. Of this amount, \$250,000 is for the community rehabilitation program for the purpose of acquiring, demolishing, removing, rehabilitating, and reconfiguring multiple-unit residential rental property to reduce concentrations of substandard multiple-unit rental housing. Priority shall be given to projects that result in the creation of a full range of housing opportunities, including housing opportunities for residents of the affected multiple-unit rental housing, that will increase the tax base and the income mix within a community.

Of this amount, \$300,000 is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. This appropriation is available until expended.

Sec. 6. DEPARTMENT OF ECONOMIC SECURITY	810,000	16,340,000
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The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Minnesota Youth Program		6,000,000
	-0-	

\$6,000,000 is appropriated for fiscal year 1997 for summer youth employment programs. Of this amount, \$117,000 is for YOUTHBUILD, under Minnesota Statutes, sections 268.361 to 268.367, and \$250,000 is for the learn to earn summer youth employment program established under Laws 1995, chapter 224, sections 5 and 39, if Con-

gress appropriates at least \$2,000,000 for the federal title IIB, Job Training Partnership Act (JTPA) 1996 Minnesota summer youth program.

(b) Transitional housing

-0- 450,000

This appropriation is for transitional housing programs under Minnesota Statutes, section 268.38, and is added to the appropriations for fiscal year 1997 in Laws 1995, chapter 224, section 5, subdivision 3.

(c) Minnesota Workforce Center System

-0- 500,000

\$500,000 is appropriated for fiscal year 1997 to leverage federal dollars in support of the establishment of a public access computer system to Minnesota Workforce System services.

(d) Employment Support Services

-0- 200,000

\$200,000 is appropriated for employment support services authorized by Minnesota Statutes, section 268A.13. Of this amount, up to \$20,000 may be used for administration.

(e) Home Energy Assistance

810,000 190,000

(1) \$750,000 is available immediately and until June 30, 1997, for low-income home energy assistance under the low-income home energy assistance block grant, and is to be used and allocated in the same manner as the federal money is used and allocated.

(2) \$60,000 is available immediately and until June 30, 1997, for grants for energy-related repairs to a home's primary heat source.

(3) \$190,000 is for the low-income home weatherization program.

(f) Home energy assistance contingency

-0-	9,000,000
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This appropriation is from the budget reserve account in the general fund for low income home energy assistance and grants for energy related repairs to a home's primary heat source contingent on the governor's determination that federal money allocated to Minnesota under the low income energy assistance block grant for federal fiscal year 1996 has been reduced below the amount received by Minnesota under that grant in federal fiscal year 1995. The amount available from this contingent appropriation shall be equal to the reduction as determined by the governor.

The commissioner shall report to the legislature by January 21, 1997, on any expenditures of this appropriation.

Sec. 7. DEPARTMENT OF
COMMERCE

47,000	93,000
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This appropriation is from the petroleum tank release cleanup fund and is for legal services. This appropriation is added to the appropriation in Laws 1995, chapter 224, section 7, subdivision 5.

Sec. 8. DEPARTMENT OF LABOR
AND INDUSTRY

-0-	2,800,000
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This appropriation is from the special compensation fund for the Daedalus imaging systems project. This appropriation is added to the appropriation in Laws 1995, chapter 224, section 12, subdivision 2.

Sec. 9. PUBLIC UTILITIES COMMISSION

370,000	-0-
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This appropriation is available immediately and until June 30, 1998, for the costs related to the duties of the commission and team of science advisors under Laws 1994, chapter 573.

Sec. 10. MINNESOTA HISTORICAL
SOCIETY

174,000

951,000

(a) Compensation

174,000

826,000

This appropriation is for the purposes of Minnesota Statutes, section 138.01, subdivision 5.

(b) Farmamerica

-0-

50,000

This appropriation is for a grant to Farmamerica. Notwithstanding any other law this grant may be used for operations.

(c) St. Anthony heritage board

-0-

75,000

This appropriation is for a grant to the St. Anthony heritage board established in Minnesota Statutes, section 138.763.

Sec. 11. MINNESOTA HUMANITIES
COMMISSION

300,000

-0-

This appropriation is for fiscal year 1996 and is for moving expenses and general operation and maintenance of the Minnesota humanities commission's new building. This appropriation is available until June 30, 1997.

Sec. 12. **TRANSFER TO WORLD TRADE CENTER.**

The commissioner of trade and economic development shall transfer, from the appropriations to the commissioner for the federal city-state leveraged finance program, \$50,000 in fiscal year 1996 and \$50,000 in fiscal year 1997 to the World Trade Center Corporation. The World Trade Center Corporation shall use the amounts so transferred for operating expenses.

Sec. 13. **DEPARTMENT OF PUBLIC SAFETY; DEPUTY REGISTRAR RULES.**

Subdivision 1. **RULE PROHIBITED.** Notwithstanding any other law, the commissioner of public safety may not adopt any rule that amends or replaces, or addresses substantially the same subject matter as, a rule of the department in effect on January 1, 1996, that regulates the solicitation or service area of deputy motor vehicle registrar offices.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **REMOVAL OF INVENTORY.** Any rule of the commissioner of public safety that prohibits the removal of inventory from a deputy motor vehicle registrar office does not apply to a deputy motor vehicle registrar who (1) for at least five years before the effective date of this section has provided customer service and inventory outside the deputy registrar's office, and (2) before the effective date of the rule requests in writing an exemption from the rule. The commissioner shall grant any request under this subdivision that complies with this subdivision.

Subd. 3. **REPORT.** The commissioner of public safety shall report to the governor and legislature by January 1, 1997, on the issue of restrictions on the solicitation or service area of deputy motor vehicle registrar offices. The report must consider existing and proposed restrictions on deputy motor vehicle registrar solicitation or service area and evaluate each on the basis of administrative efficiency and public service.

Sec. 14. VOYAGEUR RECREATION AREA.

Subdivision 1. **ESTABLISHMENT.** A recreation zone called the "Voyageur recreation area" is established and consists of all contiguous land in Koochiching county and that part of St. Louis county lying north of county highway 23 and west of county highway 24 to the Canadian border.

Subd. 2. **PURPOSE.** The purpose of the Voyageur recreation area is to encourage and attract public and private funds in order to diversify and promote economic development and recreational and educational opportunities throughout the area.

Sec. 15. BOARD CREATED.

Subdivision 1. **MEMBERSHIP.** A Voyageur recreation area board is created of nine members, with representation from the following groups:

- (1) International Falls Visitors and Convention Bureau;
- (2) Kabetogama Lake association;
- (3) Ash River/Crane Lake resort association;
- (4) Koochiching county;
- (5) St. Louis county;
- (6) city of Orr;
- (7) city of Ranier;
- (8) city of International Falls; and
- (9) city of Cook.

Subd. 2. **TERMS.** The membership terms, removal, and filling of vacancies of board members are as provided in Minnesota Statutes, section 15.0575.

Subd. 3. **CHAIR; OTHER OFFICERS.** The board shall annually elect a chair and other officers as necessary from its members.

Sec. 16. POWERS.

Subdivision 1. **CONTRACTS.** The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. GIFTS; GRANTS. The board may apply for, accept, and disburse gifts, grants, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts or grants and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, or agreement. Money received by the board under this subdivision must be deposited in a separate account.

Sec. 17. UTILITY ASSESSMENT; STRAY VOLTAGE.

Subdivision 1. AUTHORITY. To provide funding for the appropriation in section 9 for the costs of the commission and team of science advisors under Laws 1994, chapter 573, the public utilities commission and the department of public service shall assess a total of up to \$370,000 under Minnesota Statutes, section 216B.62, against public and municipal utilities providing electrical service and cooperative electric associations. The assessment must be deposited in the general fund. The assessment is not subject to the limits prescribed under Minnesota Statutes, section 216B.62, subdivision 3. The assessment authority under this section is in addition to the assessment authority contained in Laws 1994, chapter 573, section 4.

Subd. 2. PROPORTIONAL ASSESSMENT; EXPENSES AND ACTIVITIES. Each utility or association shall be assessed in proportion that its gross operating revenues for the sale of electric service within the state for the last calendar year bears to the total of those revenues for all public and municipal utilities and cooperative associations.

Sec. 18. COMMUNITY REHABILITATION PROGRAM.

The requirements in Laws 1995, chapter 224, section 6, relating to use of the appropriation in that section for the community rehabilitation program in cities of the first class in the metropolitan area apply only to the city of St. Paul. For the city of Minneapolis the requirements as to the use of that appropriation are as follows:

(1) it must be used in areas that are defined as redirection and revitalization neighborhoods by the neighborhood revitalization program under Minnesota Statutes, section 469.1831; and

(2) the area must include eight blocks in any direction from the neighborhood boundary.

Sec. 19. ADMINISTRATIVE COSTS; CONTAMINATION CLEAN-UP GRANTS.

Up to 1.5 percent of the appropriation made in Laws 1995, chapter 224, section 2, subdivision 2, for grants under Minnesota Statutes 1994, sections 116J.551 to 116J.558, may be expended for costs of the department of trade and economic development incurred in administering those grants.

Sec. 20. GROUND VOLTAGE SCIENCE ADVISORS; IMMUNITY FROM SUIT, INDEMNIFICATION.

(a) A member of the team of science advisors charged with studying, researching, or preparing the report required by Laws 1994, chapter 573, or serving in a liaison capacity on behalf of the team of science advisors, is not liable for the content of the preliminary assessment or final report, for any action taken or project conducted on behalf of re-

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searching and preparing the assessment and report, or for any action taken or consequence resulting from or arising out of publication and dissemination of the report. This section does not provide immunity for negligence or intentional misconduct of a member or a liaison.

(b) If a person referred to in paragraph (a) becomes a party to a civil action or other legal or administrative proceeding by reason of any action referred to in paragraph (a), despite the intent of paragraph (a) to hold those persons immune from suit, the state shall defend, save harmless, and indemnify the person for any judgment or settlement and other costs incurred in defense of the action or proceeding, unless the person is found liable for negligent or intentional misconduct.

Sec. 21. Laws 1995, chapter 224, section 5, subdivision 3, is amended to read:

Subd. 3. Community-Based Services
 30,082,000 25,881,000

\$935,000 the first year and \$935,000 the second year are for operating costs of transitional housing programs under Minnesota Statutes, section 268.38.

\$7,000,000 the first year and \$7,000,000 the second year are for the Minnesota economic opportunity grant program. Of this appropriation the commissioner may use up to 8.7 percent each year for state operations.

For the biennium ending June 30, 1997, the commissioner shall transfer to the low-income home weatherization program at least five percent of the money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1997, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

\$100,000 the first year and \$100,000 the second year are for youth intervention pro-

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grams under Minnesota Statutes, section 268.30, subdivisions 1 and 2. Funding may be used to expand existing programs to serve unmet needs and to create new programs in underserved areas. In awarding these new funds, the commissioner may waive or modify the requirement for local match when this requirement deters expansion to underserved communities or populations. This appropriation is available until spent.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,000,000 in the first year and \$3,000,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, \$3,000,000 the first year is for summer youth employment programs.

Of the money appropriated for the summer youth employment programs for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

\$200,000 the first year is for youth employment and for housing for the homeless through the YOUTHBUILD program. A Minnesota YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367 qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

Of the appropriation for Head Start, the commissioner may use up to two percent each year for state operations.

Of this appropriation, \$250,000 is for the learn to earn summer youth employment demonstration program established in Laws

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1995, chapter 224, section 39. This appropriation is available until spent.

Sec. 22. Laws 1994, chapter 573, section 1, subdivision 6, is amended to read:

Subd. 6. **RESEARCH DEADLINE.** The research conducted under this section and any recommendations by the science advisors to the commission must be completed and reported or made by June 30, ~~1996~~ 1998.

Sec. 23. Laws 1994, chapter 573, section 1, subdivision 7, is amended to read:

Subd. 7. **EXPIRATION.** The team of science advisors expires June 30, ~~1996~~ 1998.

Sec. 24. Laws 1994, chapter 573, section 4, is amended to read:

Sec. 4. **ASSESSMENT.**

(a) To provide funding for activities required under this act, the public utilities commission and the department of public service shall assess a total of up to \$548,000 under Minnesota Statutes, section 216B.62, against public and municipal utilities providing electrical service and cooperative electric associations. The assessment must be deposited in the general fund. The assessment is not subject to the limits prescribed under Minnesota Statutes, section 216B.62, subdivision 3.

(b) Each utility or association shall be assessed in proportion that its gross operating revenues for the sale of electric service within the state for the last calendar year bears to the total of those revenues for all public and municipal utilities and cooperative associations.

(c) Paragraphs (a) and (b) expire June 30, 1998.

Sec. 25. Laws 1994, chapter 573, section 5, subdivision 1, is amended to read:

Subdivision 1. **PUBLIC UTILITIES COMMISSION; STUDY COSTS.** \$300,000 is appropriated from the general fund to the public utilities commission.

\$75,000 of this appropriation is for administrative expenses of the commission under sections 1 and 2.

\$225,000 of this appropriation is for expenses of the team of scientific advisors and the commission liaison.

This appropriation remains available until June 30, ~~1996~~ 1998.

Sec. 26. Laws 1994, chapter 573, section 5, subdivision 2, is amended to read:

Subd. 2. **PUBLIC UTILITIES COMMISSION; RESEARCH PROJECTS STUDY COSTS.** \$150,000, or so much of this amount as may be needed, is appropriated from the general fund to the public utilities commission to initiate research projects in fiscal year 1995 as recommended by the team of science advisors and approved by the commission. ~~Any amount of This appropriation that remains unencumbered after June 30, 1996, reverts to the general fund does not cancel but is available until June 30, 1998.~~

Sec. 27. Laws 1995, chapter 231, article 1, section 33, is amended to read:

Sec. 33. **APPROPRIATION.**

New language is indicated by underline, deletions by ~~strikeout~~.

The \$900,000 is appropriated from the special compensation fund for the biennium ending June 30, 1997, to the department of commerce shall be used for the purposes of rate regulation of commercial self-insurance groups under Minnesota Statutes, sections 79A.19 to 79A.32 and workers' compensation rate regulation under Minnesota Statutes, sections 79.50 to 79.561. The complement of the department of commerce is increased by 13 positions for the purposes of rate regulation.

Sec. 28. Minnesota Statutes 1995 Supplement, section 79.561, subdivision 3, is amended to read:

Subd. 3. **CONSULTANTS AND COSTS.** The commissioner may retain consultants, including a consulting actuary or other experts, that the commissioner determines necessary for purposes of this chapter. The salary limit set by section 43A.17 does not apply to a consulting actuary retained under this subdivision. A consulting actuary shall be a fellow in the casualty actuarial society and shall have demonstrated experience in workers' compensation insurance ratemaking. Any individual not so qualified shall not render an opinion or testify on actuarial aspects of a filing, including but not limited to, data quality, loss development, and trending. The costs incurred in commissioner may determine the costs necessary for implementing and conducting a contested case hearing under subdivision 2, including, but not limited to, retaining any consulting actuaries and experts, and those costs shall be reimbursed by the special compensation fund.

Sec. 29. [116J.8731] **MINNESOTA INVESTMENT FUND.**

Subdivision 1. **PURPOSE.** The Minnesota investment fund is created to provide financial assistance, through partnership with communities, for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention. It shall accomplish these goals by the following means:

(1) creation or retention of permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection;

(2) stimulation or leverage of private investment to ensure economic renewal and competitiveness;

(3) increasing the local tax base, based on demonstrated measurable outcomes, to guarantee a diversified industry mix;

(4) improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living, consistent with federal and state guidelines on low- to moderate-income persons; and

(5) stimulation of productivity growth through improved manufacturing or new technologies, including cold weather testing.

Subd. 2. **ADMINISTRATION.** The commissioner shall administer the fund as part of the small cities development block grant program. Funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program, except that all units of general purpose local government are eligible applicants for Minnesota investment funds. A home rule charter or statutory city, county, or town may loan or grant money under this section to a regional development commission to provide the local match required for capitalization of a regional revolving loan fund.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. **ELIGIBLE EXPENDITURES.** The money appropriated for this section may be used to provide grants for infrastructure, loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought.

Subd. 4. **ELIGIBLE PROJECTS.** Assistance must be evaluated on the existence of the following conditions:

- (1) creation of new jobs or retention of existing jobs;
- (2) increase in the tax base;
- (3) the project can demonstrate that investment of public dollars induces private funds;
- (4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;
- (5) the project provides higher wage levels to the community or will add value to current workforce skills;
- (6) whether assistance is necessary to retain existing business; and
- (7) whether assistance is necessary to attract out-of-state business.

A grant or loan cannot be made based solely on a finding that the conditions in clause (6) or (7) exist. A finding must be made that a condition in clause (1), (2), (3), (4), or (5) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Subd. 5. **GRANT LIMITS.** A Minnesota investment fund grant may not be approved for an amount in excess of \$500,000. This limit covers all money paid to complete the same project, whether paid to one or more grant recipients and whether paid in one or more fiscal years. The portion of a Minnesota investment fund grant that exceeds \$100,000 must be repaid to the state when it is repaid to the local community or recognized Indian tribal government by the person or entity to which it was loaned by the local community or Indian tribal government. Money repaid to the state must be credited to the general fund. A grant or loan may not be made to a person or entity for the operation or expansion of a casino or a store which is used solely or principally for retail sales. Persons or entities receiving grants or loans must pay each employee total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

Subd. 6. **SPORTS FACILITY.** A Minnesota investment fund grant or loan cannot be used for a project related to a sports facility. For the purpose of this subdivision, "sports facility" means a building that has a professional sports team as a principal tenant.

Subd. 7. **CONTRACTUAL OBLIGATION.** A business receiving Minnesota investment fund grants must demonstrate why the grant is necessary for a project and enter into an agreement with the local grantor. The agreement, among other things, must obligate the recipient to pay the minimum compensation set by this section and meet job creation goals. A recipient that breaches the agreement must repay the grant directly to the commissioner. Repayments under this subdivision must be deposited in the general fund.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 30. Minnesota Statutes 1995 Supplement, section 138.01, is amended by adding a subdivision to read:

Subd. 5. The Minnesota historical society shall receive specific appropriations each biennium to carry out the purposes of subdivision 2. The appropriation must be sufficient to pay for salary and benefit related increases as determined by the commissioner of employee relations in the commissioner's plan in accordance with section 43A.18, subdivision 2, and the legislature.

Sec. 31. Minnesota Statutes 1994, section 138.35, is amended by adding a subdivision to read:

Subd. 3. EMPLOYMENT OF PERSONNEL. The state archaeologist may employ personnel to assist in carrying out the state archaeologist's duties, and may spend state appropriations to compensate such personnel.

Sec. 32. Minnesota Statutes 1994, section 138.664, is amended by adding a subdivision to read:

Subd. 13a. Burbank Livingston Griggs House; Ramsey county.

Sec. 33. Minnesota Statutes 1994, section 138.763, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** There is a St. Anthony Falls heritage board consisting of ~~19~~ 22 members with the director of the Minnesota historical society as chair. The members include the mayor; the chair of the Hennepin county board of commissioners or the chair's designee; the president of the Minneapolis park and recreation board or the president's designee; the superintendent of the park board; two members each from the house of representatives appointed by the speaker, the senate appointed by the rules committee, the city council, the Hennepin county board, and the park board; ~~and~~ one member each from the preservation commission, the preservation office, Hennepin county historical society, and the society; one person appointed by the park board; and two persons appointed by the chair of the board.

Sec. 34. Minnesota Statutes 1994, section 298.22, is amended by adding a subdivision to read:

Subd. 6. EQUITY PARTICIPATION. The board may acquire an equity interest in any project for which it provides funding.

Sec. 35. Minnesota Statutes 1994, section 469.056, subdivision 2, is amended to read:

Subd. 2. **CONTRACTS.** A port authority may contract to erect, repair, maintain or operate docks, warehouses, terminals, elevators, or other structures on or in connection with property it owns or controls. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority's powers or doing its duties. The authority may contract to purchase and sell real and personal property. An obligation or expense must not be incurred unless existing appropriations together with the reasonably expected revenue of the port authority from other sources are sufficient to discharge the obligation or pay the

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expense when due. The state and its municipal subdivisions are not liable on the obligations. Notwithstanding section 16A.695, for leases or management contracts entered into with respect to property acquired or bettered with the proceeds of state general obligation bonds, (1) a seaway port authority may meet its obligations and expenses of operating and reinvest in capital improvements by retaining revenues received under the leases or management contracts and is not required to pay lease or management contract revenues to the commissioner of finance; and (2) the lease or management contract entered into by a seaway port authority must not be canceled or terminated as a result of changes or termination by the state in the governmental program of the seaway port authority unless compensation is paid as provided by law.

Sec. 36. Minnesota Statutes 1994, section 469.303, is amended to read:

469.303 ELIGIBILITY REQUIREMENTS.

An area within the city is eligible for designation as an enterprise zone if the area is (1) ~~designated as~~ includes census tracts eligible for a proposed federal empowerment zone or enterprise community as defined by the city in an application to the United States Department of Housing and Urban Development under Public Law Number 103-66, provided the city can demonstrate that it can meet the notwithstanding the maximum zone population standard under the federal empowerment zone program for cities with a population under 500,000 or (2) an area within a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

Sec. 37. Minnesota Statutes 1995 Supplement, section 473.252, is amended to read:

473.252 TAX BASE REVITALIZATION ACCOUNT.

Subdivision 1. **DEFINITION.** For the purposes of this section, "municipality" means a statutory or home rule charter city or town participating in the local housing incentives program under section 473.254, or a county in the metropolitan area.

Subd. 1a. **DEVELOPMENT AUTHORITY.** For the purpose of this section, "development authority" means a statutory or home rule charter city, housing and redevelopment authority, economic development authority, or a port authority.

Subd. 2. **SOURCES OF FUNDS.** The council shall credit to the tax base revitalization account within the fund the amount, if any, provided for under section 473.167, subdivision 3a, paragraph (b), and the amount, if any, distributed to the council under section 473F.08, subdivision 3b.

Subd. 3. **DISTRIBUTION OF FUNDS.** (a) The council must use the funds in the account to make grants to municipalities or development authorities for the cleanup of polluted land in the metropolitan area. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. The council shall prescribe and provide the grant application form to municipalities. The council must consider the probability of funding from other sources when making grants under this section.

(b)(1) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage commercial and industrial development that will lead to the

New language is indicated by underline, deletions by ~~strikeout~~.

preservation or growth of living-wage jobs and that enhance the tax base of the recipient municipality.

(2) In making grants, the council shall establish regular application deadlines in which grants will be awarded from the available money in the account. If the council provides for application cycles of less than six-month intervals, the council must reserve at least 40 percent of the receipts of the account for a year for application deadlines that occur in the second half of the year. If the applications for grants exceed the available funds for an application cycle, no more than one-half of the funds may be granted to projects in a statutory or home rule charter city and no more than three-quarters of the funds may be granted to projects located in cities of the first class.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557.

Sec. 38. Laws 1980, chapter 595, section 3, as amended by Laws 1985, chapter 194, section 29; Laws 1988, chapter 572, section 2; and Laws 1988, chapter 594, sections 1 to 4, is amended by adding a subdivision to read:

Subd. 13. ECONOMIC DEVELOPMENT. When the agency exercises its powers for industrial development or to establish industrial development districts for purposes under Minnesota Statutes, sections 469.048 to 469.068, the term "industrial," when used in relation to industrial development purposes, includes "economic" and "economic development."

Sec. 39. NEW TECHNOLOGY TRAINING.

The house of representatives may spend funds carried forward from its appropriations for the biennium ending June 30, 1995, for costs associated with training for new technology.

Sec. 40. REPEALER.

(a) Minnesota Statutes 1994, sections 116J.873, subdivisions 1, 2, and 4; and 138.662, subdivision 5; and Minnesota Statutes 1995 Supplement, section 116J.873, subdivisions 3 and 5, are repealed.

(b) Minnesota Statutes 1994, section 268.9783, subdivision 8; and Laws 1988, chapter 684, article 1, section 23, are repealed.

Sec. 41. EFFECTIVE DATE.

Sections 12 to 28, 30, 31, and 33 to 39; section 40, paragraph (b); and all provisions making appropriations for fiscal year 1996, are effective the day following final enactment. Section 29; and section 40, paragraph (a), are effective July 1, 1996.

Presented to the governor April 4, 1996

Signed by the governor April 12, 1996, 11:05 a.m.

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