

CHAPTER 300—H.F.No. 3722

An act relating to economic development; restricting certain waste management practices; requiring state approval for government procurement agreements; establishing a trade policy group; providing workplace communication protection; classifying certain civil service positions; making technical changes; regulating unemployment benefits; regulating use of funds; regulating and renaming the Boxing Commission; defining terms; providing civil penalties; regulating the Public Facilities Authority; providing for military reservist economic injury loan; establishing a credit enhanced bond program; adjusting debt ceilings; regulating state guarantee of certain debt payments; creating transit improvement area accounts and a loan program; validating local approvals; requiring subsidy documentation; granting convening authority and setting deadlines for appointments; renumbering sections; requiring a study; requiring recommendations; amending Minnesota Statutes 2006, sections 116L.17, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 299M.03, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 446A.12, subdivision 1; 462A.22, subdivision 1; Minnesota Statutes 2007 Supplement, sections 10A.01, subdivision 35; 116L.17, subdivision 1; 214.04, subdivision 3; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 2002, chapter 382, article 2, section 5, subdivision 3, as added; proposing coding for new law in Minnesota Statutes, chapters 115A; 116J; 181; 341; 446A; 469; repealing Minnesota Statutes 2006, section 341.31.

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

Section 1. Minnesota Statutes 2007 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13; or

(21) supervisor of a soil and water conservation district; or

(22) director of Explore Minnesota Tourism.

Sec. 2. **[115A.936] CONSTRUCTION DEBRIS AS COVER MATERIAL PROHIBITED.**

(a) Construction debris or residuals from processed construction debris containing any amount of gypsum shall not be managed as cover material at disposal facilities unless:

(1) residual material is managed in an industrial or construction and demolition disposal facility equipped with a liner and leachate collection system;

(2) residual material is not mechanically pulverized or size-reduced prior to processing, screening, or application;

(3) a maximum effort is made to remove gypsum from the waste prior to processing, screening, or application;

(4) residual material is mixed at a ratio of one part soil to one part residual material prior to application; and

(5) the disposal facility does not accept any amount of cover material greater than what is operationally necessary.

(b) For the purposes of this section, "residual material" means construction debris or residuals from processed construction debris containing any amount of gypsum.

Sec. 3. [116J.976] STATE APPROVAL OF GOVERNMENT PROCUREMENT AGREEMENTS.

Any decision of the state to enter into government procurement agreements relating to United States trade agreements must be approved by the governor and the legislature.

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

Sec. 4. [116J.977] TRADE POLICY ADVISORY GROUP.

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

Subd. 2. **Membership.** (a) The trade policy advisory group shall be comprised of nine members as follows:

(1) the governor, or the governor's designee;

(2) the commissioner of employment and economic development, or the commissioner's designee;

(3) the commissioner of agriculture, or the commissioner's designee;

(4) the commissioner of administration, or the commissioner's designee;

(5) the attorney general, or a designee;

(6) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and

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

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

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

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

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

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

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

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

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

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

(2) assess the potential impact of government procurement agreements on the state's economy;

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

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

(5) provide advice on other issues related to trade agreements other than government procurement agreements when specifically requested by the governor or the legislature;

(6) request information from the Office of the United States Trade Representative necessary to conduct an appropriate review of government procurement agreements or other trade issues as directed by the governor or the legislature; and

(7) receive information obtained by the United States Trade Representative's Single Point of Contact for Minnesota.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, this section expires June 30, 2012.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 5. [116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05.

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

(d) "Eligible business" means a small business, as defined in section 645.445, that was operating in Minnesota on the date a military reservist received orders for active service.

(e) "Essential employee" means a military reservist who is an owner or employee of an eligible business and whose managerial or technical expertise is critical to the day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed forces.

(g) "Reserve component of the armed forces" has the meaning given it in United States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business that results in the inability of the eligible business to:

- (1) meet its obligations as they mature;
- (2) pay its ordinary and necessary operating expenses; or
- (3) manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee. Loans must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated for the purpose to establish a revolving loan account. All repayments of loans made under this section must be deposited into this account. Interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for purposes of the loan program created in this section, including costs incurred by the commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the commissioner shall develop and publish expedited rules for loan applications, use of funds, needed collateral, terms of loans, and other details of military reservist economic injury loans.

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

Sec. 6. Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

(5) has been permanently separated from employment in a restaurant, bar, or lawful gambling organization from October 1, 2007, to October 1, 2009, due to the implementation of any state law prohibiting smoking; or

(6) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

~~(6)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

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

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

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

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

Sec. 7. Minnesota Statutes 2006, section 116L.17, subdivision 4, is amended to read:

Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for any combination of the following, except as otherwise provided in this section:

(1) employment transition services such as developing readjustment plans for individuals; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment of skills and aptitudes; provision of occupational and labor market information; job placement assistance; job search; job development; prelayoff assistance; relocation assistance; and programs provided in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs;

(2) support services, including assistance to help the participant relocate to employ existing skills; out-of-area job search assistance; family care assistance, including child care; commuting assistance; emergency housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program with the goal of reemployment;

(3) specific, short-term training to help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on-the-job training; basic and remedial education to enhance current skills; and literacy and work-related English training for non-English speakers; and

(4) long-term training in a new occupation or industry, including occupational skills training or customized training in an accredited program recognized by one or more relevant industries. Long-term training shall only be provided to dislocated workers whose skills are obsolete and who have no other transferable skills likely to result in employment at a comparable wage rate. Training shall only be provided for occupations or industries with reasonable expectations of job availability based on the service provider's thorough assessment of local labor market information where the individual currently resides or is willing to relocate. This clause shall not restrict training in personal services or other such industries.

Sec. 8. [181.985] WORKPLACE COMMUNICATIONS.

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

(b) "Public employee" has the meaning given in section 179A.03, subdivision 14.

(c) "Public employer" has the meaning given in section 179A.03, subdivision 15.

(d) "Communication" means any printed or electronic document, letter, brochure, flyer, advertisement, e-mail, text message, or similar means pertaining to union business or labor organizing as provided under state law.

(e) "Employee organization" has the meaning given in section 179A.03, subdivision 6.

Subd. 2. **Collective bargaining agreements.** Minnesota Statutes, chapter 179A, shall not prohibit a collective bargaining agreement from including provisions related to workplace communications.

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

Sec. 9. Minnesota Statutes 2007 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. **Officers; staff.** The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

(1) Dentistry;

(2) Medical Practice;

(3) Nursing;

(4) Pharmacy;

- (5) Accountancy;
- (6) Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;
- (7) Barber Examiners;
- (8) Cosmetology;
- (9) Teaching;
- (10) Peace Officer Standards and Training;
- (11) Social Work;
- (12) Marriage and Family Therapy;
- (13) Dietetics and Nutrition Practice; ~~and~~
- (14) Licensed Professional Counseling; and
- (15) Combative Sports Commission.

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 1, is amended to read:

Subdivision 1. **General rule.** Unemployment benefits paid to an applicant, including extended, ~~additional,~~ and shared work benefits, will be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment benefits used in computing the future tax rate of taxpaying employers or charged to the reimbursable account of a nonprofit or government employer that has elected to be liable for reimbursements is the same percentage of the total amount of unemployment benefits paid as the percentage of wage credits from the employer is of the total amount of wage credits from all the applicant's base period employers.

In making computations under this subdivision, the amount of wage credits, if not a whole dollar, must be computed to the nearest whole dollar.

Sec. 11. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 2, is amended to read:

Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements when:

(1) the applicant was discharged from the employment because of aggravated employment misconduct as determined under section 268.095. This exception applies only to unemployment benefits paid for periods after the applicant's discharge from employment;

(2) an applicant's discharge from that employment occurred because a law required removal of the applicant from the position the applicant held;

(3) the employer is in the tourist or recreation industry and is in active operation of business less than 15 calendar weeks each year and the applicant's wage credits from the employer are less than 600 times the applicable state or federal minimum wage;

(4) the employer provided regularly scheduled part-time employment to the applicant during the applicant's base period and continues to provide the applicant with regularly scheduled part-time employment during the benefit year of at least 90 percent of the part-time employment provided in the base period, and is an involved employer because of the applicant's loss of other employment. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements. This exception applies to educational institutions without consideration of the period between academic years or terms;

(5) the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements;

(6) the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception does not apply where the unemployment was a direct result of the intentional act of the employer or a person acting on behalf of the employer;

(7) the unemployment benefits were paid by another state as a result of the transferring of wage credits under a combined wage arrangement provided for in section 268.131;

(8) the applicant stopped working because of a labor dispute at the applicant's primary place of employment if the employer was not a party to the labor dispute;

(9) the unemployment benefits were determined overpaid unemployment benefits under section 268.18; ~~or~~

(10) the applicant was employed as a replacement worker, for a period of six months or longer, for an employee who is in the military reserve and was called for active duty during the time the applicant worked as a replacement, and the applicant was laid off because the employee returned to employment after active duty; or

(11) the trust fund was reimbursed for the unemployment benefits by the federal government.

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

Sec. 12. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for payment, equal to or in excess of the applicant's weekly unemployment benefit amount, in the form of:

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause does not apply to (i) vacation pay paid upon a permanent separation from employment, or (ii) vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer;

(2) severance pay, bonus pay, sick pay, and any other payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the payment is considered wages at the time of payment under section 268.035, subdivision 29; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits that are provided for in subdivision 4. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1).

An applicant is not considered to have received the lump sum payment if the applicant immediately deposits that payment in a qualified pension plan or account.

(b) This subdivision applies to all the weeks of payment. Payments under paragraph (a), clauses (1) and (2), are applied to the period immediately following the last day of employment ~~and~~. The number of weeks of payment, ~~for purposes of those clauses,~~ is determined as follows:

(1) if the payments are made periodically, the total of the payments to be received is divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum is divided by the applicant's last level of regular weekly pay from the employer.

(c) If the payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits are reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 9, is amended to read:

Subd. 9. **Business owners.** Wage credits from an employer may not be used for unemployment benefit purposes by any applicant who:

(1) individually, jointly, or in combination with the applicant's spouse, parent, or child owns or controls directly or indirectly 25 percent or more interest in the employer; ~~2~~ or

(2) is the spouse, parent, or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employer; and

~~(2) is temporarily, seasonally, or indefinitely unemployed and not permanently separated from the employment.~~

This subdivision is effective when the applicant has been paid ~~four~~ five times the applicant's weekly unemployment benefit amount in the current benefit year. This subdivision does not apply if the applicant had wages paid of \$7,500 or more from the employer covered by this subdivision in each of the 16 calendar quarters prior to the effective date of the benefit account.

EFFECTIVE DATE. This section is effective July 6, 2008, and applies to applications for unemployment benefits filed on or after that date.

Sec. 14. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 16, is amended to read:

Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking suitable employment" means those reasonable, diligent efforts an individual in similar circumstances would make if genuinely interested in obtaining suitable employment under the existing conditions in the labor market area. Limiting the search to positions that are not available or are above the applicant's training, experience, and qualifications is not "actively seeking suitable employment."

(b) To be considered "actively seeking suitable employment" an applicant must, when reasonable, contact those employers from whom the applicant was laid off because of lack of work and request suitable employment.

(c) If reasonable prospects of suitable employment in the applicant's usual or customary occupation do not exist, the applicant must actively seek other suitable employment to be considered "actively seeking suitable employment." This applies to an applicant who is seasonally unemployed.

(d) An applicant who is seeking employment only through a union is ~~not considered~~ actively seeking suitable employment ~~unless if~~ the applicant is in an occupation where ~~it is required by union rule that all the hiring in that locality is done through the union, or that all members are~~ If the applicant is a union member who is restricted to obtaining employment among signatory contractors in the construction industry, seeking employment only with those signatory contractors is considered actively seeking employment. The applicant must be a union member in good standing, registered with the union for employment, and in compliance with other union rules to be considered "actively seeking suitable employment."

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

Sec. 15. Minnesota Statutes 2006, section 268.125, subdivision 1, is amended to read:

Subdivision 1. **Additional unemployment benefits; when available.** Additional unemployment benefits are available if:

(1) a county had a total unemployment rate for the prior 12-calendar month period of at least 1.8 times the state average unemployment rate for the prior 12-calendar month period and the state average unemployment rate for the same 12-calendar month period was at least 4.6 percent. The commissioner must calculate the applicable unemployment rates within 30 calendar days following the end of the month. Once it has been calculated that the total unemployment rate in a county equals or exceeds 1.8 times the state average unemployment rate for the prior 12-calendar month period, the additional benefits are available beginning the Sunday following the date of calculation and continuing for a minimum of 13 calendar weeks. This clause expires June 30, 2009; or

(†) (2) (i) at a facility that had 100 or more employees, the employer reduced operations, resulting within a one-month period in the layoff of 50 percent or more of the facility's work force, including reductions caused as a result of a major natural disaster declared by the president;

(‡) (ii) the employer has no expressed plan to resume operations that would lead to the reemployment of those employees in the immediate future; and

(§) (iii) the seasonally adjusted unemployment rate in the county that the facility is located was ten percent or more during the month of the reduction or any of the three months before or after the month of the reduction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from January 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 268.125, subdivision 2, is amended to read:

Subd. 2. **Payment of unemployment benefits from trust fund; effect on employer.** Additional unemployment benefits are payable from the trust fund. Additional unemployment benefits paid will not be used in computing the experience rating of a taxing employer nor charged to the reimbursing account of a nonprofit or government employer. This subdivision expires June 30, 2009.

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

Sec. 17. Minnesota Statutes 2007 Supplement, section 268.125, subdivision 3, is amended to read:

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional unemployment benefits for any week during the applicant's benefit year if:

(1) for any week during which benefits are available under subdivision 1, clause (1):

(i) the applicant resides in a county that meets the requirements of subdivision 1, clause (1), and resided in that county each week that regular unemployment benefits were paid;

(ii) the applicant was not paid unemployment benefits for any week in the 12 months before the effective date of the applicant's benefit account;

(iii) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section 268.069; and

(iv) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115,

and is not entitled to receive unemployment benefits under any other state or federal law for that week. This clause expires June 30, 2009; or

~~(1)~~ (2) the applicant was laid off from employment as a result of a reduction under subdivision 1, clause (2), or was laid off because of lack of work from that employer during the three-month period before, or the three-month period after, the month of the reduction under subdivision 1, clause (2);

~~(2)~~ (3) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section ~~268.085~~ 268.069;

~~(3)~~ the applicant is not ineligible under section 268.095 because of a quit or a discharge;

(4) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week; and

(5) a majority of the applicant's wage credits were from the employer that had a reduction in operations under subdivision 1, clause (2).

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from January 1, 2008, except clause (1), item (ii), which shall be effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 268.125, is amended by adding a subdivision to read:

Subd. 6. **Notice.** The commissioner must notify applicants of the availability of additional unemployment benefits by contacting applicants by mail or electronic transmission, by posting a notice on the department's official Web site, and by appropriate announcement. This subdivision expires June 30, 2009.

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

Sec. 19. Minnesota Statutes 2006, section 299M.03, subdivision 2, is amended to read:

Subd. 2. **Journeyman certificate.** Except for residential installations by the owner of an occupied one- or two-family dwelling, a person may not install, connect, alter, repair, or add to a fire protection system, under the supervision of a fire protection contractor, unless annually certified to perform those duties as a journeyman sprinkler fitter or as a registered apprentice sprinkler fitter. This subdivision does not apply to a person altering maintaining or repairing a fire protection system if the system uses low pressure water and the system is located in a facility regulated under the federal Mine Occupational Safety and Health Act.

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

Sec. 20. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter 135, article 3, section 30, is amended to read:

341.21 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the Association of Boxing Commissions, or equivalent. Where applicable, boxing includes tough person contests.

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

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing and professional and amateur tough person and professional and amateur mixed martial arts contests.

Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Combative Sports Commission.

Subd. 4. **Combative sports contest.** "Combative sports contest" means ~~any a~~ professional boxing, a professional or amateur tough person, or a professional or amateur mixed martial art bout, ~~competition~~ contest, match, or exhibition.

Subd. 4a. **Director.** "Director" means the executive director of the commission.

Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in the most recent blood test.

Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 4e. **Individual.** "Individual" means a living human being.

Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest between two or more individuals consisting of any combination of full contact martial art including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling, or other recognized martial art.

Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited liability company, organization, or other business entity organized and existing under law, its officers and directors, or a person holding 25 percent or more of the ownership of a corporation that is authorized to do business under the laws of this state.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of ~~boxing a combative sport~~ as a means of obtaining a livelihood or pecuniary gain.

~~Subd. 6. **Director.** "Director" means the executive director of the commission.~~

Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed as tough man ~~and~~ or tough woman contests, means ~~any boxing match consisting a contest of one-minute rounds~~ two-minute rounds consisting of not more than four rounds between two or more ~~persons~~ individuals who use their hands, or their feet, or both, in any manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized martial arts ~~competition~~ contest.

Subd. ~~8.~~ ~~**Mixed martial arts.**~~ ~~"Mixed martial arts" means any combination of boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

Sec. 21. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

341.22 ~~BOXING~~ COMBATIVE SPORTS COMMISSION.

There is hereby created the Minnesota ~~Boxing~~ Combative Sports Commission consisting of nine members who are citizens of this state. The members must be appointed by the governor. One member of the commission must be a retired judge of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and at least ~~three~~ four members must have knowledge of the boxing industry. At least four members must have knowledge of the mixed martial arts industry. The governor shall make serious efforts to appoint qualified women to serve on the commission. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements must be as provided in sections 214.07 to 214.09. Unless otherwise provided, the provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations ~~must be~~ are as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

Sec. 22. Minnesota Statutes 2006, section 341.23, is amended to read:

341.23 LIMITATIONS.

No member of the ~~Boxing~~ commission may directly or indirectly promote a ~~boxing~~ contest, directly or indirectly engage in the managing of a ~~boxer~~ combatant, or have an interest in any manner in the proceeds from a ~~boxing~~ combative sport contest.

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

Sec. 23. Minnesota Statutes 2007 Supplement, section 341.25, is amended to read:

341.25 RULES.

(a) The commission may adopt rules that include standards for the physical examination and condition of ~~boxers~~ combatants and referees.

(b) The commission may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of ~~boxing exhibitions, bouts, and fights,~~ all combative sport contests and their manner, supervision, time, and place. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

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

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

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

Sec. 24. Minnesota Statutes 2006, section 341.26, is amended to read:

341.26 MEETINGS.

The commission shall hold a regular meeting quarterly and may hold special meetings. Except as otherwise provided in law, all meetings of the commission must be open to the public and reasonable notice of the meetings must be given under chapter 13D. If compliance with section 13D.02 is impractical, the commission may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the commission participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the commission can hear clearly all discussion and testimony and all votes of members of the commission and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the commission is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

Each member of the commission participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The commission may require the person making such a connection to pay for documented costs that the commission incurs as a result of the additional connection.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and that a person may monitor the meeting electronically from a remote location. The timing and method of providing notice is governed by section 13D.04.

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

Sec. 25. Minnesota Statutes 2007 Supplement, section 341.27, is amended to read:

341.27 COMMISSION DUTIES.

The commission shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the commission open to inspection at all reasonable times;
- (4) assist the director in the development of rules to be implemented under this chapter;

(5) conform to the rules adopted under this chapter; ~~and~~

(6) develop policies and procedures for regulating mixed martial arts;

(7) immediately suspend an individual license for a medical condition, including but not limited to a medical condition resulting from an injury sustained during a match, bout, or contest that has been confirmed by the ringside physician. The medical suspension must be lifted after the commission receives written information from a physician licensed in the home state of the licensee indicating that the combatant may resume competition, and any other information that the commission may by rule require. Medical suspensions are not subject to section 214.10; and

(8) evaluate the performance and compensation of the director, including eligibility for salary increases, in keeping with state procedures.

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

Sec. 26. **[341.271] GIFT AUTHORITY.**

The commission may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in section 341.27. The commission may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the commission.

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

Sec. 27. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter 135, article 3, sections 34, 35, is amended to read:

341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORT CONTESTS.

Subdivision 1. **Regulatory authority; ~~boxing~~ combative sports.** All ~~professional boxing combative sport~~ contests are subject to this chapter. ~~Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces.~~ The commission shall, for every ~~boxing~~ combative sport contest:

(1) direct a commission member to be present; and

(2) direct the attending commission member to make a written report of the contest.

All ~~boxing~~ combative sport contests within this state must be conducted according to the requirements of this chapter.

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

Subd. 2. **Regulatory authority; tough person contests.** All ~~professional and amateur tough person contests, including amateur tough person contests,~~ are subject to this chapter. All tough person contests are subject to ~~American Association of Boxing Commission (ABC) Commissions~~ rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four total rounds. Officials at all tough person bouts contests shall be licensed under this chapter.

Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting events.** All professional and amateur mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter and all officials at these events must be licensed under this chapter.

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

Sec. 28. Minnesota Statutes 2006, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSION.

The commission shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all boxing combative sports contests ~~and tough person contests~~ that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter; and

(3) grant a license to an applicant if, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, convenience, or necessity and the best interests of boxing combative sports and conforms with this chapter and the commission's rules.

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

Sec. 29. Minnesota Statutes 2006, section 341.30, is amended to read:

341.30 LICENSURE REQUIREMENTS.

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

Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any boxing combative sport contest, a corporation, partnership, limited liability company, or other business entity organized and existing under law, its officers and directors, and any person holding 25 percent or more of the ownership of the corporation shall obtain a license from the commission and must be authorized to do business under the laws of this state.

Subd. 3. **Background investigation.** The commission may require referees, judges, ~~matchmakers,~~ promoters, and ~~boxers~~ combatants to furnish fingerprints and background information under commission rules before licensure. The commission shall charge a fee for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, ~~matchmakers,~~ promoters, and ~~boxers~~ combatants to furnish fingerprints and background information before license renewal. The fee may include a reasonable charge for expenses incurred by the commission or the Department of Public Safety. For this purpose, the commission and the Department of Public Safety may enter into an interagency agreement.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, ~~matchmaker~~, corporation, or other business entity, the applicant shall:

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

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

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter shall submit an application a minimum of six weeks before the combative sport contest is scheduled to occur.

(c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commission by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The neurological examination must include an electroencephalogram or medically superior test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other athletic competition~~ contest. The commission may also order an electroencephalogram or other appropriate neurological or physical examination before any contest, ~~match, or exhibition~~ if it determines that the examination is desirable to protect the health of the ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV.

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

Sec. 30. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter 135, article 3, section 36, is amended to read:

341.32 LICENSE FEES; EXPIRATION; RENEWAL.

Subdivision 1. **Annual licensure.** The commission may establish and issue annual licenses subject to the collection of advance fees by the commission for promoters, ~~matchmakers~~, managers, judges, referees, ring announcers, ringside physicians, timekeepers, ~~boxers~~ combatants, ~~boxers'~~ trainers, ~~boxers'~~ seconds, business entities filing for a license to participate in the holding of any ~~boxing~~ contest, and officers, directors, or other persons affiliated with the business entity.

Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, is valid for one year from the date it is issued and may be renewed by filing an application for renewal

with the commission and payment of the license ~~fee~~ fees established in section 341.321. An application for a license and renewal of a license must be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

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

Sec. 31. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the ~~Minnesota Boxing~~ commission is as follows:

- (1) referees, ~~\$45~~ \$25 for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$45~~ \$25 for each initial license and each renewal;
- (4) trainers, ~~\$45~~ \$25 for each initial license and each renewal;
- (5) ring announcers, ~~\$45~~ \$25 for each initial license and each renewal;
- (6) ~~boxers'~~ seconds, ~~\$45~~ \$25 for each initial license and each renewal;
- (7) timekeepers, ~~\$45~~ \$25 for each initial license and each renewal;
- (8) ~~boxers~~ combatants, ~~\$45~~ \$25 for each initial license and each renewal;
- (9) managers, ~~\$45~~ \$25 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$45~~ \$25 for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a combatant license on the same day the combative sporting event is held shall pay a fee of \$100 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commission is as follows:

- (1) referees, \$10 for each initial license and each renewal;
- (2) promoters, \$100 for each initial license and each renewal;
- (3) judges and knockdown judges, \$10 for each initial license and each renewal;
- (4) trainers, \$10 for each initial license and each renewal;
- (5) ring announcers, \$10 for each initial license and each renewal;
- (6) seconds, \$10 for each initial license and each renewal;
- (7) timekeepers, \$10 for each initial license and each renewal;
- (8) combatant, \$10 for each initial license and each renewal;
- (9) managers, \$10 for each initial license and each renewal; and

(10) ringside physicians, \$10 for each initial license and each renewal.

(c) The commission shall establish ~~and assess an event a contest~~ fee for each ~~sporting event~~ combative sport contest. The ~~event contest~~ fee is ~~set at a minimum of~~ \$1,500 per event or ~~a percentage~~ not more than four percent of the gross ticket sales as determined by the commission when the ~~sporting event~~ combative sport contest is scheduled, except that the amateur combative sport contest fee shall be \$150. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. An amateur combative sport contest fee is nonrefundable.

~~(c)~~ (d) All fees and penalties collected by the ~~Minnesota Boxing~~ commission must be deposited in the ~~Boxing~~ commission account in the special revenue fund.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 32. Minnesota Statutes 2006, section 341.33, is amended to read:

341.33 PHYSICAL EXAMINATION REQUIRED; FEES.

Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants must be examined by a physician licensed by this state within ~~three~~ 36 hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination ~~shall~~ may report on the condition of the ~~boxer's~~ combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the ~~boxer's~~ combatant's nervous system and brain as required by the commission. The physician may prohibit the ~~boxer~~ combatant from entering the ring if, in the physician's professional opinion, it is in the best interest of the ~~boxer's~~ combatant's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~ combative sport contest, shall have in attendance a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

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

Sec. 33. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

Subdivision 1. **Required insurance.** The commission shall:

(1) require insurance coverage for a ~~boxer~~ combatant to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least ~~\$20,000~~ \$10,000 and payable to the ~~boxer~~ combatant as beneficiary; and

(2) require life insurance for a ~~boxer~~ combatant in the amount of at least ~~\$20,000~~ \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

Sec. 34. Minnesota Statutes 2006, section 341.35, is amended to read:

341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.

Any person or persons who send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public ~~boxing or sparring~~ combative sport match or contest, with or without gloves, for any prize, reward, or compensation, or for which any admission fee is charged directly or indirectly, or go into training preparatory for the fight, exhibition, or contest, or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at the fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of any ground, building, or structure of any kind permitting the same to be used for any fight, exhibition, or contest, is guilty of a misdemeanor unless ~~a license~~ the licenses required for the holding of the fight, exhibition, or contest ~~has~~ have been issued by the commission in compliance with the rules adopted by it.

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

Sec. 35. **[341.355] PENALTIES.**

When the commission finds that a person has violated one or more provisions of any statute, rule, or order that the commission is empowered to regulate, enforce, or issue, the commission may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both.

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

Sec. 36. Minnesota Statutes 2006, section 341.37, is amended to read:

341.37 APPROPRIATION.

A ~~Boxing~~ commission account is created in the special revenue fund. Money in the account is annually appropriated to the ~~Boxing~~ commission for the purposes of conducting its statutory responsibilities and obligations.

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

Sec. 37. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 3, is amended to read:

Subd. 3. **Program administration.** (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

(1) whose projects are listed on the Pollution Control Agency's project priority list;

(2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and

(3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency.

(b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the

clean water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency shall:

(1) calculate the essential project component percentage which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify approved projects to the authority.

~~(d) At the time funds are appropriated under this section, Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list. The authority shall reserve supplemental assistance funds for projects in order of their rankings on the Pollution Control Agency's project priority list and a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or submits plans and specifications to the Pollution Control Agency. Funds must be reserved in an amount based on their most recent the project cost estimates estimate submitted to the authority or prior to the appropriation of the funds and awarded in the amount reserved or an amount based on the as-bid costs, whichever is less.~~

Sec. 38. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 5a, is amended to read:

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a grant of up to ~~one-half~~ 65 percent of the eligible grant ~~amount need~~ determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project for which the USDA/RECD is unable to fully fund ~~up to one-half~~ its share of the eligible grant ~~amount need~~, the authority may provide up to an additional \$1,000,000 for each additional governmental unit participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, but not to exceed the maximum grant level determined by the USDA/RECD as needed to keep the project affordable.

(b) For a governmental unit not receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a loan for the eligible project costs plus the outstanding balance on any existing wastewater system debt that together exceed five percent of the market value of properties in the project service area, less the amount of any other grant funding received by the governmental unit for the project. A governmental unit may not receive a loan under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project, the authority may provide a loan under this paragraph for up to an additional \$1,000,000 for each additional municipality participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. A loan under this paragraph must bear no interest, must be repaid as provided in subdivision 7, and must only be provided in conjunction with a loan from the clean water revolving fund under section 446A.07.

(c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the authority shall provide

assistance in the form of half grant and half loan. Assistance from the authority may not be more than \$25,000 per existing connection. Any additional grant amount received for the same project must be used to reduce the amount of the governmental unit's loan from the clean water ~~pollution control~~ revolving fund that exceeds five percent of the market value of properties in the project service area.

Sec. 39. Minnesota Statutes 2007 Supplement, section 446A.086, is amended to read:

446A.086 STATE MAY GUARANTEE ~~COUNTY~~ GOVERNMENTAL UNIT BUILDING DEBT; REPAYMENT.

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

(b) "Authority" means the Minnesota Public Facilities Authority.

(c) "Commissioner" means the commissioner of finance.

(d) "Debt obligation" means:

(1) a general obligation bond issued by a county, a bond to which the general obligation of a county is pledged under section 469.034, subdivision 2, or a bond payable from a county lease obligation under section 641.24, to provide funds for the construction of:

~~(1)~~ (i) jails;

~~(2)~~ (ii) correctional facilities;

~~(3)~~ (iii) law enforcement facilities;

~~(4)~~ (iv) social services and human services facilities;

~~(5)~~ (v) solid waste facilities; or

~~(6)~~ (vi) qualified housing development projects as defined in section 469.034, subdivision 2; or

(2) a general obligation bond issued by a governmental unit to provide funds for the construction, improvement, or rehabilitation of:

(i) wastewater facilities;

(ii) drinking water facilities;

(iii) stormwater facilities; or

(iv) any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs, for which bonds are issued by the authority under section 446A.087.

(e) "Governmental unit" means a county or a statutory or home rule charter city.

Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of principal and interest on debt obligations if:

(1) the obligations are issued after June 30, 2000;

(2) application to the Public Facilities Authority is made before issuance; and

(3) the obligations are covered by an agreement meeting the requirements of subdivision 3.

(b) Applications to be covered by the provisions of this section must be made in a form and contain the information prescribed by the authority. Applications are subject to either a fee of \$500 for the first each bond issue requested by the a county and \$250 for each bond issue thereafter or governmental unit or the applicable fees under section 446A.087.

(c) Application fees paid under this section must be deposited in a separate county credit enhancement bond guarantee account in the general fund. Money in the county credit enhancement bond guarantee account is appropriated to the authority for purposes of administering this section.

(d) Neither the authority nor the commissioner is required to promulgate administrative rules under this section and the procedures and requirements established by the authority or commissioner under this section are not subject to chapter 14.

Subd. 3. **Agreement.** (a) For specified debt obligations ~~of a county~~ to be covered by this section, the county governmental unit must enter an agreement with the authority obligating the county governmental unit to be bound by this section.

(b) This agreement must be in a form prescribed by the authority and contain any provisions required by the authority, including, at least, an obligation to:

(1) deposit with the paying agent three days before the date on which the payment is due an amount sufficient to make that payment or ten days prior to the date a payment is due on revenue bonds issued by the authority under section 446A.087;

(2) notify the authority, if the county governmental unit will be unable to make all or a portion of the payment; and

(3) include a provision in the bond resolution and county's agreement with the paying agent for the debt obligation that requires the paying agent to inform the commissioner if it becomes aware of a default or potential default in the payment of principal or interest on that issue or if, on the day two business days before the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent.

(c) Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date.

(d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

(e) This section and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).

Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a default or potential default in payment of principal or interest in debt obligations covered by this section or an agreement under this section, and after consultation with the county, governmental unit and the paying agent, and after verification of the accuracy of the information provided, the authority shall notify the commissioner of the potential default. The notice must include a final figure as to the amount due that the county governmental unit will be unable to repay on the date due.

(b) Upon receipt of this notice from the authority, the commissioner shall issue a warrant and authorize the authority to pay to the bond holders or paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the authority from the general fund.

Subd. 5. **Interest on state paid amount.** If the state has paid part or all of the principal or interest due on a county's debt obligation, the amount paid bears interest from the date paid by the state until the date of repayment. The interest rate is the commissioner's invested cash rate as it is certified by the commissioner. Interest only accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7 and other payments received from the county governmental unit.

Subd. 6. **Pledge of county's governmental unit's full faith and credit.** If the state has paid part or all of the principal or interest due on a county's debt obligation, the county's governmental unit's pledge of its full faith and credit and unlimited taxing powers to repay the principal and interest due on those debt obligations becomes, without an election or the requirement of a further authorization, a pledge of the full faith and credit and unlimited taxing powers of the county governmental unit to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 7. **Aid reduction for repayment.** (a) Except as provided in paragraph (b), the commissioner may reduce, by the amount paid by the state under this section on behalf of the county governmental unit, plus the interest due on the state payments, the county program local government aid under ~~section 477A.0124~~ chapter 477A. The amount of any aid reduction reverts from the appropriate account to the state general fund.

(b) If, after review of the financial situation of the county governmental unit, the authority advises the commissioner that a total reduction of the aids would cause an undue hardship on the county governmental unit, the authority, with the approval of the commissioner, may establish a different schedule for reduction of aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the county governmental unit from other revenue sources.

Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a county governmental unit may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the county governmental unit. The proceeds of this levy may be used only for this purpose unless they exceed the amount actually due. Any excess must be used to repay other state payments made under this section or must be deposited in the debt redemption fund of the county governmental unit. The amount of aids to be reduced to repay the state are decreased by the amount levied.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the authority shall require the county governmental unit to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the county governmental unit. To prevent undue hardship, the authority may allow the county governmental unit to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in

which case the excess must be used to repay other state payments made under this section or must be deposited in the debt redemption fund of the county governmental unit. If the authority orders the county governmental unit to levy, the amount of aids reduced to repay the state are decreased by the amount levied.

(c) A levy under this subdivision is an increase in the levy limits of the county governmental unit for purposes of section 275.065, subdivision 6, and must be explained as a specific increase at the meeting required under that provision.

Subd. 9. **Mandatory plan; technical assistance.** If the state makes payments on behalf of a county governmental unit under this section or the county governmental unit defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the authority for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. If the authority determines that a county's governmental unit's plan is not adequate, the authority shall notify the county governmental unit that the plan has been disapproved, the reasons for the disapproval, and that the state will not make future payments under this section for debt obligations of the affected county governmental unit issued after the date specified in that notice until its plan is approved. The authority may also notify the county governmental unit that until its plan is approved, aids due the county governmental unit will be withheld after a date specified in the notice.

Subd. 10. **Continuing disclosure agreements.** The authority may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of counties governmental units to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. The agreements or contracts may be in any form the authority deems reasonable and in the state's best interests.

Subd. 11. **Amount of debt obligation authorized.** The amount of debt outstanding under this section must not exceed \$500,000,000.

Sec. 40. **[446A.087] CREDIT ENHANCED BOND PROGRAM.**

Subdivision 1. **Establishment of program.** A credit enhanced bond program is established for the purposes set forth in subdivision 2.

Subd. 2. **Purpose.** The purpose of the credit enhanced bond program is to provide loans to governmental units through the purchase of general obligation bonds of governmental units issued to finance all or a portion of the costs of a project. The program shall include providing credit enhancement to the general obligation bonds of the governmental unit through the guarantee program as provided in section 446A.086. The authority shall obtain funds to make the loans authorized pursuant to this section through the issuance of its revenue bonds payable from loan repayments pledged to the bonds, and such other sources and security as are specifically pledged by the authority.

Subd. 3. **Definitions.** (a) Terms used in this section have the meanings given to them in this subdivision.

(b) "Applicant" means any governmental unit applying to the authority for a loan pursuant to this section.

(c) "Borrower" means any governmental unit that has entered into a commitment for the sale of its general obligation bonds to the authority pursuant to this section and

subsequently sells its general obligation bonds to the authority and enters into a regulatory agreement.

(d) "Commitment" means a written agreement between a governmental unit and the authority obligating the governmental unit to deliver its general obligation bonds to the authority on a date in the future evidencing a loan pursuant to this section and to enter into a regulatory agreement with the authority, all upon the terms and conditions set forth in the commitment.

(e) "Eligible cost" means any cost of a project authorized by law to be financed from the proceeds of general obligation bonds of a governmental unit.

(f) "General obligation bonds" means bonds or notes secured by the full faith and credit and unlimited taxing powers of a governmental unit.

(g) "Project" means the construction, improvement, or rehabilitation of any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs.

(h) "Regulatory agreement" means a written agreement entered into by the authority and a borrower in connection with the purchase of the borrower's general obligation bonds by the authority pursuant to this section.

Subd. 4. **Establishment of fund and accounts.** A credit enhancement bond program fund is established for the purposes described in subdivision 2. Other accounts may be established in the fund as necessary for its management and administration. Money in the fund is annually appropriated to the authority and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for fees assessed under section 446A.04, subdivisions 5 and 15.

Subd. 5. **Management of fund and accounts.** The authority shall manage and administer the credit enhancement bond program fund and individual accounts in the fund. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 6. **Applications.** (a) Applicants for participation in the credit enhancement bond program must submit an application to the authority on forms prescribed by the authority. The applicant shall provide information customary to that needed for the disclosure purposes in issuing general obligation bonds in the market, in addition to the following information:

(1) the total estimated cost of the project and the amount of general obligation bond proceeds sought;

(2) other sources of funding if the general obligation bond proceeds do not cover the entire costs identified;

(3) the proposed sources of funds to be used for repayment of the general obligation bonds;

(4) information showing the applicant's financial status and ability of the applicant to repay loans;

(5) the proposed term and principal repayment schedule for the general obligation bonds of the applicant; and

(6) the statutory authorization for the applicant to issue such general obligation bonds, together with a statement that the statutory provision authorizes the use of proceeds of such general obligation bonds to pay the costs of a project.

(b) The authority may establish deadlines or time periods for the submission of applications to facilitate funding loans from the proceeds of a specific bond issue proposed or previously issued by the authority, or the authority may accept applications from time to time.

(c) Each application must be complete and accurate to be considered delivered to and received by the authority or to be considered as having met any deadline established by the authority with respect to an application period. If any application is determined by the authority to be incomplete or inaccurate, the authority shall notify the applicant and specify the missing or inaccurate information.

(d) The executive director and the staff of the authority shall evaluate the applications to determine if the application should be accepted or rejected by the authority.

(e) The authority is not obligated to accept any application including those complete and accurate and submitted by any specified deadline for submission if the authority determines that it is not practicable to fund the loan for any reason including, but not limited to, the creditworthiness of the applicant, the proposed loan amount, the term and repayment schedule, the sources of funding available to the authority, and current market conditions. Upon acceptance and approval of an application by the authority, the authority may require that the applicant authorize, execute, and deliver a commitment to the authority within such time period specified by the authority in its acceptance of the application. The authority may reject an approved application for failure by the applicant to authorize, execute, and deliver a commitment by the specified deadline.

Subd. 7. **Loan terms and conditions.** (a) The terms and conditions of loans provided by the authority pursuant to the credit enhanced bond program are as provided by this section, any applicable bond resolution or series bond resolution of the authority, any trust indenture pursuant to which any series of bonds of the authority are issued, the regulatory agreement, the commitment and the general obligation bond, and the authorizing resolution of the borrower.

(b) The loan must be made by the authority through its purchase of the general obligation bond of the borrower. The borrower shall provide the authority with the opinion of nationally recognized bond counsel as to the valid authorization, issuance, and enforceability of the general obligation bond of the borrower, and the exclusion of interest thereon from gross income for the purposes of federal taxation, subject to customary qualifications. The general obligation bond of the borrower may pledge other specified sources of revenues for repayment to the extent permitted or required by law, in addition to the full faith and credit and unlimited taxing powers of the borrower.

(c) The authority may disburse the proceeds of the loan as a single payment for the general obligation bond or from time to time pursuant to draw requests if the general obligation bond of the borrower is structured as a periodic drawdown bond. In the event the authority pays for the general obligation bond in a single payment, the borrower shall establish a project account and disburse the proceeds of its general obligation bond solely for costs of the project approved in its application pursuant to such additional requirements specified in the regulatory agreement.

(d) In order to facilitate the issuance of the authority's revenue bonds to finance a pool of loans to different borrowers, the authority may require the borrower in the commitment to issue its general obligation bond on a date certain in the future, and may require the borrower to pay the costs incurred by the authority as a result of the borrower's failure to deliver its general obligation bond as required by the commitment. The commitment may also require the borrower to provide to the authority full disclosure of all material facts and financial information relating to the borrower that would be required if the borrower issued its general obligation bond to the public, certified as to completeness and accuracy by authorized officers of the borrower, and authorization for the authority to use such information in connection with the sale of the authority's revenue bonds or disclosure relating to the authority's revenue bonds.

(e) In addition to delivering its general obligation bond, each borrower shall enter into a regulatory agreement with the authority providing additional terms of the loan as the authority may specify, including providing to the authority periodic reports and information relating to the acquisition or construction of the project and use of the proceeds of the borrower's general obligation bond and periodic operating, financial, and other information as to the creditworthiness of the borrower, and providing and filing continuing secondary market disclosure to the extent required by the authority.

(f) The purchase or commitment to purchase general obligation bonds of borrowers by the authority shall be subject to the availability of proceeds of revenue bonds of the authority for such purpose and the authority is not liable to any borrower for the failure to purchase its general obligation bond pursuant to a commitment or any other agreement if proceeds of the authority's revenue bonds are not available for any reason.

Subd. 8. **Interest rate determination.** The rate of interest on the general obligation bonds of the borrower must be the true interest cost on the revenue bonds of the authority issued to purchase such general obligation bonds of the borrower plus the ongoing percentage fee charged by the authority under subdivision 10; provided that the interest rate must not exceed any limit imposed by federal tax law with respect to the authority's revenue bonds.

Subd. 9. **Market considerations.** The authority may suspend offering loans if it is determined by the executive director that there are extreme or unusual events impacting the bond market and that to continue making loans would be detrimental to holders of the authority's revenue bonds or the financial viability of the credit enhanced bond program, or if the state is warned by one of its rating agencies that continuing to make loans will result in lowering the state's bond rating. If the making of loans is suspended under this section, the authority shall have the option to resume making loans once it has determined that the conditions for suspending the program no longer exist.

Subd. 10. **Fees.** The authority shall charge a nonrefundable application fee of \$1,000 payable by each applicant upon submission of an application to the authority. A separate application fee must be payable for each application submitted, including a resubmitted application for an application that was rejected by the authority or determined to be incomplete or inaccurate by the authority. The authority shall charge an ongoing periodic fee of ten basis points of the outstanding principal amount of the loan to be added to, and be a component of, the interest rate on the general obligation bonds of the borrower.

Subd. 11. **Authority revenue bonds.** (a) The authority is authorized to issue revenue bonds as provided in this chapter to fund the credit enhanced bond program. The revenue bonds may be issued in one or more series pursuant to a resolution of the

authority or a series resolution or pursuant to a trust indenture with a financial institution with trust powers as trustee, authorized by resolution of the authority. Any issue of bonds may be used to fund one or more loans, may be payable by the loans funded from such issue of bonds and such additional loans as pledged by the authority, and may be payable on a subordinated basis to other bonds. As permitted by the terms of any revenue bonds issued by the authority, the authority may sell the general obligations pledged to the payment of the revenue bonds and any proceeds of the sale in excess of those used to pay the principal of the revenue bonds must be deposited to the credit enhanced bond program fund and may be used to purchase additional general obligation bonds of borrowers, to provide credit enhancement for the authority's revenue bonds, or to pay any other expense of the credit enhanced bond program.

(b) The authority may issue short-term bonds in anticipation of issuing long-term bonds for the purpose of acquiring general obligation bonds of borrowers.

(c) Bonds issued by the authority for the credit enhanced bond program must not be general obligations of the authority to the payment of which the general assets of the authority are pledged or available for payment. All bonds issued for the credit enhanced bond programs by the authority must be revenue bonds payable solely from the sources specified in the bond.

Subd. 12. **Reports, disclosure, audits.** (a) During the term of the loan the borrower shall provide written reports to the authority. The content and timing of these reports must be as specified in the regulatory agreement.

(b) During the term of the loan the borrower shall disclose to the authority any material information or events adversely affecting the creditworthiness of the borrower as specified in the regulatory agreement. If required by the authority in a regulatory agreement, the borrower shall enter into a continuing disclosure undertaking to provide disclosure to the market.

(c) During the term of the loan, the borrower shall provide to the authority on an annual basis financial statements of the borrower audited by an independent accounting firm, as further specified in the regulatory agreement.

Sec. 41. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 42. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$3,000,000,000~~ \$5,000,000,000.

Sec. 43. **[469.35] TRANSIT IMPROVEMENT AREA ACCOUNTS.**

Two transit improvement area accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants or loans as provided in section 469.351 and for the commissioner's costs in reviewing applications and making loans or grants. Money in the accounts must not be used to pay for the operation of transit lines or the construction or operating costs of transit stations.

Sec. 44. **[469.351] TRANSIT IMPROVEMENT AREA LOAN PROGRAM.**

Subdivision 1. **Definitions.** (a) The terms defined in this section have the meanings given them and apply to sections 469.35 and 469.351.

(b) "Applicant" means a local governmental unit or a joint powers board, established under section 471.59.

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

(d) "Eligible organization" means an applicant that has been designated as a transit improvement area by the commissioner.

(e) "Local governmental unit" means a statutory or home rule charter city or town, or a county.

(f) "Transit improvement area" means a geographic area designated by the commissioner composed of land parcels that are in proximity to a transit station.

(g) "Transit station" means a physical structure to support the interconnection of public transit modes including at least one of the following modes: bus rapid transit, light rail transit, and commuter rail.

Subd. 2. **Designation of transit improvement areas.** A transit improvement area must increase the effectiveness of a transit project by incorporating one or more public transit modes with commercial, residential, or mixed-use development and by providing for safe and pedestrian-friendly use. The commissioner, in consultation with affected state and regional agencies, must designate transit improvement areas that meet the objectives under this subdivision. Affected state and regional agencies include, but are not limited to, the Minnesota Department of Transportation, the Minnesota Housing Finance Agency, and the Metropolitan Council for transit improvement areas located in the seven-county metropolitan region. To be eligible for designation, an applicant must submit a transit area improvement plan according to the requirements and timelines established by the commissioner. At a minimum, the plan must include the information specified under subdivision 3. The commissioner may modify an applicant's plan to better achieve the objectives of transit improvement areas. The commissioner must notify applicants of the designations and must provide a statement of any changes to an applicant's plan with justification for all changes.

Subd. 3. **Transit area improvement plan.** (a) An applicant must adopt a transit area improvement plan by resolution before submitting the application to the commissioner with the information required in this subdivision. Each transit area improvement plan must include the following:

- (1) a map indicating the geographic boundaries of the transit improvement area;
- (2) a description of the project for which funding under subdivision 4 is being requested;
- (3) an analysis of the demographic mix of people who are anticipated to use the transit station;
- (4) a description of the ownership and intended use of public and private facilities to be constructed in the transit improvement area, including infrastructure, buildings and other structures, and parks;
- (5) a description of pedestrian-friendly improvements to be provided, including walkways, parkways, and signage;
- (6) a statement of findings that the redevelopment or development of the transit improvement area promotes higher density land uses resulting in increased transit ridership;
- (7) a statement of the anticipated sources and amounts of local public funds;
- (8) a statement of the anticipated sources and amounts of private funds;
- (9) a statement of the anticipated sources and amounts of leveraged regional, state, and federal funds;
- (10) a description of the linkages to existing and proposed local, regional, and state transit systems; and
- (11) a description of other factors in the proposed development to increase ridership.

(b) Transit improvement area plans with a residential component must propose at least 12 residential units per acre or a density bonus that allows for an increase in the number of residential units over what is permitted by the underlying zoning. The plan must include a description of the variety of housing types, including housing appropriate for low income persons, disabled persons, and senior citizens and the prices for each housing type within the transit improvement area.

Subd. 4. **Transit improvement area loans.** (a) The commissioner may make loans to eligible organizations to be used for eligible costs under paragraph (b). A loan must be used for a designated transit improvement area, under the following terms:

- (1) the eligible organization must guarantee repayment of 100 percent of the loan;
- (2) a loan must be for a term of ten years, unless repayment is from a tax increment financing district or other state or federal funds, at an interest rate of two percent;
- (3) the eligible organization must make annual interest-only payments during the ten-year term of the loan;
- (4) the eligible organization must pay the entire principal amount of the initial loan at the end of the ten-year term;
- (5) a loan may not exceed \$2,000,000;

(6) the commissioner must disburse the loan on a cash-needs basis, based on costs incurred by the eligible organization, as well as reporting and other requirements outlined in subdivision 5;

(7) the eligible organization must maintain the funds in accounts that allow the funds to be readily available for business investments;

(8) the eligible organization and the commissioner may agree on contract specifications that are consistent with payback from a tax increment financing district or from any other state and federal funds that may be forthcoming; and

(9) an eligible organization that receives a loan must report annually, in a format prescribed by the commissioner, on the nature and amount of the business investments in the transit improvement area, including an account of each financing transaction involving loans received under this section, the types and amounts of financing from sources other than the transit improvement area loan, the number of jobs created, and the amount of private sector and nonstate investment leveraged.

(b) Loans under this section must be used to supplement and not replace funding from existing sources or programs. Loans must not be used for the construction costs of transit stations; transit systems; or the operating costs of public transit or transportation, including, but not limited to, the costs of maintaining, staffing, or operating transit stations. Loans from the bond proceeds fund must be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature. Loans can be used for the following eligible expenditures according to an approved transit area improvement plan:

(1) clearing land;

(2) relocation costs;

(3) corrections for soil, including removing or remediation of hazardous substances;

(4) construction or installation of walkways, bridges or tunnels for pedestrians, bikeways, parking facilities, and signage;

(5) improvements to streetscapes;

(6) construction of public infrastructure to support construction of new affordable housing, senior housing, or housing for disabled persons;

(7) construction of public infrastructure to support job creation in the area, especially small business development;

(8) developing green spaces and parks; and

(9) administrative expenses of the local authority.

(c) All loan repayments under this section must be made to the appropriate account under section 469.35 for reinvestment in transit improvement areas.

Subd. 5. **Loan requirements.** All loans under this section are subject to an investment agreement that must include:

(1) a description of the eligible organization, including business finance experience, qualifications, and investment history;

(2) a description of the uses of investment proceeds by the eligible organization;

(3) an explanation of the investment objectives; and

(4) a description of the method of payment.

Sec. 45. Laws 2002, chapter 382, article 2, section 5, subdivision 3, as added by Laws 2003, chapter 128, article 9, section 10, subdivision 3, is amended to read:

Subd. 3. **Removal of area.** After adopting the first plan, any of the local governmental units can elect not to be included within the central iron range sanitary sewer district by delivering a written resolution of the governing body of the governmental unit to the central iron range sanitary sewer district within ~~60~~ 180 days of adoption of the first comprehensive plan. The area of the local governmental unit shall then be removed from the district.

EFFECTIVE DATE. This section is effective the day after the governing bodies of the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of Balkan and Great Scott, and their chief clerical officers have timely complied with Minnesota Statutes, section 645.021.

Sec. 46. **CENTRAL IRON RANGE SANITARY SEWER DISTRICT.**

Local approval of Laws 2003, chapter 128, article 9, amending portions of Laws 2002, chapter 382, article 2, having been timely completed by the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of the towns of Balkan and Great Scott, is approval of Laws 2002, chapter 382, article 2. Laws 2002, chapter 382, article 2, is effective December 27, 2003, upon completion of local approval of this section under Minnesota Statutes, section 645.021. Actions undertaken in accordance with Laws 2002, chapter 382, article 2, as amended by Laws 2003, chapter 128, article 9, are validated by this section.

EFFECTIVE DATE. This section is effective the day after the governing bodies of the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of Balkan and Great Scott, and their chief clerical officers have timely complied with Minnesota Statutes, section 645.021.

Sec. 47. **[116J.578] BIOSCIENCE SUBSIDY.**

Any bioscience or biotechnology project financed in whole or in part by state appropriations or other public subsidies must document how and to what extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance.

Sec. 48. **INITIAL ADMINISTRATION.**

Subdivision 1. **Convening authority.** The commissioner of employment and economic development or the commissioner's designee shall convene the initial organizational meeting of the trade policy advisory group.

Subd. 2. **Deadline for appointments and designations.** The appointments and designations authorized by Minnesota Statutes, section 116J.977, subdivision 2, must be complete by September 30, 2008.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 49. **MINNESOTA VACATION RENTAL LODGING STUDY.**

Explore Minnesota Tourism shall conduct a study of vacation rental lodging in Minnesota and report to the legislature any recommendations needed to protect consumers, ensure tax compliance, promote safe rentals, and promote tourism in Minnesota.

Explore Minnesota Tourism shall consult with the Minnesota Department of Revenue, Minnesota Department of Health, political subdivisions, and representatives of the tourism industry including resorts, bed and breakfast establishments, cabin owner associations, convention and visitor bureaus, and others to determine and recommend regulations or legislation to define and promote the vacation rental lodging.

Explore Minnesota Tourism shall report by January 15, 2009, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over any recommendations developed from the study, including any proposed legislation.

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

Sec. 50. **MINNESOTA UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; RECOMMENDATIONS REQUIRED.**

The Minnesota Unemployment Insurance Advisory Council must provide a recommendation to the chairs and ranking minority members of the senate and house committees with jurisdiction over unemployment insurance by January 15, 2009, on modifications to the additional unemployment insurance benefits provisions of Minnesota Statutes, section 268.125, to better meet the needs of Minnesota's changing workforce. Consideration in determining benefit entitlement must be given, but is not limited to, the following:

(1) if the applicant's residence within a county, or some other type of regional or labor market area, should be a factor;

(2) if prior work history should be a factor;

(3) if the industry worked in should be a factor;

(4) if the applicant's primary occupation should be a factor;

(5) if benefits should be limited to applicants unemployed only because of a layoff due to lack of work; and

(6) if the size of the prior employer's workforce and the percentage decrease in employment should be a factor.

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

Sec. 51. **REVISOR'S INSTRUCTION; UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.**

The revisor of statutes shall make the following changes in Minnesota Statutes:

(1) renumber Minnesota Statutes, section 268.196, subdivision 3, as Minnesota Statutes, section 268.199;

(2) renumber Minnesota Statutes, section 268.196, subdivision 4, as Minnesota Statutes, section 268.211;

(3) change "additional assessments" to "special assessments" and change "shall" to "must" in Minnesota Statutes, section 268.051, subdivision 1;

(4) change "referee" to "unemployment law judge" in Minnesota Statutes, section 10A.01, subdivision 35, clause (11);

(5) change "determination of eligibility or ineligibility" to "determination of eligibility or determination of ineligibility" in Minnesota Statutes, section 268.101, subdivision 4;

(6) change "shall be" to "is" in Minnesota Statutes, section 268.115, subdivision 8;

(7) change "shall be" to "is" in Minnesota Statutes, section 268.145, subdivision 5; and

(8) renumber Minnesota Statutes, section 268.03, subdivision 2, as Minnesota Statutes, section 268.031.

Sec. 52. **REPEALER.**

Minnesota Statutes 2006, section 341.31, is repealed.

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

Presented to the governor May 8, 2008

Signed by the governor May 12, 2008, 1:34 p.m.