

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3931

04/15/2016 Authored by Garofalo

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

04/20/2016 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

04/21/2016 Adoption of Report: Placed on the General Register as Amended
Read Second Time

1.1 A bill for an act
1.2 relating to state government; appropriating money for certain agriculture-related
1.3 purposes; modifying various agriculture-related provisions; making clarifying,
1.4 technical, and policy changes; providing a tractor rollover pilot grant program;
1.5 establishing an agricultural emergency account; appropriating money for
1.6 environment and natural resources; modifying prior appropriations; modifying
1.7 provisions to harvest wild rice; establishing requirements for marine carbon
1.8 monoxide detection devices; modifying terms of certain committees, funds,
1.9 and accounts; providing for prescribed burns; modifying provisions for certain
1.10 land sales and exchanges; creating Aggregate Resources Task Force; providing
1.11 appointments; providing for certain water level control permit; appropriating
1.12 money for jobs, economic development, and energy affordability; appropriating
1.13 money to the Departments of Employment and Economic Development, Labor
1.14 and Industry, and Commerce, the Housing Finance Agency, Public Utilities
1.15 Commission, Public Facilities Authority, Explore Minnesota Tourism, Bureau
1.16 of Mediation Services, and Public Employment Relations Board; making
1.17 policy changes to jobs and economic development, labor and industry, housing,
1.18 workers' compensation, unemployment insurance, telephone regulation,
1.19 broadband development, and energy; requiring reports; amending Minnesota
1.20 Statutes 2014, sections 17.117, subdivisions 4, 11a; 17.4982, subdivision 18a;
1.21 18B.26, subdivision 3; 41A.12, subdivision 2; 84.027, subdivision 13; 84.091,
1.22 subdivision 2; 84D.01, subdivision 2; 84D.05, subdivision 1; 84D.09, subdivision
1.23 2; 84D.10, subdivision 4; 84D.108, by adding a subdivision; 84D.13, subdivision
1.24 4; 86B.005, by adding subdivisions; 88.01, by adding a subdivision; 88.22,
1.25 subdivision 1; 93.0015, subdivision 3; 93.2236; 94.3495, subdivisions 2, 3, 7;
1.26 115C.09, subdivisions 1, 3; 116C.779, subdivision 1, by adding a subdivision;
1.27 116J.395, subdivisions 4, 6, 7, by adding subdivisions; 116J.548, subdivisions 2,
1.28 3; 116J.8737, subdivision 3; 116J.8747, subdivisions 1, 2; 116M.15, subdivision
1.29 1; 176.011, subdivision 7a; 176.081, subdivisions 1, 3; 176.137, subdivisions
1.30 1, 4, by adding a subdivision; 176.331; 176.361, subdivisions 1, 2, 3, 4, 5, 6,
1.31 by adding a subdivision; 176.471, subdivisions 3, 5; 176.511, subdivisions 2,
1.32 3; 176.571, subdivision 1; 182.653, subdivision 9; 216A.03, subdivision 1, by
1.33 adding a subdivision; 216B.1641; 216B.241, subdivisions 1, 1a, 1c; 216B.243,
1.34 subdivision 8; 216C.20, subdivision 3; 216E.03, subdivision 5; 216H.01, by
1.35 adding a subdivision; 216H.03, subdivision 1; 222.37, subdivision 1; 237.01,
1.36 by adding subdivisions; 237.012, subdivisions 1, 2; 268.035, subdivisions
1.37 12, 20, 23a, 29, by adding subdivisions; 268.051, subdivision 5; 268.085,
1.38 subdivisions 4, 5; 268.0865, subdivisions 3, 4; 268.095, subdivisions 1, 2, 5;
1.39 268.101, subdivision 2; 268.18; 268.182, subdivision 2; 383B.142; 462A.204,

2.1 subdivisions 1, 3; Minnesota Statutes 2015 Supplement, sections 16A.967,
 2.2 subdivisions 2, 7; 41A.14; 41A.15, subdivisions 2, 10, by adding subdivisions;
 2.3 41A.16, subdivision 1; 41A.17, subdivisions 1, 2; 41A.18, subdivision 1; 84.027,
 2.4 subdivision 13a; 84D.11, subdivision 1; 84D.13, subdivision 5; 116D.04,
 2.5 subdivision 2a; 116J.394; 176.135, subdivision 7a; 176.136, subdivision 1b;
 2.6 268.07, subdivision 3b; 268.085, subdivision 2; Laws 2001, chapter 130, section
 2.7 3; Laws 2015, First Special Session chapter 1, article 1, sections 2, subdivision 3;
 2.8 8, subdivision 8; Laws 2015, First Special Session chapter 4, article 1, sections
 2.9 2, subdivision 4; 5; article 3, section 3, subdivision 2; article 4, section 131;
 2.10 proposing coding for new law in Minnesota Statutes, chapters 17; 84D; 86B;
 2.11 116J; 216E; 237; 383B; repealing Minnesota Statutes 2014, sections 116P.13;
 2.12 116U.26; 179A.50; 179A.51; 179A.52; 179A.53.

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

2.14 **ARTICLE 1**

2.15 **AGRICULTURE APPROPRIATIONS**

2.16 Section 1. **APPROPRIATIONS.**

2.17 The sums shown in the columns marked "Appropriations" are added to the
 2.18 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
 2.19 agencies and for the purposes specified in this act. The appropriations are from the
 2.20 general fund, or another named fund, and are available for the fiscal year indicated for
 2.21 each purpose. The figures "2016" and "2017" used in this act mean that the appropriations
 2.22 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,
 2.23 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.
 2.24 Appropriations for fiscal year 2016 are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

2.29 Sec. 2. **DEPARTMENT OF AGRICULTURE**

2.30 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>7,883,000</u>
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2.31 The amounts that may be spent for each
 2.32 purpose are specified in the following
 2.33 subdivisions.

2.34 <u>Subd. 2. Animal Health</u>		<u>-0-</u>		<u>2,083,000</u>
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2.35 \$1,800,000 the second year is for a grant
 2.36 to the Board of Regents of the University
 2.37 of Minnesota to develop, in consultation
 2.38 with the commissioner of agriculture and

3.1 the Board of Animal Health, a software
 3.2 tool or application through the Veterinary
 3.3 Diagnostic Laboratory that empowers
 3.4 veterinarians and producers to understand
 3.5 the movement of unique pathogen strains in
 3.6 livestock and poultry production systems,
 3.7 monitor antibiotic resistance, and implement
 3.8 effective biosecurity measures that promote
 3.9 animal health and limit production losses.

3.10 This is a onetime appropriation available
 3.11 until June 30, 2019.

3.12 \$283,000 the second year is for a grant to
 3.13 the Board of Regents of the University of
 3.14 Minnesota to maintain and increase animal
 3.15 disease testing capacity through the purchase
 3.16 of Veterinary Diagnostic Laboratory
 3.17 equipment. This is a onetime appropriation.

3.18 **Subd. 3. Farm Safety** -0- 250,000

3.19 \$250,000 the second year is for the tractor
 3.20 rollover protection pilot program. This is a
 3.21 onetime appropriation.

3.22 **Subd. 4. Agriculture Laboratory and**
 3.23 **Emergency Response** -0- 5,550,000

3.24 \$2,218,000 the second year is for equipment
 3.25 and instruments for the Department of
 3.26 Agriculture laboratory. This is a onetime
 3.27 appropriation available until June 30, 2022.

3.28 \$3,332,000 the second year is for transfer
 3.29 to the agricultural emergency account in the
 3.30 agricultural fund. This is a onetime transfer.

3.31 **Sec. 3. [17.055] AGRICULTURAL EMERGENCY ACCOUNT;**
 3.32 **APPROPRIATION.**

3.33 **Subdivision 1. Establishment; appropriation.** An agricultural emergency account
 3.34 is established in the agricultural fund. Money in the account, including interest, is

4.1 appropriated to the commissioner for emergency response and preparedness activities
4.2 for agricultural emergencies affecting producers of livestock, poultry, crops, or other
4.3 agricultural products. Eligible uses include, but are not limited to, purchasing necessary
4.4 equipment and reimbursing costs incurred by local units of government that are not
4.5 eligible for reimbursement from other sources.

4.6 Subd. 2. **Transfer authorized.** The commissioner may transfer money in the
4.7 account to the Board of Animal Health, other state agencies, or the University of
4.8 Minnesota for purposes of subdivision 1.

4.9 Subd. 3. **Annual report.** No later than February 1 each year, the commissioner
4.10 must report activities and expenditures under this section to the legislative committees
4.11 and divisions with jurisdiction over agriculture finance.

4.12 Sec. 4. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

4.13 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
4.14 subdivision have the meanings given them.

4.15 (b) "Agricultural and environmental revolving accounts" means accounts in the
4.16 agricultural fund, controlled by the commissioner, which hold funds available to the
4.17 program.

4.18 (c) "Agriculture supply business" means a person, partnership, joint venture,
4.19 corporation, limited liability company, association, firm, public service company,
4.20 or cooperative that provides materials, equipment, or services to farmers or
4.21 agriculture-related enterprises.

4.22 (d) "Allocation" means the funds awarded to an applicant for implementation of best
4.23 management practices through a competitive or noncompetitive application process.

4.24 (e) "Applicant" means a local unit of government eligible to participate in this
4.25 program that requests an allocation of funds as provided in subdivision 6b.

4.26 (f) "Best management practices" has the meaning given in sections 103F.711,
4.27 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means
4.28 other practices, techniques, and measures that have been demonstrated to the satisfaction
4.29 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using
4.30 the most effective and practicable means of achieving environmental goals; or (2) to
4.31 achieve drinking water quality standards under chapter 103H or under Code of Federal
4.32 Regulations, title 40, parts 141 and 143, as amended.

4.33 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
4.34 applying for a low-interest loan.

5.1 (h) "Commissioner" means the commissioner of agriculture, including when the
5.2 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the
5.3 designee of the commissioner.

5.4 (i) "Committed project" means an eligible project scheduled to be implemented at
5.5 a future date:

5.6 (1) that has been approved and certified by the local government unit; and

5.7 (2) for which a local lender has obligated itself to offer a loan.

5.8 (j) "Comprehensive water management plan" means a state approved and locally
5.9 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,
5.10 103D.401, or 103D.405.

5.11 (k) "Cost incurred" means expenses for implementation of a project accrued because
5.12 the borrower has agreed to purchase equipment or is obligated to pay for services or
5.13 materials already provided as a result of implementing an approved eligible project.

5.14 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
5.15 company, association, firm, public service company, or cooperative that regularly
5.16 participates in physical labor or operations management of farming and files a Schedule F
5.17 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as
5.18 the primary business activity under Schedule C, K, or S, or any other applicable report to
5.19 the United States Internal Revenue Service.

5.20 (m) "Lender agreement" means an agreement entered into between the commissioner
5.21 and a local lender which contains terms and conditions of participation in the program.

5.22 (n) "Local government unit" means a county, soil and water conservation district,
5.23 or an organization formed for the joint exercise of powers under section 471.59 with
5.24 the authority to participate in the program.

5.25 (o) "Local lender" means a local government unit as defined in paragraph (n), a state
5.26 or federally chartered bank, a savings association, a state or federal credit union, Agribank
5.27 and its affiliated organizations, or a nonprofit economic development organization or other
5.28 financial lending institution approved by the commissioner.

5.29 (p) "Local revolving loan account" means the account held by a local government unit
5.30 and a local lender into which principal repayments from borrowers are deposited and new
5.31 loans are issued in accordance with the requirements of the program and lender agreements.

5.32 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

5.33 (r) "Program" means the agriculture best management practices loan program
5.34 in this section.

6.1 (s) "Project" means one or more components or activities located within Minnesota
 6.2 that are required by the local government unit to be implemented for satisfactory
 6.3 completion of an eligible best management practice.

6.4 (t) "Rural landowner" means the owner of record of Minnesota real estate located
 6.5 in an area determined by the local government unit to be rural after consideration of
 6.6 local land use patterns, zoning regulations, jurisdictional boundaries, local community
 6.7 definitions, historical uses, and other pertinent local factors.

6.8 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph
 6.9 (d), except as expressly limited in this section.

6.10 Sec. 5. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

6.11 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
 6.12 environmental impacts are eligible if:

6.13 ~~(1) the project is eligible under the an allocation agreement and funding sources~~
 6.14 ~~designated by the local government unit to finance the project; and.~~

6.15 ~~(2) (b) A manure management projects remediate project is eligible if the project~~
 6.16 ~~remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units~~
 6.17 ~~as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of~~
 6.18 ~~this section.~~

6.19 (c) A drinking water project is eligible if the project:

6.20 (1) remediates the adverse environmental impacts or presence of contaminants in
 6.21 private well water;

6.22 (2) implements best management practices to achieve drinking water standards; and

6.23 (3) otherwise meets the requirements of this section.

6.24 Sec. 6. [17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT
 6.25 PROGRAM.

6.26 Subdivision 1. Grants; eligibility. (a) The commissioner must award cost-share
 6.27 grants to Minnesota farmers who retrofit eligible tractors with eligible rollover protective
 6.28 structures. Grants are limited to 70 percent of the farmer's documented cost to purchase,
 6.29 ship, and install an eligible rollover protective structure. The commissioner must increase
 6.30 the grant award amount over the 70 percent grant limitation requirement if necessary to
 6.31 limit a farmer's cost per tractor to no more than \$500.

6.32 (b) A rollover protective structure is eligible if it meets or exceeds SAE International
 6.33 standard J2194.

6.34 (c) A tractor is eligible if the tractor was built before 1987.

7.1 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20
7.2 percent of total program dollars each fiscal year to promote the program to Minnesota
7.3 farmers. The commissioner must minimize administrative costs by cooperating with the
7.4 New York Center for Agricultural Medicine and Health to administer the grant program.

7.5 Subd. 3. **Nonstate funds; appropriation.** The commissioner must solicit
7.6 contributions from nonstate sources to supplement state appropriations for this program.
7.7 Funds received under this subdivision are appropriated to the commissioner for purposes
7.8 of this section.

7.9 Subd. 4. **Expiration.** This section expires June 30, 2019.

7.10 Sec. 7. Minnesota Statutes 2014, section 18B.26, subdivision 3, is amended to read:

7.11 **Subd. 3. Registration application and gross sales fee.** (a) For an agricultural
7.12 pesticide, a registrant shall pay an annual registration application fee for each agricultural
7.13 pesticide of \$350. The fee is due by December 31 preceding the year for which the
7.14 application for registration is made. The fee is nonrefundable.

7.15 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual
7.16 registration application fee for each nonagricultural pesticide of \$350. The fee is due by
7.17 December 31 preceding the year for which the application for registration is made. The fee
7.18 is nonrefundable. The If the registrant's annual gross sales of the nonagricultural pesticide
7.19 exceeded \$70,000 in the previous calendar year, the registrant of a nonagricultural pesticide
7.20 shall pay, in addition to the \$350 minimum fee, a fee of equal to 0.5 percent of that portion
7.21 of the annual gross sales of the over \$70,000. For purposes of this subdivision, gross sales
7.22 includes both nonagricultural pesticide sold in the state and the annual gross sales of the
7.23 nonagricultural pesticide sold into the state for use in this state. No additional fee is
7.24 required if the fee due amount based on percent of annual gross sales of a nonagricultural
7.25 pesticide is less than \$10. The registrant shall secure sufficient sales information of
7.26 nonagricultural pesticides distributed into this state from distributors and dealers,
7.27 regardless of distributor location, to make a determination. Sales of nonagricultural
7.28 pesticides in this state and sales of nonagricultural pesticides for use in this state by
7.29 out-of-state distributors are not exempt and must be included in the registrant's annual
7.30 report, as required under paragraph (g), and fees shall be paid by the registrant based upon
7.31 those reported sales. Sales of nonagricultural pesticides in the state for use outside of
7.32 the state are exempt from the gross sales fee in this paragraph if the registrant properly
7.33 documents the sale location and distributors. A registrant paying more than the minimum
7.34 fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural

8.1 pesticide by the registrant for the preceding calendar year. A pesticide determined by the
8.2 commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

8.3 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed
8.4 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the
8.5 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide
8.6 sold into the state for use in this state.

8.7 (d) In those cases where a registrant first sells an agricultural pesticide in or into the
8.8 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer
8.9 license and is responsible for payment of the annual gross sales fee under paragraph (c),
8.10 record keeping under paragraph (i), and all other requirements of section 18B.316.

8.11 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,
8.12 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the
8.13 commissioner, after a public hearing, may increase proportionally the pesticide sales and
8.14 product registration fees under this chapter by the amount necessary to ensure this level
8.15 of revenue is achieved. The authority under this section expires on June 30, 2014. The
8.16 commissioner shall report any fee increases under this paragraph 60 days before the fee
8.17 change is effective to the senate and house of representatives agriculture budget divisions.

8.18 (f) An additional fee of 50 percent of the registration application fee must be paid by
8.19 the applicant for each pesticide to be registered if the application is a renewal application
8.20 that is submitted after December 31.

8.21 (g) A registrant must annually report to the commissioner the amount, type and
8.22 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or
8.23 otherwise distributed in the state. The report shall be filed by March 1 for the previous
8.24 year's registration. The commissioner shall specify the form of the report or approve
8.25 the method for submittal of the report and may require additional information deemed
8.26 necessary to determine the amount and type of nonagricultural pesticide annually
8.27 distributed in the state. The information required shall include the brand name, United
8.28 States Environmental Protection Agency registration number, and amount of each
8.29 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but
8.30 the information collected, if made public, shall be reported in a manner which does not
8.31 identify a specific brand name in the report.

8.32 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually
8.33 report to the commissioner the amount, type, and annual gross sales of each registered
8.34 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the
8.35 state for use in the state. The report must be filed by January 31 for the previous year's
8.36 sales. The commissioner shall specify the form, contents, and approved electronic method

9.1 for submittal of the report and may require additional information deemed necessary to
9.2 determine the amount and type of agricultural pesticide annually distributed within the
9.3 state or into the state. The information required must include the brand name, United States
9.4 Environmental Protection Agency registration number, and amount of each agricultural
9.5 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

9.6 (i) A person who registers a pesticide with the commissioner under paragraph (b),
9.7 or a registrant under paragraph (d), shall keep accurate records for five years detailing
9.8 all distribution or sales transactions into the state or in the state and subject to a fee and
9.9 surcharge under this section.

9.10 (j) The records are subject to inspection, copying, and audit by the commissioner
9.11 and must clearly demonstrate proof of payment of all applicable fees and surcharges
9.12 for each registered pesticide product sold for use in this state. A person who is located
9.13 outside of this state must maintain and make available records required by this subdivision
9.14 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or
9.15 auditing of the records.

9.16 (k) The commissioner may adopt by rule regulations that require persons subject
9.17 to audit under this section to provide information determined by the commissioner to be
9.18 necessary to enable the commissioner to perform the audit.

9.19 (l) A registrant who is required to pay more than the minimum fee for any pesticide
9.20 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee
9.21 paid after March 1 in the year for which the license is to be issued.

9.22 Sec. 8. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

9.23 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
9.24 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
9.25 but are not limited to, grants to livestock producers under the livestock investment grant
9.26 program under section 17.118, ~~bioenergy awards made by the NextGen Energy Board~~
9.27 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and
9.28 financial assistance to support other rural economic infrastructure activities.

9.29 Sec. 9. Minnesota Statutes 2015 Supplement, section 41A.14, is amended to read:

9.30 **41A.14 AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND**
9.31 **TECHNOLOGY TRANSFER GRANT PROGRAM.**

9.32 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
9.33 technology transfer grant program is created. The purpose of the grant program is to
9.34 provide investments that will most efficiently achieve long-term agricultural productivity

10.1 increases through improved infrastructure, vision, and accountability. The scope and
 10.2 intent of the grants, to the extent possible, shall provide for a long-term base funding
 10.3 that allows the ~~research~~ grantee to continue the functions of the research, education, and
 10.4 extension, and technology transfer efforts to a practical conclusion. Priority for grants
 10.5 shall be given to human infrastructure. The commissioner shall provide grants for:

10.6 (1) ~~agricultural research, extension, and technology transfer needs and recipients~~
 10.7 ~~including agricultural research and extension at the University of Minnesota, research and~~
 10.8 ~~outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the~~
 10.9 ~~Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,~~
 10.10 ~~the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,~~
 10.11 ~~the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and~~
 10.12 ~~Education Council;~~ for use by any of the following:

10.13 (i) the College of Food, Agricultural and Natural Resource Sciences;

10.14 (ii) the Minnesota Agricultural Experiment Station;

10.15 (iii) the University of Minnesota Extension Service;

10.16 (iv) the University of Minnesota Veterinary School;

10.17 (v) the Veterinary Diagnostic Laboratory; or

10.18 (vi) the Stakman-Borlaug Center;

10.19 (2) agriculture rapid response for plant and animal diseases and pests; and

10.20 (3) agricultural education including but not limited to the Minnesota Agriculture
 10.21 Education Leadership Council, farm business management, mentoring programs, graduate
 10.22 debt forgiveness, and high school programs.

10.23 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the
 10.24 commissioner and a representative of the College of Food, Agricultural and Natural
 10.25 Resource Sciences at the University of Minnesota must consult with an advisory panel
 10.26 consisting of the following stakeholders:

10.27 (1) ~~a representative of the College of Food, Agricultural and Natural Resource~~
 10.28 ~~Sciences at the University of Minnesota;~~

10.29 (2) (1) a representative of the Minnesota State Colleges and Universities system;

10.30 (3) (2) a representative of the Minnesota Farm Bureau;

10.31 (4) (3) a representative of the Minnesota Farmers Union;

10.32 (5) (4) a person representing agriculture industry statewide;

10.33 (6) (5) a representative of each of the state commodity councils organized under
 10.34 section 17.54 and the Minnesota Pork Board;

10.35 (7) (6) a person representing an association of primary manufacturers of forest
 10.36 products;

11.1 ~~(8)~~ (7) a person representing organic or sustainable agriculture; and
11.2 ~~(9)~~ (8) a person representing statewide environment and natural resource
11.3 conservation organizations.

11.4 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
11.5 respective organizations.

11.6 Subd. 3. **Account.** An agriculture research, education, extension, and technology
11.7 transfer account is created in the agricultural fund in the state treasury. The account
11.8 consists of money received in the form of gifts, grants, reimbursement, or appropriations
11.9 from any source for any of the purposes provided in subdivision 1, and any interest or
11.10 earnings of the account. Money in the account is appropriated to the commissioner of
11.11 agriculture for the purposes under subdivision 1.

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

11.13 Sec. 10. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 2, is
11.14 amended to read:

11.15 Subd. 2. **Advanced biofuel.** "Advanced biofuel" ~~has the meaning given~~ means
11.16 advanced biofuel as defined in section 239.051, subdivision 1a, and biobutanol.

11.17 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
11.18 subdivision to read:

11.19 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,
11.20 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
11.21 biobased percentage of at least 51 percent as determined by testing representative samples
11.22 using American Society for Testing and Materials specification D6866.

11.23 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
11.24 subdivision to read:

11.25 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means
11.26 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased
11.27 content percentage of at least ten percent as determined by testing representative samples
11.28 using American Society for Testing and Materials specification D6866, or that contains
11.29 a biobased chemical constituent that displaces a known hazardous or toxic constituent
11.30 previously used in the product formulation.

11.31 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
11.32 subdivision to read:

12.1 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is
12.2 derived from agricultural products, including potatoes, cereal grains, cheese whey, and
12.3 sugar beets; forest products; or other renewable resources, including residue and waste
12.4 generated from the production, processing, and marketing of agricultural products, forest
12.5 products, and other renewable resources.

12.6 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
12.7 subdivision to read:

12.8 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which
12.9 biobutanol is produced.

12.10 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
12.11 subdivision to read:

12.12 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals
12.13 in a calendar year: January through March, April through June, July through September,
12.14 or October through December.

12.15 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
12.16 amended to read:

12.17 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with
12.18 biobased content ~~as defined in section 41A.105, subdivision 1a.~~

12.19 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is
12.20 amended to read:

12.21 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
12.22 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
12.23 less from the state border, raw materials may be sourced from within a 100-mile radius.
12.24 Raw materials must be from agricultural or forestry sources or from solid waste. The
12.25 facility must be located in Minnesota, must begin production at a specific location by June
12.26 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly
12.27 biofuel production before July 1, 2015. Eligible facilities include existing companies and
12.28 facilities that are adding advanced biofuel production capacity, or retrofitting existing
12.29 capacity, as well as new companies and facilities. Production of conventional corn ethanol
12.30 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
12.31 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

13.1 (b) No payments shall be made for advanced biofuel production that occurs after
13.2 June 30, 2035, for those eligible biofuel producers under paragraph (a).

13.3 (c) An eligible producer of advanced biofuel shall not transfer the producer's
13.4 eligibility for payments under this section to an advanced biofuel facility at a different
13.5 location.

13.6 (d) A producer that ceases production for any reason is ineligible to receive
13.7 payments under this section until the producer resumes production.

13.8 (e) Renewable chemical production for which payment has been received under
13.9 section 41A.17, and biomass thermal production for which payment has been received
13.10 under section 41A.18, are not eligible for payment under this section.

13.11 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
13.12 amended to read:

13.13 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
13.14 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~
13.15 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the
13.16 state border, biobased content must be sourced from within a 100-mile radius. Biobased
13.17 content must be from agricultural or forestry sources or from solid waste. The facility must
13.18 be located in Minnesota, must begin production at a specific location by June 30, 2025, and
13.19 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly
13.20 before January 1, 2015. Eligible facilities include existing companies and facilities that are
13.21 adding production capacity, or retrofitting existing capacity, as well as new companies and
13.22 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000
13.23 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced
13.24 through processes that are fully commercial before January 1, 2000, are not eligible.

13.25 (b) No payments shall be made for renewable chemical production that occurs after
13.26 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

13.27 (c) An eligible producer of renewable chemicals shall not transfer the producer's
13.28 eligibility for payments under this section to a renewable chemical facility at a different
13.29 location.

13.30 (d) A producer that ceases production for any reason is ineligible to receive
13.31 payments under this section until the producer resumes production.

13.32 (e) Advanced biofuel production for which payment has been received under section
13.33 41A.16, and biomass thermal production for which payment has been received under
13.34 section 41A.18, are not eligible for payment under this section.

14.1 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is
14.2 amended to read:

14.3 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make
14.4 payments to eligible producers of renewable chemicals located in the state. The amount of
14.5 the payment for each producer's annual production is \$0.03 per pound of sugar-derived
14.6 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of
14.7 cellulosic-derived renewable chemical produced at a specific location for ten years after
14.8 the start of production.

14.9 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
14.10 biomass is eligible for a 20 percent bonus payment for each ~~MMbtu~~ pound produced from
14.11 agricultural biomass that is derived from perennial crop or cover crop biomass.

14.12 (c) Total payments under this section to an eligible renewable chemical producer in
14.13 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
14.14 chemical production. Total payments under this section to all eligible renewable chemical
14.15 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
14.16 renewable chemical production. The commissioner shall award payments on a first-come,
14.17 first-served basis within the limits of available funding.

14.18 (d) For purposes of this section, an entity that holds a controlling interest in more
14.19 than one renewable chemical production facility is considered a single eligible producer.

14.20 Sec. 20. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is
14.21 amended to read:

14.22 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
14.23 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
14.24 less from the state border, raw materials should be sourced from within a 100-mile radius.
14.25 Raw materials must be from agricultural or forestry sources. The facility must be located
14.26 in Minnesota, must have begun production at a specific location by June 30, 2025, and
14.27 must not begin before July 1, 2015. Eligible facilities include existing companies and
14.28 facilities that are adding production capacity, or retrofitting existing capacity, as well as
14.29 new companies and facilities. Eligible biomass thermal production facilities must produce
14.30 at least ~~1,000~~ 250 ~~MMbtu per year~~ MMbtu per year of biomass thermal quarterly.

14.31 (b) No payments shall be made for biomass thermal production that occurs after June
14.32 30, 2035, for those eligible biomass thermal producers under paragraph (a).

14.33 (c) An eligible producer of biomass thermal production shall not transfer the
14.34 producer's eligibility for payments under this section to a biomass thermal production
14.35 facility at a different location.

15.1 (d) A producer that ceases production for any reason is ineligible to receive
15.2 payments under this section until the producer resumes production.

15.3 (e) Biofuel production for which payment has been received under section 41A.16,
15.4 and renewable chemical production for which payment has been received under section
15.5 41A.17, are not eligible for payment under this section.

15.6 Sec. 21. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
15.7 is amended to read:

15.8 Subd. 2a. **When prepared.** Where there is potential for significant environmental
15.9 effects resulting from any major governmental action, the action shall be preceded by a
15.10 detailed environmental impact statement prepared by the responsible governmental unit.
15.11 The environmental impact statement shall be an analytical rather than an encyclopedic
15.12 document which describes the proposed action in detail, analyzes its significant
15.13 environmental impacts, discusses appropriate alternatives to the proposed action and
15.14 their impacts, and explores methods by which adverse environmental impacts of an
15.15 action could be mitigated. The environmental impact statement shall also analyze those
15.16 economic, employment, and sociological effects that cannot be avoided should the action
15.17 be implemented. To ensure its use in the decision-making process, the environmental
15.18 impact statement shall be prepared as early as practical in the formulation of an action.

15.19 (a) The board shall by rule establish categories of actions for which environmental
15.20 impact statements and for which environmental assessment worksheets shall be prepared
15.21 as well as categories of actions for which no environmental review is required under this
15.22 section. A mandatory environmental assessment worksheet shall not be required for the
15.23 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph
15.24 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
15.25 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~4a~~ 2d, based on
15.26 the capacity of the expanded or converted facility to produce alcohol fuel, but must be
15.27 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other
15.28 categories of actions for which environmental assessment worksheets must be prepared.
15.29 The responsible governmental unit for an ethanol plant or biobutanol facility project for
15.30 which an environmental assessment worksheet is prepared shall be the state agency with
15.31 the greatest responsibility for supervising or approving the project as a whole.

15.32 A mandatory environmental impact statement shall not be required for a facility
15.33 or plant located outside the seven-county metropolitan area that produces less than
15.34 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
15.35 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as

16.1 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
16.2 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.
16.3 A facility or plant that only uses a cellulosic feedstock to produce chemical products for
16.4 use by another facility as a feedstock shall not be considered a fuel conversion facility as
16.5 used in rules adopted under this chapter.

16.6 (b) The responsible governmental unit shall promptly publish notice of the
16.7 completion of an environmental assessment worksheet by publishing the notice in at least
16.8 one newspaper of general circulation in the geographic area where the project is proposed,
16.9 by posting the notice on a Web site that has been designated as the official publication site
16.10 for publication of proceedings, public notices, and summaries of a political subdivision in
16.11 which the project is proposed, or in any other manner determined by the board and shall
16.12 provide copies of the environmental assessment worksheet to the board and its member
16.13 agencies. Comments on the need for an environmental impact statement may be submitted
16.14 to the responsible governmental unit during a 30-day period following publication of the
16.15 notice that an environmental assessment worksheet has been completed. The responsible
16.16 governmental unit's decision on the need for an environmental impact statement shall be
16.17 based on the environmental assessment worksheet and the comments received during the
16.18 comment period, and shall be made within 15 days after the close of the comment period.
16.19 The board's chair may extend the 15-day period by not more than 15 additional days upon
16.20 the request of the responsible governmental unit.

16.21 (c) An environmental assessment worksheet shall also be prepared for a proposed
16.22 action whenever material evidence accompanying a petition by not less than 100
16.23 individuals who reside or own property in the state, submitted before the proposed
16.24 project has received final approval by the appropriate governmental units, demonstrates
16.25 that, because of the nature or location of a proposed action, there may be potential for
16.26 significant environmental effects. Petitions requesting the preparation of an environmental
16.27 assessment worksheet shall be submitted to the board. The chair of the board shall
16.28 determine the appropriate responsible governmental unit and forward the petition to it.
16.29 A decision on the need for an environmental assessment worksheet shall be made by
16.30 the responsible governmental unit within 15 days after the petition is received by the
16.31 responsible governmental unit. The board's chair may extend the 15-day period by not
16.32 more than 15 additional days upon request of the responsible governmental unit.

16.33 (d) Except in an environmentally sensitive location where Minnesota Rules, part
16.34 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
16.35 review under this chapter and rules of the board, if:

16.36 (1) the proposed action is:

17.1 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or
17.2 (ii) an expansion of an existing animal feedlot facility with a total cumulative
17.3 capacity of less than 1,000 animal units;

17.4 (2) the application for the animal feedlot facility includes a written commitment by
17.5 the proposer to design, construct, and operate the facility in full compliance with Pollution
17.6 Control Agency feedlot rules; and

17.7 (3) the county board holds a public meeting for citizen input at least ten business
17.8 days prior to the Pollution Control Agency or county issuing a feedlot permit for the
17.9 animal feedlot facility unless another public meeting for citizen input has been held with
17.10 regard to the feedlot facility to be permitted. The exemption in this paragraph is in
17.11 addition to other exemptions provided under other law and rules of the board.

17.12 (e) The board may, prior to final approval of a proposed project, require preparation
17.13 of an environmental assessment worksheet by a responsible governmental unit selected
17.14 by the board for any action where environmental review under this section has not been
17.15 specifically provided for by rule or otherwise initiated.

17.16 (f) An early and open process shall be utilized to limit the scope of the environmental
17.17 impact statement to a discussion of those impacts, which, because of the nature or location
17.18 of the project, have the potential for significant environmental effects. The same process
17.19 shall be utilized to determine the form, content and level of detail of the statement as well
17.20 as the alternatives which are appropriate for consideration in the statement. In addition,
17.21 the permits which will be required for the proposed action shall be identified during the
17.22 scoping process. Further, the process shall identify those permits for which information
17.23 will be developed concurrently with the environmental impact statement. The board
17.24 shall provide in its rules for the expeditious completion of the scoping process. The
17.25 determinations reached in the process shall be incorporated into the order requiring the
17.26 preparation of an environmental impact statement.

17.27 (g) The responsible governmental unit shall, to the extent practicable, avoid
17.28 duplication and ensure coordination between state and federal environmental review
17.29 and between environmental review and environmental permitting. Whenever practical,
17.30 information needed by a governmental unit for making final decisions on permits
17.31 or other actions required for a proposed project shall be developed in conjunction
17.32 with the preparation of an environmental impact statement. When an environmental
17.33 impact statement is prepared for a project requiring multiple permits for which two or
17.34 more agencies' decision processes include either mandatory or discretionary hearings
17.35 before a hearing officer prior to the agencies' decision on the permit, the agencies
17.36 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single

18.1 consolidated hearing process if requested by the proposer. All agencies having jurisdiction
 18.2 over a permit that is included in the consolidated hearing shall participate. The responsible
 18.3 governmental unit shall establish appropriate procedures for the consolidated hearing
 18.4 process, including procedures to ensure that the consolidated hearing process is consistent
 18.5 with the applicable requirements for each permit regarding the rights and duties of parties to
 18.6 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

18.7 (h) An environmental impact statement shall be prepared and its adequacy
 18.8 determined within 280 days after notice of its preparation unless the time is extended by
 18.9 consent of the parties or by the governor for good cause. The responsible governmental
 18.10 unit shall determine the adequacy of an environmental impact statement, unless within 60
 18.11 days after notice is published that an environmental impact statement will be prepared,
 18.12 the board chooses to determine the adequacy of an environmental impact statement. If an
 18.13 environmental impact statement is found to be inadequate, the responsible governmental
 18.14 unit shall have 60 days to prepare an adequate environmental impact statement.

18.15 (i) The proposer of a specific action may include in the information submitted to the
 18.16 responsible governmental unit a preliminary draft environmental impact statement under
 18.17 this section on that action for review, modification, and determination of completeness and
 18.18 adequacy by the responsible governmental unit. A preliminary draft environmental impact
 18.19 statement prepared by the project proposer and submitted to the responsible governmental
 18.20 unit shall identify or include as an appendix all studies and other sources of information
 18.21 used to substantiate the analysis contained in the preliminary draft environmental impact
 18.22 statement. The responsible governmental unit shall require additional studies, if needed,
 18.23 and obtain from the project proposer all additional studies and information necessary for
 18.24 the responsible governmental unit to perform its responsibility to review, modify, and
 18.25 determine the completeness and adequacy of the environmental impact statement.

18.26 Sec. 22. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,
 18.27 is amended to read:

18.28 Subd. 4. **Agriculture, Bioenergy, and**
 18.29 **Bioproduct Advancement** 14,993,000 19,010,000

18.30 \$4,483,000 the first year and \$8,500,000 the
 18.31 second year are for transfer to the agriculture
 18.32 research, education, extension, and
 18.33 technology transfer account under Minnesota
 18.34 Statutes, section 41A.14, subdivision 3.
 18.35 The transfer in this paragraph includes

19.1 money for plant breeders at the University
19.2 of Minnesota for wild rice, potatoes, and
19.3 grapes. Of these amounts, at least \$600,000
19.4 each year is for ~~agriculture rapid response~~
19.5 the Minnesota Agricultural Experiment
19.6 Station's Agriculture Rapid Response Fund
19.7 under Minnesota Statutes, section 41A.14,
19.8 subdivision 1, clause (2). Of the amount
19.9 appropriated in this paragraph, \$1,000,000
19.10 each year is for transfer to the Board of
19.11 Regents of the University of Minnesota for
19.12 research to determine (1) what is causing
19.13 avian influenza, (2) why some fowl are more
19.14 susceptible, and (3) prevention measures that
19.15 can be taken. Of the amount appropriated
19.16 in this paragraph, \$2,000,000 each year
19.17 is for grants to the Minnesota Agriculture
19.18 Education Leadership Council to enhance
19.19 agricultural education with priority given
19.20 to Farm Business Management challenge
19.21 grants. The commissioner shall transfer the
19.22 remaining grant funds in this appropriation
19.23 each year to the Board of Regents of the
19.24 University of Minnesota for purposes of
19.25 Minnesota Statutes, section 41A.14.

19.26 To the extent practicable, funds expended
19.27 under Minnesota Statutes, section 41A.14,
19.28 subdivision 1, clauses (1) and (2), must
19.29 supplement and not supplant existing sources
19.30 and levels of funding. The commissioner may
19.31 use up to 4.5 percent of this appropriation
19.32 for costs incurred to administer the program.
19.33 Any unencumbered balance does not cancel
19.34 at the end of the first year and is available for
19.35 the second year.

20.1 \$10,235,000 the first year and \$10,235,000
20.2 the second year are for the agricultural
20.3 growth, research, and innovation program
20.4 in Minnesota Statutes, section 41A.12. No
20.5 later than February 1, 2016, and February
20.6 1, 2017, the commissioner must report to
20.7 the legislative committees with jurisdiction
20.8 over agriculture policy and finance regarding
20.9 the commissioner's accomplishments
20.10 and anticipated accomplishments in
20.11 the following areas: facilitating the
20.12 start-up, modernization, or expansion of
20.13 livestock operations including beginning
20.14 and transitioning livestock operations;
20.15 developing new markets for Minnesota
20.16 farmers by providing more fruits, vegetables,
20.17 meat, grain, and dairy for Minnesota school
20.18 children; assisting value-added agricultural
20.19 businesses to begin or expand, access new
20.20 markets, or diversify products; developing
20.21 urban agriculture; facilitating the start-up,
20.22 modernization, or expansion of other
20.23 beginning and transitioning farms including
20.24 loans under Minnesota Statutes, section
20.25 41B.056; sustainable agriculture on farm
20.26 research and demonstration; development or
20.27 expansion of food hubs and other alternative
20.28 community-based food distribution systems;
20.29 and research on bioenergy, biobased content,
20.30 or biobased formulated products and other
20.31 renewable energy development. The
20.32 commissioner may use up to 4.5 percent
20.33 of this appropriation for costs incurred to
20.34 administer the program. Any unencumbered
20.35 balance does not cancel at the end of the first
20.36 year and is available for the second year.

21.1 Notwithstanding Minnesota Statutes, section
21.2 16A.28, the appropriations encumbered
21.3 under contract on or before June 30, 2017, for
21.4 agricultural growth, research, and innovation
21.5 grants are available until June 30, ~~2019~~ 2021.

21.6 The commissioner may use funds
21.7 appropriated for the agricultural growth,
21.8 research, and innovation program as provided
21.9 in this paragraph. The commissioner may
21.10 award grants to owners of Minnesota
21.11 facilities producing bioenergy, biobased
21.12 content, or a biobased formulated product;
21.13 to organizations that provide for on-station,
21.14 on-farm field scale research and outreach to
21.15 develop and test the agronomic and economic
21.16 requirements of diverse strands of prairie
21.17 plants and other perennials for bioenergy
21.18 systems; or to certain nongovernmental
21.19 entities. For the purposes of this paragraph,
21.20 "bioenergy" includes transportation fuels
21.21 derived from cellulosic material, as well as
21.22 the generation of energy for commercial heat,
21.23 industrial process heat, or electrical power
21.24 from cellulosic materials via gasification or
21.25 other processes. Grants are limited to 50
21.26 percent of the cost of research, technical
21.27 assistance, or equipment related to bioenergy,
21.28 biobased content, or biobased formulated
21.29 product production or \$500,000, whichever
21.30 is less. Grants to nongovernmental entities
21.31 for the development of business plans and
21.32 structures related to community ownership
21.33 of eligible bioenergy facilities together may
21.34 not exceed \$150,000. The commissioner
21.35 shall make a good-faith effort to select
21.36 projects that have merit and, when taken

22.1 together, represent a variety of bioenergy
22.2 technologies, biomass feedstocks, and
22.3 geographic regions of the state. Projects
22.4 must have a qualified engineer provide
22.5 certification on the technology and fuel
22.6 source. Grantees must provide reports at the
22.7 request of the commissioner.

22.8 Of the amount appropriated for the
22.9 agricultural growth, research, and innovation
22.10 program in this subdivision, \$1,000,000 the
22.11 first year and \$1,000,000 the second year
22.12 are for distribution in equal amounts to each
22.13 of the state's county fairs to preserve and
22.14 promote Minnesota agriculture.

22.15 Of the amount appropriated for the
22.16 agricultural growth, research, and innovation
22.17 program in this subdivision, \$500,000 in
22.18 fiscal year 2016 and \$1,500,000 in fiscal
22.19 year 2017 are for incentive payments
22.20 under Minnesota Statutes, sections 41A.16,
22.21 41A.17, and 41A.18. If the appropriation
22.22 exceeds the total amount for which all
22.23 producers are eligible in a fiscal year, the
22.24 balance of the appropriation is available
22.25 to the commissioner for the agricultural
22.26 growth, research, and innovation program.

22.27 Notwithstanding Minnesota Statutes,
22.28 section 16A.28, the first year appropriation
22.29 is available until June 30, 2017, and the
22.30 second year appropriation is available until
22.31 June 30, 2018. The commissioner may use
22.32 up to 4.5 percent of the appropriation for
22.33 administration of the incentive payment
22.34 programs.

23.1 Of the amount appropriated for the
23.2 agricultural growth, research, and innovation
23.3 program in this subdivision, \$250,000
23.4 the first year is for grants to communities
23.5 to develop or expand food hubs and
23.6 other alternative community-based food
23.7 distribution systems. Of this amount,
23.8 \$50,000 is for the commissioner to consult
23.9 with existing food hubs, alternative
23.10 community-based food distribution systems,
23.11 and University of Minnesota Extension
23.12 to identify best practices for use by other
23.13 Minnesota communities. No later than
23.14 December 15, 2015, the commissioner must
23.15 report to the legislative committees with
23.16 jurisdiction over agriculture and health
23.17 regarding the status of emerging alternative
23.18 community-based food distribution systems
23.19 in the state along with recommendations
23.20 to eliminate any barriers to success. Any
23.21 unencumbered balance does not cancel at the
23.22 end of the first year and is available for the
23.23 second year. This is a onetime appropriation.
23.24 \$250,000 the first year and \$250,000 the
23.25 second year are for grants that enable
23.26 retail petroleum dispensers to dispense
23.27 biofuels to the public in accordance with the
23.28 biofuel replacement goals established under
23.29 Minnesota Statutes, section 239.7911. A
23.30 retail petroleum dispenser selling petroleum
23.31 for use in spark ignition engines for vehicle
23.32 model years after 2000 is eligible for grant
23.33 money under this paragraph if the retail
23.34 petroleum dispenser has no more than 15
23.35 retail petroleum dispensing sites and each
23.36 site is located in Minnesota. The grant

24.1 money received under this paragraph must
24.2 be used for the installation of appropriate
24.3 technology that uses fuel dispensing
24.4 equipment appropriate for at least one fuel
24.5 dispensing site to dispense gasoline that is
24.6 blended with 15 percent of agriculturally
24.7 derived, denatured ethanol, by volume, and
24.8 appropriate technical assistance related to
24.9 the installation. A grant award must not
24.10 exceed 85 percent of the cost of the technical
24.11 assistance and appropriate technology,
24.12 including remetering of and retrofits for
24.13 retail petroleum dispensers and replacement
24.14 of petroleum dispenser projects. The
24.15 commissioner may use up to \$35,000 of this
24.16 appropriation for administrative expenses.
24.17 The commissioner shall cooperate with
24.18 biofuel stakeholders in the implementation
24.19 of the grant program. The commissioner
24.20 must report to the legislative committees
24.21 with jurisdiction over agriculture policy and
24.22 finance by February 1 each year, detailing
24.23 the number of grants awarded under this
24.24 paragraph and the projected effect of the grant
24.25 program on meeting the biofuel replacement
24.26 goals under Minnesota Statutes, section
24.27 239.7911. These are onetime appropriations.
24.28 \$25,000 the first year and \$25,000 the second
24.29 year are for grants to the Southern Minnesota
24.30 Initiative Foundation to promote local foods
24.31 through an annual event that raises public
24.32 awareness of local foods and connects local
24.33 food producers and processors with potential
24.34 buyers.

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

25.1 Sec. 23. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to
25.2 read:

25.3 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; EMERGENCY**
25.4 **PREPAREDNESS; APPROPRIATIONS AND TRANSFERS.**

25.5 (a) ~~\$3,619,000~~ \$519,000 is appropriated from the general fund in fiscal year 2016 to
25.6 the commissioner of agriculture for avian influenza emergency response activities. The
25.7 commissioner may use money appropriated under this paragraph to purchase necessary
25.8 euthanasia and composting equipment and to reimburse costs incurred by local units of
25.9 government directly related to avian influenza emergency response activities that are not
25.10 eligible for federal reimbursement. This appropriation is available the day following final
25.11 enactment until June 30, 2017.

25.12 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the
25.13 Board of Animal Health for ~~avian influenza emergency response activities. The Board~~
25.14 ~~may use money appropriated under this paragraph to purchase necessary euthanasia and~~
25.15 ~~composting equipment.~~ any animal disease emergency response or planning activity,
25.16 including but not limited to:

25.17 (1) the retention of staff trained in disease response;

25.18 (2) costs associated with the relocation and expansion of the Minnesota Poultry
25.19 Testing Laboratory;

25.20 (3) the identification of risk factors for disease transmission; and

25.21 (4) the implementation of strategies to prevent or reduce the risk of disease
25.22 introduction and transmission.

25.23 This appropriation is available the day following final enactment until June 30, ~~2017~~ 2019.

25.24 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the
25.25 commissioner of health for avian influenza emergency response activities. This
25.26 appropriation is available the day following final enactment until June 30, 2017.

25.27 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the
25.28 commissioner of natural resources for sampling wild animals to detect and monitor the
25.29 avian influenza virus. This appropriation may also be used to conduct serology sampling,
25.30 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy
25.31 Chair in Avian Health, from birds within a control zone and outside of a control zone.
25.32 This appropriation is available the day following final enactment until June 30, 2017.

25.33 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the
25.34 commissioner of public safety to operate the State Emergency Operation Center in
25.35 coordination with the statewide avian influenza response activities. Appropriations
25.36 under this paragraph may also be used to support a staff person at the state's agricultural

26.1 incident command post in Willmar. This appropriation is available the day following final
26.2 enactment until June 30, 2017.

26.3 (f) The commissioner of management and budget may transfer unexpended balances
26.4 from the appropriations in this section to any state agency for operating expenses related
26.5 to avian influenza emergency response activities. The commissioner of management and
26.6 budget must report each transfer to the chairs and ranking minority members of the senate
26.7 Committee on Finance and the house of representatives Committee on Ways and Means.

26.8 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,
26.9 section 17, no later than September 30, 2015, the commissioner of management and
26.10 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general
26.11 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,
26.12 subdivision 6. This amount is available for ~~avian influenza emergency response~~ eligible
26.13 activities as provided in Laws 2015, chapter 65, article 1, section 18, as amended.

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

26.15 Sec. 24. **TRANSFER REQUIRED.**

26.16 Of the amount appropriated from the general fund to the commissioner of agriculture
26.17 for transfer to the rural finance authority revolving loan account in Laws 2015, First Special
26.18 Session chapter 4, article 2, section 6, the commissioner of management and budget must
26.19 transfer \$6,713,000 back to the general fund in fiscal year 2016. This is a onetime transfer.

26.20 **ARTICLE 2**

26.21 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

26.22 Section 1. **APPROPRIATIONS.**

26.23 The sums shown in the columns marked "Appropriations" are added to the
26.24 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
26.25 agencies and for the purposes specified in this article. The appropriations are from the
26.26 general fund, or another named fund, and are available for the fiscal year indicated for
26.27 each purpose. The figures "2016" and "2017" used in this article mean that the addition
26.28 to the appropriations listed under them are available for the fiscal year ending June 30,
26.29 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
26.30 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
26.31 following final enactment.

26.32 **APPROPRIATIONS**
26.33 **Available for the Year**

27.1			<u>Ending June 30</u>	
27.2			<u>2016</u>	<u>2017</u>
27.3	Sec. 2. <u>NATURAL RESOURCES</u>			
27.4	<u>Subdivision 1. Total Appropriation</u>	\$	<u>2,462,000</u>	\$ <u>6,183,000</u>
27.5	<u>Appropriations by Fund</u>			
27.6		<u>2016</u>	<u>2017</u>	
27.7	<u>General</u>	<u>1,742,000</u>	<u>2,158,000</u>	
27.8	<u>Natural Resources</u>	<u>50,000</u>	<u>4,025,000</u>	
27.9	<u>Game and Fish</u>	<u>670,000</u>	<u>-0-</u>	
27.10	<u>The amounts that may be spent for each</u>			
27.11	<u>purpose are specified in the following</u>			
27.12	<u>subdivisions.</u>			
27.13	<u>Subd. 2. Ecological and Water Resources</u>		<u>-0-</u>	<u>225,000</u>
27.14	<u>\$225,000 the second year is from the water</u>			
27.15	<u>management account in the natural resources</u>			
27.16	<u>fund for water appropriation monitoring,</u>			
27.17	<u>modeling, and reporting for the Cold Spring</u>			
27.18	<u>Creek area as required under this act. This</u>			
27.19	<u>is a onetime appropriation and is available</u>			
27.20	<u>until June 30, 2022.</u>			
27.21	<u>Subd. 3. Forest Management</u>		<u>-0-</u>	<u>-0-</u>
27.22	<u>Appropriations by Fund</u>			
27.23		<u>2016</u>	<u>2017</u>	
27.24	<u>General</u>	<u>-0-</u>	<u>(1,500,000)</u>	
27.25	<u>Natural Resources</u>	<u>-0-</u>	<u>1,500,000</u>	
27.26	<u>\$1,500,000 the second year is a reduction</u>			
27.27	<u>from the general fund. This is a onetime</u>			
27.28	<u>reduction.</u>			
27.29	<u>\$1,500,000 the second year is from the</u>			
27.30	<u>forest management investment account in the</u>			
27.31	<u>natural resources fund. Of this amount, up to</u>			
27.32	<u>\$3,000 is for purposes of the report required</u>			
27.33	<u>on public engagement regarding Sand Dunes</u>			

28.1 State Forest required under this act. This is a
 28.2 onetime appropriation.

28.3 Of the amount appropriated in Laws 2015,
 28.4 First Special Session chapter 4, article 3,
 28.5 section 3, subdivision 4, from the general
 28.6 fund in fiscal year 2016, up to \$3,000 may
 28.7 be used for the report on prescribed burning
 28.8 required under this act.

28.9 Subd. 4. **Parks and Trails Management** 50,000 2,300,000

28.10 \$2,300,000 the second year is from the state
 28.11 parks account in the natural resources fund.
 28.12 This is a onetime appropriation.

28.13 \$50,000 the first year is from the water
 28.14 recreation account in the natural resources
 28.15 fund for implementation of Minnesota
 28.16 Statutes, section 86B.532, established in this
 28.17 act. This is a onetime appropriation.

28.18 Subd. 5. **Enforcement** 670,000 -0-

28.19 \$670,000 the first year is from the game and
 28.20 fish fund for aviation services. This is a
 28.21 onetime appropriation.

28.22 Subd. 6. **Operations Support** 1,742,000 3,658,000

28.23 \$1,742,000 the first year and \$3,658,000
 28.24 the second year are for legal costs related
 28.25 to the NorthMet mining project. Of this
 28.26 amount, up to \$143,000 the first year and
 28.27 up to \$1,289,000 the second year may be
 28.28 transferred to other agencies for legal costs
 28.29 associated with the NorthMet mining project.
 28.30 This is a onetime appropriation and is
 28.31 available until June 30, 2019.

28.32 Sec. 3. **LEGISLATURE** \$ 25,000 \$ -0-

29.1 \$25,000 the first year is from the Minnesota
 29.2 future resources fund to the Legislative
 29.3 Coordinating Commission for the Aggregate
 29.4 Resources Task Force established in this
 29.5 act. This is a onetime appropriation and is
 29.6 available until June 30, 2018.

29.7 Sec. 4. **ADMINISTRATION** **\$** **250,000** **\$** **-0-**

29.8 \$250,000 the first year is from the state forest
 29.9 suspense account in the permanent school
 29.10 fund for the school trust lands director to
 29.11 initiate real estate development projects
 29.12 on school trust lands as determined by the
 29.13 school trust lands director. This is a onetime
 29.14 appropriation.

29.15 Sec. 5. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 2,
 29.16 is amended to read:

29.17 Subd. 2. **Land and Mineral Resources**
 29.18 **Management** 6,461,000 5,521,000

29.19	Appropriations by Fund		
29.20		2016	2017
29.21	General	1,585,000	1,585,000
29.22	Natural Resources	3,332,000	3,392,000
29.23	Game and Fish	344,000	344,000
29.24	Remediation	1,000,000	-0-
29.25	Permanent School	200,000	200,000

29.26 \$68,000 the first year and \$68,000 the
 29.27 second year are for minerals cooperative
 29.28 environmental research, ~~of which \$34,000~~
 29.29 ~~the first year and \$34,000 the second year are~~
 29.30 ~~available only as matched by \$1 of nonstate~~
 29.31 ~~money for each \$1 of state money. The~~
 29.32 ~~match may be cash or in-kind.~~

29.33 \$251,000 the first year and \$251,000 the
 29.34 second year are for iron ore cooperative

30.1 research. Of this amount, \$200,000 each year
30.2 is from the minerals management account
30.3 in the natural resources fund. ~~\$175,000 the~~
30.4 ~~first year and \$175,000 the second year are~~
30.5 ~~available only as matched by \$1 of nonstate~~
30.6 ~~money for each \$1 of state money. The match~~
30.7 ~~may be cash or in-kind.~~ Any unencumbered
30.8 balance from the first year does not cancel
30.9 and is available in the second year.

30.10 \$2,755,000 the first year and \$2,815,000
30.11 the second year are from the minerals
30.12 management account in the natural resources
30.13 fund for use as provided in Minnesota
30.14 Statutes, section 93.2236, paragraph (c),
30.15 for mineral resource management, projects
30.16 to enhance future mineral income, and
30.17 projects to promote new mineral resource
30.18 opportunities.

30.19 \$200,000 the first year and \$200,000 the
30.20 second year are from the state forest suspense
30.21 account in the permanent school fund to
30.22 accelerate land exchanges, land sales, and
30.23 commercial leasing of school trust lands and
30.24 to identify, evaluate, and lease construction
30.25 aggregate located on school trust lands. This
30.26 appropriation is to be used for securing
30.27 long-term economic return from the
30.28 school trust lands consistent with fiduciary
30.29 responsibilities and sound natural resources
30.30 conservation and management principles.

30.31 Notwithstanding Minnesota Statutes, section
30.32 115B.20, \$1,000,000 the first year is from
30.33 the dedicated account within the remediation
30.34 fund for the purposes of Minnesota Statutes,
30.35 section 115B.20, subdivision 2, clause (4),

31.1 to acquire salt lands as described under
31.2 Minnesota Statutes, section 92.05, within
31.3 Bear Head Lake State Park. This is a onetime
31.4 appropriation and is available until June 30,
31.5 2018.

31.6 ARTICLE 3

31.7 ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES

31.8 Section 1. Minnesota Statutes 2014, section 17.4982, subdivision 18a, is amended to
31.9 read:

31.10 Subd. 18a. **Nonindigenous species.** "Nonindigenous species" means a species of
31.11 fish or other aquatic life that is:

31.12 (1) not known to have been historically present in the state;

31.13 (2) not known to be naturally occurring in a particular part of the state; or

31.14 (3) ~~listed~~ designated by rule as a prohibited or regulated invasive species.

31.15 Sec. 2. Minnesota Statutes 2014, section 84.027, subdivision 13, is amended to read:

31.16 Subd. 13. **Game and fish rules.** (a) The commissioner of natural resources may
31.17 adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized
31.18 under:

31.19 (1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and
31.20 areas, to select hunters for areas, to provide for tagging and registration of game and fish, to
31.21 prohibit or allow taking of wild animals to protect a species, to prevent or control wildlife
31.22 disease, to open or close bodies of water or portions of bodies of water for night bow
31.23 fishing, and to prohibit or allow importation, transportation, or possession of a wild animal;

31.24 (2) sections 84.093, 84.15, and 84.152 to set seasons for harvesting wild ginseng
31.25 roots and wild rice and to restrict or prohibit harvesting in designated areas; and

31.26 (3) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive
31.27 species, and unregulated nonnative species; and to list infested waters.

31.28 (b) If conditions exist that do not allow the commissioner to comply with sections
31.29 97A.0451 to 97A.0459, including the need to adjust season variables on an annual basis
31.30 based upon current biological and harvest data, the commissioner may adopt a rule
31.31 under this subdivision by submitting the rule to the attorney general for review under
31.32 section 97A.0455, publishing a notice in the State Register and filing the rule with the
31.33 secretary of state and the Legislative Coordinating Commission, and complying with
31.34 section 97A.0459, and including a statement of the conditions and a copy of the rule in the

32.1 notice. The conditions for opening a water body or portion of a water body for night bow
32.2 fishing under this section may include the need to temporarily open the area to evaluate
32.3 compatibility of the activity on that body of water prior to permanent rulemaking. The
32.4 notice may be published after it is received from the attorney general or five business days
32.5 after it is submitted to the attorney general, whichever is earlier.

32.6 (c) Rules adopted under paragraph (b) are effective upon publishing in the State
32.7 Register and may be effective up to seven days before publishing and filing under
32.8 paragraph (b), if:

32.9 (1) the commissioner of natural resources determines that an emergency exists;

32.10 (2) the attorney general approves the rule; and

32.11 (3) for a rule that affects more than three counties the commissioner publishes the
32.12 rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a
32.13 rule that affects three or fewer counties the commissioner publishes the rule once in a legal
32.14 newspaper in each of the affected counties.

32.15 (d) Except as provided in paragraph (e), a rule published under paragraph (c), clause
32.16 (3), may not be effective earlier than seven days after publication.

32.17 (e) A rule published under paragraph (c), clause (3), may be effective the day the
32.18 rule is published if the commissioner gives notice and holds a public hearing on the rule
32.19 within 15 days before publication.

32.20 (f) The commissioner shall attempt to notify persons or groups of persons affected
32.21 by rules adopted under paragraphs (b) and (c) by public announcements, posting, and
32.22 other appropriate means as determined by the commissioner.

32.23 (g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is
32.24 effective for the period stated in the notice but not longer than 18 months after the rule is
32.25 effective.

32.26 Sec. 3. Minnesota Statutes 2015 Supplement, section 84.027, subdivision 13a, is
32.27 amended to read:

32.28 Subd. 13a. **Game and fish expedited permanent rules.** (a) In addition to the
32.29 authority granted in subdivision 13, the commissioner of natural resources may adopt rules
32.30 under section 14.389 that are authorized under:

32.31 (1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to
32.32 designate fish spawning beds or fish preserves, to select hunters or anglers for areas,
32.33 to provide for registration of game or fish, to prevent or control wildlife disease, or to
32.34 correct errors or omissions in rules that do not have a substantive effect on the intent or
32.35 application of the original rule; or

33.1 (2) section 84D.12 to ~~list~~ designate prohibited invasive species, regulated invasive
33.2 species, and unregulated nonnative species.

33.3 (b) The commissioner of natural resources may adopt rules under section 14.389
33.4 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those
33.5 listed in paragraph (a), clause (1), subject to the notice and public hearing provisions
33.6 of section 14.389, subdivision 5.

33.7 Sec. 4. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

33.8 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in
33.9 ~~paragraph (b)~~ this subdivision, a person may not harvest, buy, sell, transport, or possess
33.10 aquatic plants without a license required under this chapter. A license shall be issued in
33.11 the same manner as provided under the game and fish laws.

33.12 (b) A resident under the age of 18 years may harvest wild rice without a license, if
33.13 accompanied by a person with a wild rice license.

33.14 (c) Tribal band members who possess a valid tribal identification card from a
33.15 federally recognized tribe located in Minnesota are deemed to have a license to harvest
33.16 wild rice under this section.

33.17 Sec. 5. Minnesota Statutes 2014, section 84D.01, subdivision 2, is amended to read:

33.18 Subd. 2. **Aquatic macrophyte.** "Aquatic macrophyte" means macro algae or a
33.19 macroscopic nonwoody plant, either a submerged, floating leafed, floating, or emergent
33.20 plant that naturally grows in water.

33.21 Sec. 6. Minnesota Statutes 2014, section 84D.05, subdivision 1, is amended to read:

33.22 Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase,
33.23 sell, propagate, transport, or introduce a prohibited invasive species, except:

33.24 (1) under a permit issued by the commissioner under section 84D.11;

33.25 (2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

33.26 (3) under a restricted species permit issued under section 17.457;

33.27 (4) when being transported to the department, or another destination as the
33.28 commissioner may direct, in a sealed container for purposes of identifying the species
33.29 or reporting the presence of the species;

33.30 (5) when being transported for disposal as part of a harvest or control activity
33.31 when specifically authorized under a permit issued by the commissioner according to
33.32 section 103G.615, when being transported for disposal as specified under a commercial
33.33 fishing license issued by the commissioner according to section 97A.418, 97C.801,

34.1 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the
34.2 commissioner;

34.3 ~~(6) when the specimen has been lawfully acquired dead and, in the case of plant~~
34.4 ~~species, all seeds are removed or are otherwise secured in a sealed container;~~

34.5 ~~(7) in the form of herbaria or other preserved specimens;~~

34.6 ~~(8)~~ (6) when being removed from watercraft and equipment, or caught while angling,
34.7 and immediately returned to the water from which they came; or

34.8 ~~(9)~~ (7) as the commissioner may otherwise prescribe by rule.

34.9 **Sec. 7. [84D.075] NONNATIVE SPECIES, AQUATIC PLANTS, AND AQUATIC**
34.10 **MACROPHYTES; PARTS AND LIFE STAGE.**

34.11 A law relating to a nonnative species, aquatic plant, or aquatic macrophyte applies in
34.12 the same manner to a part of a nonnative species, aquatic plant, or aquatic macrophyte,
34.13 whether alive or dead, and to any life stage or form.

34.14 Sec. 8. Minnesota Statutes 2014, section 84D.09, subdivision 2, is amended to read:

34.15 Subd. 2. **Exceptions.** Unless otherwise prohibited by law, a person may transport
34.16 aquatic macrophytes:

34.17 (1) that are duckweeds in the family Lemnaceae;

34.18 (2) for purposes of constructing shooting or observation blinds in amounts sufficient
34.19 for that purpose, provided that the aquatic macrophytes are emergent and cut above the
34.20 waterline;

34.21 (3) when legally purchased or traded by or from commercial or hobbyist sources for
34.22 aquarium, wetland or lakeshore restoration, or ornamental purposes;

34.23 (4) when harvested for personal or commercial use if in a motor vehicle;

34.24 (5) to the department, or another destination as the commissioner may direct, in a
34.25 sealed container for purposes of identifying a species or reporting the presence of a species;

34.26 (6) that are wild rice harvested under section 84.091;

34.27 (7) in the form of fragments of emergent aquatic macrophytes incidentally transported
34.28 in or on watercraft or decoys used for waterfowl hunting during the waterfowl season; ~~or~~

34.29 (8) when removing water-related equipment from waters of the state for purposes of
34.30 cleaning off aquatic macrophytes before leaving a water access site; or

34.31 (9) when being transported from riparian property to a legal disposal site that is at
34.32 least 100 feet from any surface water, ditch, or seasonally flooded land, provided the
34.33 aquatic macrophytes are in a covered commercial vehicle specifically designed and used
34.34 for hauling trash.

35.1 Sec. 9. Minnesota Statutes 2014, section 84D.10, subdivision 4, is amended to read:

35.2 Subd. 4. **Persons transporting water-related equipment.** (a) When leaving
35.3 ~~waters~~ a water of the state, a person must drain water-related equipment holding water
35.4 and live wells and bilges by removing the drain plug before transporting the water-related
35.5 equipment ~~off the water access site or riparian property.~~ For the purposes of this
35.6 paragraph, "transporting" includes moving water-related equipment over land between
35.7 connected or unconnected water bodies, but does not include moving water-related
35.8 equipment within the immediate area required for loading and preparing the water-related
35.9 equipment for transport over land.

35.10 (b) Drain plugs, bailers, valves, or other devices used to control the draining of water
35.11 from ballast tanks, bilges, and live wells must be removed or opened while transporting
35.12 water-related equipment.

35.13 (c) Emergency response vehicles and equipment may be transported on a public road
35.14 with the drain plug or other similar device replaced only after all water has been drained
35.15 from the equipment upon leaving the water body.

35.16 (d) Portable bait containers used by licensed aquatic farms, portable bait containers
35.17 when fishing through the ice except on waters listed infested for viral hemorrhagic
35.18 septicemia, and marine sanitary systems are exempt from this subdivision.

35.19 (e) A person must not dispose of bait in waters of the state.

35.20 (f) A boat lift, dock, swim raft, or associated equipment that has been removed
35.21 from any water body may not be placed in another water body until a minimum of 21
35.22 days have passed.

35.23 (g) A person who transports water that is appropriated from noninfested surface
35.24 water bodies and that is transported by a commercial vehicle, excluding watercraft, or
35.25 commercial trailer, which vehicle or trailer is specifically designed and used for water
35.26 hauling, is exempt from paragraphs (a) and (b), provided that the person does not discharge
35.27 the transported water to other surface waters or within 100 feet of a surface water body.

35.28 (h) A person transporting water from noninfested surface water bodies for
35.29 firefighting or emergencies that threaten human safety or property is exempt from
35.30 paragraphs (a) and (b).

35.31 Sec. 10. Minnesota Statutes 2014, section 84D.108, is amended by adding a
35.32 subdivision to read:

35.33 Subd. 2a. **Lake Minnetonka pilot study.** (a) The commissioner may issue an
35.34 additional permit to service providers to return to Lake Minnetonka water-related
35.35 equipment with zebra mussels attached after the equipment has been seasonally

36.1 stored, serviced, or repaired. The permit must include verification and documentation
36.2 requirements and any other conditions the commissioner deems necessary.

36.3 (b) Water-related equipment with zebra mussels attached may be returned only
36.4 to Lake Minnetonka (DNR Division of Waters number 27-0133) by service providers
36.5 permitted under subdivision 1.

36.6 (c) The service provider's place of business must be within the Lake Minnetonka
36.7 Conservation District as established according to sections 103B.601 to 103B.645.

36.8 (d) A service provider applying for a permit under this subdivision must, if approved
36.9 for a permit and before the permit is valid, furnish a corporate surety bond in favor of the
36.10 state for \$50,000 payable upon violation of this chapter.

36.11 (e) This subdivision expires December 1, 2018.

36.12 Sec. 11. Minnesota Statutes 2015 Supplement, section 84D.11, subdivision 1, is
36.13 amended to read:

36.14 Subdivision 1. **Prohibited invasive species.** (a) The commissioner may issue a
36.15 permit for the propagation, possession, importation, purchase, or transport of a prohibited
36.16 invasive species for the purposes of disposal, decontamination, control, research, or
36.17 education.

36.18 (b) The commissioner may issue a permit as provided under section 84D.108,
36.19 subdivision 2a, to a service provider to allow water-related equipment to be placed back
36.20 into the same body of water after being seasonally stored, serviced, or repaired by the
36.21 service provider. This paragraph expires December 1, 2018.

36.22 Sec. 12. Minnesota Statutes 2014, section 84D.13, subdivision 4, is amended to read:

36.23 Subd. 4. **Warnings; civil citations.** After appropriate training, conservation
36.24 officers, other licensed peace officers, and other department personnel designated by the
36.25 commissioner may issue warnings or citations to a person who:

36.26 (1) unlawfully transports prohibited invasive species or aquatic macrophytes;

36.27 (2) unlawfully places or attempts to place into waters of the state water-related
36.28 equipment that has aquatic macrophytes or prohibited invasive species attached;

36.29 (3) intentionally damages, moves, removes, or sinks a buoy marking, as prescribed
36.30 by rule, Eurasian watermilfoil;

36.31 (4) fails to remove plugs, open valves, and drain water from water-related equipment
36.32 before leaving waters of the state or when transporting water-related equipment as
36.33 provided in section 84D.10, subdivision 4; or

36.34 (5) transports infested water, in violation of rule, off riparian property;

37.1 (6) fails to comply with a decontamination order when a decontamination unit
37.2 is available on site;

37.3 (7) fails to complete decontamination of water-related equipment or to remove
37.4 invasive species from water-related equipment by the date specified on a tagging notice
37.5 and order; or

37.6 (8) fails to complete the aquatic invasive species offender training course required
37.7 under section 86B.13.

37.8 Sec. 13. Minnesota Statutes 2015 Supplement, section 84D.13, subdivision 5, is
37.9 amended to read:

37.10 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose
37.11 the following penalty amounts:

37.12 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

37.13 (2) for placing or attempting to place into waters of the state water-related equipment
37.14 that has aquatic macrophytes attached, \$200;

37.15 (3) for unlawfully possessing or transporting a prohibited invasive species other
37.16 than an aquatic macrophyte, \$500;

37.17 (4) for placing or attempting to place into waters of the state water-related equipment
37.18 that has prohibited invasive species attached when the waters are not listed by the
37.19 commissioner as being infested with that invasive species, \$500;

37.20 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as
37.21 prescribed by rule, Eurasian watermilfoil, \$100;

37.22 (6) for failing to have drain plugs or similar devices removed or opened while
37.23 transporting water-related equipment or for failing to remove plugs, open valves, and
37.24 drain water from water-related equipment, other than marine sanitary systems, before
37.25 leaving waters of the state, \$100;

37.26 (7) for transporting infested water off riparian property without a permit as required
37.27 by rule, \$200; ~~and~~

37.28 (8) for failing to have aquatic invasive species affirmation displayed or available for
37.29 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25²;

37.30 (9) for failing to comply with a decontamination order when a decontamination unit
37.31 is available on site, \$250;

37.32 (10) for failing to complete decontamination of water-related equipment or to
37.33 remove invasive species from water-related equipment by the date specified on a tagging
37.34 notice and order, \$250; and

38.1 (11) for failing to complete the aquatic invasive species offender training course
38.2 required under section 86B.13, \$25.

38.3 (b) A civil citation that is issued to a person who has one or more prior convictions
38.4 or final orders for violations of this chapter is subject to twice the penalty amounts listed
38.5 in paragraph (a).

38.6 Sec. 14. Minnesota Statutes 2014, section 86B.005, is amended by adding a
38.7 subdivision to read:

38.8 Subd. 4a. **Enclosed accommodation compartment.** "Enclosed accommodation
38.9 compartment" means one contiguous space, surrounded by boat structure, that contains
38.10 all of the following:

38.11 (1) designated sleeping accommodations;

38.12 (2) a galley area with sink; and

38.13 (3) a head compartment.

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

38.15 Sec. 15. Minnesota Statutes 2014, section 86B.005, is amended by adding a
38.16 subdivision to read:

38.17 Subd. 4b. **Enclosed occupancy compartment.** "Enclosed occupancy compartment"
38.18 means one contiguous enclosed space surrounded by boat structure that may be occupied
38.19 by a person.

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

38.21 Sec. 16. Minnesota Statutes 2014, section 86B.005, is amended by adding a
38.22 subdivision to read:

38.23 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide
38.24 detection system" means a device or system that meets the requirements of the American
38.25 Boat and Yacht Council Standard A-24, July 2015, for carbon monoxide detection systems.

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

38.27 Sec. 17. **[86B.532] CARBON MONOXIDE DETECTION DEVICE**
38.28 **REQUIREMENTS.**

38.29 Subdivision 1. **Requirements.** (a) After May 1, 2017, no motorboat that has an
38.30 enclosed accommodation compartment may be operated on any waters of the state unless

39.1 the motorboat is equipped with a functioning marine carbon monoxide detection system
39.2 installed according to the manufacturer's instructions.

39.3 (b) After May 1, 2017, no new motorboat that has an enclosed accommodation
39.4 compartment may be sold or offered for sale in Minnesota unless the motorboat is
39.5 equipped with a new functioning marine carbon monoxide detection system installed
39.6 according to the manufacturer's instructions.

39.7 Subd. 2. **Boating safety courses.** All state-sponsored boating safety courses and all
39.8 boating safety courses that require state approval by the commissioner must incorporate
39.9 information about the dangers of being overcome by carbon monoxide poisoning while on
39.10 or behind a motorboat and how to prevent that poisoning.

39.11 Subd. 3. **Carbon monoxide poisoning warning labels.** (a) After May 1, 2017,
39.12 no gasoline-powered motorboat that has an enclosed occupancy compartment may be
39.13 operated on any waters of the state unless labels warning of carbon monoxide dangers are
39.14 affixed in the vicinity of the aft reboarding/stern area and the steering station and in or
39.15 at the entrance to any enclosed occupancy compartment.

39.16 (b) For a motorboat sold by a dealer, the dealer must ensure that specified warning
39.17 labels have been affixed before completion of the transaction.

39.18 (c) Warning labels approved by the American Boat and Yacht Council, National
39.19 Marine Manufacturers Association, or the commissioner satisfy the requirements of this
39.20 section when installed as specified.

39.21 Subd. 4. **License agents; distribution.** The commissioner shall mail the information
39.22 and labels to all motorboat owners of watercraft that are 21 feet and greater in length no later
39.23 than May 1, 2017. The commissioner must also provide license agents with informational
39.24 brochures and warning labels about the dangers of carbon monoxide poisoning while
39.25 boating. A license agent must make the brochure and labels available to motorboat owners
39.26 and make efforts to inform new owners of the requirement. The commissioner shall
39.27 highlight the new requirements on the watercraft renewal reminder postcard for three
39.28 consecutive three-year license cycles and in the Minnesota Boating Guide. The brochure
39.29 must instruct motorboat owners to place the labels according to subdivision 3 and inform
39.30 motorboat owners of carbon monoxide dangers of gasoline-powered generators.

39.31 Subd. 5. **Safety warning.** A first violation of this section does not result in a
39.32 penalty, but is punishable only by a safety warning. A second or subsequent violation
39.33 is a petty misdemeanor.

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

40.1 Sec. 18. Minnesota Statutes 2014, section 88.01, is amended by adding a subdivision
40.2 to read:

40.3 Subd. 28. **Prescribed burn.** "Prescribed burn" means a fire that is intentionally
40.4 ignited, managed, and controlled by an entity meeting certification requirements established
40.5 by the commissioner for the purpose of managing vegetation. A prescribed burn that has
40.6 exceeded its prescribed boundaries and requires suppression action is considered a wildfire.

40.7 Sec. 19. Minnesota Statutes 2014, section 88.22, subdivision 1, is amended to read:

40.8 Subdivision 1. **Imposition of restrictions.** (a) **Road closure.** When the
40.9 commissioner of natural resources shall determine that conditions conducive to wildfire
40.10 hazards exist in the wildfire areas of the state and that the presence of persons in the
40.11 wildlife areas tends to aggravate wildfire hazards, render forest trails impassable by
40.12 driving thereon during wet seasons and hampers the effective enforcement of state timber
40.13 trespass and game laws, the commissioner may by written order, close any road or trail
40.14 leading into any land used for any conservation purposes, to all modes of travel except
40.15 that considered essential such as residents traveling to and from their homes or in other
40.16 cases to be determined by the authorized forest officers assigned to guard the area.

40.17 (b) **Burning ban.** The commissioner may also, upon such determination, by written
40.18 order, suspend the issuance of permits for open fires or prescribed burns, revoke or suspend
40.19 the operation of a permit previously issued and, to the extent the commissioner deems
40.20 necessary, prohibit the building of all or some kinds of open fires or prescribed burns in all
40.21 or any part of a wildfire area regardless of whether a permit is otherwise required; and the
40.22 commissioner also may, by written order, prohibit smoking except at places of habitation
40.23 or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

40.24 Sec. 20. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

40.25 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

40.26 Sec. 21. Minnesota Statutes 2014, section 93.2236, is amended to read:

40.27 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

40.28 (a) The minerals management account is created as an account in the natural
40.29 resources fund. Interest earned on money in the account accrues to the account. Money in
40.30 the account may be spent or distributed only as provided in paragraphs (b) and (c).

40.31 (b) If the balance in the minerals management account exceeds \$3,000,000 on March
40.32 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must
40.33 be distributed to the permanent school fund, the permanent university fund, and taxing

41.1 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed
 41.2 to each fund must be in the same proportion as the total mineral lease revenue received
 41.3 in the previous biennium from school trust lands, university lands, and lands held by the
 41.4 state in trust for taxing districts.

41.5 (c) Subject to appropriation by the legislature, money in the minerals management
 41.6 account may be spent by the commissioner of natural resources for mineral resource
 41.7 management and projects to enhance future mineral income and promote new mineral
 41.8 resource opportunities.

41.9 Sec. 22. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

41.10 Subd. 2. **Classes of land; definitions.** (a) The classes of public land that may be
 41.11 involved in an expedited exchange under this section are:

41.12 (1) Class 1 land, which for the purpose of this section is Class A land as defined in
 41.13 section 94.342, subdivision 1, ~~except for:~~

41.14 ~~(i) school trust land as defined in section 92.025; and~~

41.15 ~~(ii) university land granted to the state by acts of Congress;~~

41.16 (2) Class 2 land, which for the purpose of this section is Class B land as defined in
 41.17 section 94.342, subdivision 2; and

41.18 (3) Class 3 land, which for the purpose of this section is all land owned in fee by
 41.19 a governmental subdivision of the state.

41.20 (b) "School trust land" has the meaning given in section 92.025.

41.21 (c) "University land" means land granted to the state by acts of Congress for
 41.22 university purposes.

41.23 Sec. 23. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

41.24 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,
 41.25 the value of all the land shall be determined by the commissioner of natural resources,
 41.26 but the county board must approve the value determined for the Class 2 land, and the
 41.27 governmental subdivision of the state must approve the value determined for the Class 3
 41.28 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be
 41.29 determined by the county board of the county in which the land lies, but the governmental
 41.30 subdivision of the state must approve the value determined for the Class 3 land.

41.31 (b) To determine the value of the land, the parties to the exchange may either (1)
 41.32 cause the land to be appraised, utilize the valuation process provided under section
 41.33 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or
 41.34 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most

42.1 current township or county assessment schedules for similar land types from the county
 42.2 assessor of the county in which the lands are located. Merchantable timber value ~~must~~
 42.3 should be determined and considered in finalizing valuation of the lands.

42.4 ~~(b) All~~ (c) Except for school trust lands and university lands, the lands exchanged
 42.5 under this section shall be exchanged only for lands of at least substantially equal value.
 42.6 For the purposes of this subdivision, "substantially equal value" has the meaning given
 42.7 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the
 42.8 lands, other than school trust lands or university lands, are of substantially equal value but
 42.9 are not of the same value.

42.10 (d) School trust lands and university lands exchanged under this section must be
 42.11 exchanged only for lands of equal or greater value.

42.12 Sec. 24. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

42.13 Subd. 7. **Reversionary interest; Mineral and water power rights and other**
 42.14 **reservations.** ~~(a) All deeds conveying land given in an expedited land exchange under~~
 42.15 ~~this section shall include a reverter that provides that title to the land automatically reverts~~
 42.16 ~~to the conveying governmental unit if:~~

42.17 ~~(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of~~
 42.18 ~~the land within 40 years of the date of the deed conveying ownership; and~~

42.19 ~~(2) there is no prior written approval for the transfer from the conveying~~
 42.20 ~~governmental unit. The authority for granting approval is the commissioner of natural~~
 42.21 ~~resources for former Class 1 land, the county board for former Class 2 land, and the~~
 42.22 ~~governing body for former Class 3 land.~~

42.23 ~~(b)~~ Class 1 land given in exchange is subject to the reservation provisions of section
 42.24 94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation
 42.25 provisions of section 94.344, subdivision 4. County fee land given in exchange is subject
 42.26 to the reservation provisions of section 373.01, subdivision 1, paragraph (g).

42.27 Sec. 25. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended
 42.28 to read:

42.29 Sec. 131. **SURPLUS STATE LAND SALES.**

42.30 The school trust lands director shall identify, in consultation with the commissioner
 42.31 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange
 42.32 with school trust lands. The lands identified shall not be within a unit of the outdoor
 42.33 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or
 42.34 trust land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands

43.1 identified under this section by June 30, 2017. Land exchanged under this section may
43.2 be exchanged in accordance with Minnesota Statutes, section 94.3495. The value of
43.3 the surplus land exchanged shall serve as compensation to the permanent school fund
43.4 as provided under Minnesota Statutes, section 84.027, subdivision 18, paragraph (b).
43.5 Notwithstanding the restrictions on sale of riparian land and the public sale provisions
43.6 under Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner may
43.7 offer the surplus land, including land bordering public water, for public or private sale.
43.8 Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the
43.9 contrary, ~~the amount~~ an amount equal to 90 percent of the proceeds from the sale of lands
43.10 that exceeds the actual expenses of selling the lands must be deposited in the school trust
43.11 lands account and used to extinguish the school trust interest as provided under Minnesota
43.12 Statutes, section 92.83, on school trust lands that have public water access sites or old
43.13 growth forests located on them. Notwithstanding Minnesota Statutes, section 92.83, the
43.14 remaining ten percent of the proceeds must be used to fund transactional and legal work
43.15 associated with the Boundary Waters Canoe Area Wilderness land exchange and sale
43.16 projects under Minnesota Statutes, sections 92.80 and 92.82.

43.17 **Sec. 26. AGGREGATE RESOURCES TASK FORCE.**

43.18 **Subdivision 1. Creation; membership.** (a) The Aggregate Resources Task Force
43.19 consists of eight members appointed as follows:

43.20 (1) the speaker of the house shall appoint four members of the house of representatives
43.21 to include two members of the majority party and two members of the minority party, with
43.22 one member being the chair of the committee with jurisdiction over aggregate mining; and

43.23 (2) the senate Subcommittee on Committees of the Committee on Rules and
43.24 Administration shall appoint four members of the senate to include two members of the
43.25 majority party and two members of the minority party, with one member being the chair
43.26 of the committee with jurisdiction over aggregate mining.

43.27 (b) The appointing authorities must make their respective appointments no later
43.28 than July 15, 2016.

43.29 (c) The first meeting of the task force must be convened by the chairs of the house of
43.30 representatives and senate committees with jurisdiction over aggregate mining who will
43.31 serve as cochairs of the task force.

43.32 **Subd. 2. Duties.** The task force must study and provide recommendations on:

43.33 (1) the Department of Natural Resources' and Metropolitan Council's aggregate
43.34 mapping progress and needs;

44.1 (2) the effectiveness of recent aggregate tax legislation and the use of the revenues
44.2 collected by counties;

44.3 (3) the use of state funds to preserve aggregate reserves; and

44.4 (4) local land use and permitting issues, environmental review requirements, and the
44.5 impacts of other state regulations on aggregate reserves.

44.6 Subd. 3. **Report.** No later than January 15, 2018, the task force shall submit a
44.7 report to the chairs of the house of representatives and senate committees and divisions
44.8 with jurisdiction over aggregate mining and environment and natural resources finance
44.9 containing the findings of the study.

44.10 Subd. 4. **Expiration.** The Aggregate Resources Task Force expires 45 days after
44.11 the report and recommendations are delivered to the legislature or on June 30, 2018,
44.12 whichever date is earlier.

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

44.14 Sec. 27. **MARINE CARBON MONOXIDE DETECTORS; REPORT.**

44.15 The commissioner of natural resources shall submit a report to the legislature
44.16 by November 1, 2018. The report must outline any issues encountered relating
44.17 to implementation of Minnesota Statutes, section 86B.532, any changes to marine
44.18 manufacturing industry standards relating to carbon monoxide, the availability of plug-in
44.19 or battery-powered marine certified carbon monoxide detectors, and best practices in
44.20 preventing carbon monoxide poisoning relating to motorboat operation, including the
44.21 feasibility of requiring carbon monoxide detectors that are more sensitive in measuring
44.22 carbon monoxide than required in this act.

44.23 Sec. 28. **PRESCRIBED BURN REQUIREMENTS; REPORT.**

44.24 The commissioner of natural resources, in cooperation with prescribed burning
44.25 professionals, nongovernmental organizations, and local and federal governments, must
44.26 develop criteria for certifying an entity to conduct a prescribed burn under a general
44.27 permit. The certification requirements must include training, equipment, and experience
44.28 requirements and include an apprentice program to allow entities without experience to
44.29 become certified. The commissioner must establish provisions for decertifying entities.
44.30 The commissioner must not require additional certification or requirements for burns
44.31 conducted as part of normal agricultural practices not currently subject to prescribed burn
44.32 specifications. The commissioner must submit a report with recommendations and any
44.33 legislative changes needed to the chairs and ranking minority members of the house of

45.1 representatives and senate committees and divisions with jurisdiction over environment
45.2 and natural resources by January 15, 2017.

45.3 **Sec. 29. SAND DUNES STATE FOREST; REPORT.**

45.4 (a) Until July 1, 2017, the commissioner of natural resources shall not log, enter into
45.5 a logging contract, or otherwise remove trees for purposes of creating oak savanna in the
45.6 Sand Dunes State Forest. This paragraph does not prohibit work done under contracts
45.7 entered into before the effective date of this section or work on school trust lands.

45.8 (b) By January 15, 2017, the commissioner must submit a report, prepared by
45.9 the Division of Forestry, to the chairs and ranking minority members of the house of
45.10 representatives and senate committees and divisions with jurisdiction over environment
45.11 and natural resources with the Division of Forestry's progress on collaborating with local
45.12 citizens and other stakeholders over the past year when making decisions that impact
45.13 the landscape, including forest conversions and other clear-cutting activities, and the
45.14 division's progress on other citizen engagement activities.

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

45.16 **Sec. 30. COLD SPRING WATER APPROPRIATION PERMITS; REPORT.**

45.17 (a) The commissioner of natural resources shall amend the city of Cold Spring's
45.18 water appropriation permit to allow an increase in the city's water withdrawal of 100
45.19 million gallons per year from city wells 4, 5, and 6, provided a combined reduction of
45.20 ten million gallons per year is made from city well 3 or water appropriations under any
45.21 permits held by brewing companies in the Cold Spring Creek area. The city and any other
45.22 permit holder with permit modifications made under this section must comply with all
45.23 existing reporting requirements and demonstrate that increased pumping does not result in
45.24 violations of the Safe Drinking Water Act. The increases under this section are available
45.25 on an interim basis, not to exceed five years, to allow the city to establish a new well field
45.26 and long-term water supply solution for the city and area businesses.

45.27 (b) The commissioner must conduct necessary monitoring of stream flow and water
45.28 levels and develop a groundwater model to determine the amount of water that can be
45.29 sustainably pumped in the area of Cold Spring Creek for area businesses, agriculture, and
45.30 city needs. Beginning July 1, 2017, the commissioner must submit an annual progress
45.31 report to the chairs and ranking minority members of the house of representatives and
45.32 senate committees and divisions with jurisdiction over environment and natural resources.
45.33 The commissioner must submit a final report by January 15, 2022.

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

46.2 Sec. 31. **WATER LEVEL CONTROL PERMIT FOR BIG LAKE; GRANT**
46.3 **COUNTY.**

46.4 Notwithstanding Minnesota Statutes, sections 103G.407 and 103G.408, the
46.5 commissioner of natural resources must issue a permit to the Bois de Sioux Watershed
46.6 District to allow Big Lake in Grant County to be maintained at an elevation of 1,073
46.7 feet from May 1 to October 1, and to be drawn down to an elevation of 1,072 feet prior
46.8 to the lake freezing.

46.9 Sec. 32. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

46.10 The commissioner of natural resources shall report to the chairs of the house of
46.11 representatives and senate committees with jurisdiction over natural resources by January
46.12 15, 2019, regarding the feasibility of expanding permitting to service providers as
46.13 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in
46.14 the state. The report must:

46.15 (1) include recommendations for state and local resources needed to implement the
46.16 program;

46.17 (2) assess local government inspection roles under Minnesota Statutes, section
46.18 84D.105, subdivision 2, paragraph (g); and

46.19 (3) assess whether mechanisms to ensure that water-related equipment placed back
46.20 into the same body of water from which it was removed can adequately protect other
46.21 water bodies.

46.22 Sec. 33. **CITATION.**

46.23 Sections 14, 15, 16, 17, and 27 may be known and cited as "Sophia's Law."

46.24 Sec. 34. **REPEALER.**

46.25 Minnesota Statutes 2014, section 116P.13, is repealed.

46.26 **EFFECTIVE DATE.** This section is effective July 1, 2018, and any funds remaining
46.27 in the Minnesota future resources fund on July 1, 2018, are transferred to the general fund.

46.28 **ARTICLE 4**

46.29 **JOBS APPROPRIATIONS**

46.30 Section 1. **APPROPRIATIONS**

48.1 (d) \$1,000,000 in fiscal year 2017 is from the
48.2 workforce development fund for a grant to
48.3 the Neighborhood Development Center for
48.4 developing and supporting entrepreneurial
48.5 skills and job creation in communities served
48.6 by the Neighborhood Development Center.
48.7 Funds may be used for activities including but
48.8 not limited to business plan training, business
48.9 workshops, technical assistance to small
48.10 business owners, development and support
48.11 of business incubators, entrepreneurial
48.12 network development, and the expansion
48.13 of entrepreneurial capacity in communities.
48.14 This is a onetime appropriation.

48.15 (e) \$100,000 in fiscal year 2017 is from
48.16 the general fund for an easy-to-understand
48.17 manual to instruct aspiring business owners
48.18 in how to start a child care business. The
48.19 commissioner shall work in consultation
48.20 with relevant state and local agencies
48.21 and affected stakeholders to produce the
48.22 manual. The manual must be made available
48.23 electronically to interested persons. This is a
48.24 onetime appropriation and is available until
48.25 June 30, 2019.

48.26 (f) \$500,000 in fiscal year 2017 is from the
48.27 workforce development fund for a grant to
48.28 Enterprise Minnesota, Inc. Of this amount,
48.29 \$250,000 is for the small business growth
48.30 acceleration program under Minnesota
48.31 Statutes, section 116O.115, and \$250,000
48.32 is for operations under Minnesota Statutes,
48.33 sections 116O.01 to 116O.061. This is a
48.34 onetime appropriation.

49.1 (g) \$12,000 in fiscal year 2017 is a reduction
49.2 in the general fund appropriation for the
49.3 Upper Minnesota Film Office.

49.4 (h) \$1,825,000 in fiscal year 2017 is a
49.5 reduction in the general fund appropriation
49.6 for the Minnesota Film and TV Board.

49.7 (i) \$5,000,000 in fiscal year 2017 is from
49.8 the general fund for the workforce housing
49.9 grant program in Minnesota Statutes, section
49.10 116J.549. This is a onetime appropriation.

49.11 (j) \$2,290,000 in fiscal year 2017 is from the
49.12 general fund for a grant to Mille Lacs County
49.13 to develop and operate the Lake Mille Lacs
49.14 area economic relief program established
49.15 in article 5, section 11. This is a onetime
49.16 appropriation.

49.17 (k) \$500,000 in fiscal year 2017 is from the
49.18 general fund for grants to local communities
49.19 outside of the metropolitan area as defined
49.20 under Minnesota Statutes, section 473.121,
49.21 subdivision 2, to increase the supply of
49.22 quality child care providers in order to
49.23 support regional economic development.

49.24 Grant recipients must match state funds on a
49.25 dollar-for-dollar basis. Grant funds available
49.26 under this section must be used to implement
49.27 solutions to reduce the child care shortage
49.28 in the state, including but not limited to
49.29 funding for child care business start-up or
49.30 expansion, training, facility modifications
49.31 or improvements required for licensing,
49.32 and assistance with licensing and other
49.33 regulatory requirements. In awarding grants,
49.34 the commissioner must give priority to
49.35 communities in greater Minnesota that have

50.1 documented a shortage of child care providers
 50.2 in the area. This is a onetime appropriation
 50.3 and is available until June 30, 2019.

50.4 By September 30, 2017, grant recipients must
 50.5 report to the commissioner on the outcomes
 50.6 of the grant program, including but not
 50.7 limited to the number of new providers, the
 50.8 number of additional child care provider jobs
 50.9 created, the number of additional child care
 50.10 slots, and the amount of local funds invested.

50.11 By January 1, 2018, the commissioner must
 50.12 report to the standing committees of the
 50.13 legislature having jurisdiction over child care
 50.14 and economic development on the outcomes
 50.15 of the program to date.

50.16 **Subd. 3. Workforce Development** 3,900,000

50.17 (a) \$600,000 in fiscal year 2017 is from the
 50.18 workforce development fund for a grant to
 50.19 Ujamaa Place for job training, employment
 50.20 preparation, internships, education, training
 50.21 in the construction trades, housing, and
 50.22 organizational capacity building. This is a
 50.23 onetime appropriation.

50.24 (b) \$800,000 in fiscal year 2017 is from the
 50.25 workforce development fund for a grant
 50.26 to Latino Communities United in Service
 50.27 (CLUES) to expand culturally tailored
 50.28 programs that address employment and
 50.29 education skill gaps for working parents
 50.30 and underserved youth. Funds must be
 50.31 used to provide new job skills training to
 50.32 stimulate higher wages for low-income
 50.33 people, family support systems designed
 50.34 to reduce generational poverty, and youth
 50.35 programming to promote educational

51.1 advancement and career pathways. At
51.2 least 50 percent of the total grant funds
51.3 must be used for programming in greater
51.4 Minnesota. CLUES shall submit a report to
51.5 the chairs and ranking minority members of
51.6 the legislative committees and divisions of
51.7 the senate and house of representatives with
51.8 primary jurisdiction over jobs with findings
51.9 of program outcomes by March 1, 2018. The
51.10 report must include the type, duration, and
51.11 attendance of each program and quantifiable
51.12 measures of success. This is a onetime
51.13 appropriation and is available until June 30,
51.14 2019.

51.15 (c) \$600,000 in fiscal year 2017 is from the
51.16 workforce development fund for performance
51.17 grants under Minnesota Statutes, section
51.18 116J.8747, to Twin Cities RISE! to provide
51.19 training to hard-to-train individuals. This is
51.20 onetime appropriation.

51.21 (d) \$1,000,000 in fiscal year 2017 is from the
51.22 general fund for a grant to the Construction
51.23 Careers Foundation for the construction
51.24 career pathway initiative to provide
51.25 year-round educational and experiential
51.26 learning opportunities for teens and young
51.27 adults under the age of 21 that lead to careers
51.28 in the construction industry. This is a onetime
51.29 appropriation and is available until June 30,
51.30 2019. Grant funds must be used to:

51.31 (1) increase construction industry exposure
51.32 activities for middle school and high school
51.33 youth, parents, and counselors to reach a more
51.34 diverse demographic and broader statewide
51.35 audience. This requirement includes, but

52.1 is not limited to, an expansion of programs
52.2 to provide experience in different crafts to
52.3 youth and young adults throughout the state;
52.4 (2) increase the number of high schools
52.5 in Minnesota offering construction classes
52.6 during the academic year that utilize a
52.7 multicraft curriculum;
52.8 (3) increase the number of summer internship
52.9 opportunities;
52.10 (4) enhance activities to support graduating
52.11 seniors in their efforts to obtain employment
52.12 in the construction industry;
52.13 (5) increase the number of young adults
52.14 employed in the construction industry and
52.15 ensure that they reflect Minnesota's diverse
52.16 workforce; and
52.17 (6) enhance an industrywide marketing
52.18 campaign targeted to youth and young adults
52.19 about the depth and breadth of careers within
52.20 the construction industry.
52.21 Programs and services supported by grant
52.22 funds must give priority to individuals and
52.23 groups that are economically disadvantaged
52.24 or historically underrepresented in the
52.25 construction industry, including but not
52.26 limited to women, veterans, and members of
52.27 minority and immigrant groups.
52.28 (e) \$400,000 in fiscal year 2017 is from the
52.29 general fund for the Youth at Work youth
52.30 workforce development competitive grant
52.31 program. Of this amount, up to five percent
52.32 is for administration and monitoring of the
52.33 program. This is a onetime appropriation and
52.34 is available until June 30, 2018.

53.1 (f) \$500,000 in fiscal year 2017 is
 53.2 appropriated from the workforce
 53.3 development fund for a grant to the YWCA
 53.4 of Minneapolis to provide economically
 53.5 challenged individuals the jobs skills
 53.6 training, career counseling, and job
 53.7 placement assistance necessary to secure
 53.8 a child development associate credential
 53.9 and to have a career path in early childhood
 53.10 education. This is a onetime appropriation.

53.11 **Subd. 4. Vocational Rehabilitation** 500,000

53.12 \$500,000 in fiscal year 2017 is from
 53.13 the general fund for grants to centers
 53.14 for independent living under Minnesota
 53.15 Statutes, section 268A.11. This is a onetime
 53.16 appropriation.

53.17 **Subd. 5. State Services for the Blind** 200,000

53.18 \$200,000 in fiscal year 2017 is from the
 53.19 general fund for State Services for the
 53.20 Blind. Funds appropriated must be used to
 53.21 provide services for senior citizens who are
 53.22 becoming blind. At least half of the funds
 53.23 appropriated must be used to provide training
 53.24 services for seniors who are becoming blind.
 53.25 Training services must provide independent
 53.26 living skills to seniors who are becoming
 53.27 blind to allow them to continue to live
 53.28 independently in their homes. This is a
 53.29 onetime appropriation.

53.30 **Subd. 6. Broadband Development** 15,000,000

53.31 (a) \$15,000,000 in fiscal year 2017 is
 53.32 from the general fund for deposit in the
 53.33 border-to-border broadband fund account
 53.34 under Minnesota Statutes, section 116J.396,

55.1 \$250,000 in fiscal year 2017 is from the
 55.2 general fund for grants to eligible applicants
 55.3 to create or expand risk mitigation programs
 55.4 to reduce landlord financial risks for renting
 55.5 to persons eligible under Minnesota Statutes,
 55.6 section 462A.204. Eligible programs may
 55.7 reimburse landlords for costs including but
 55.8 not limited to nonpayment of rent, or damage
 55.9 costs above those costs covered by security
 55.10 deposits. The agency may give higher
 55.11 priority to applicants that can demonstrate
 55.12 a matching amount of money by a local
 55.13 unit of government, business, or nonprofit
 55.14 organization. Grantees must establish a
 55.15 procedure to review and validate claims and
 55.16 reimbursements under this grant program.
 55.17 This is a onetime appropriation.

55.18 Sec. 4. **EXPLORE MINNESOTA TOURISM** **\$** **-0-** **\$** **800,000**

55.19 (a) \$300,000 in fiscal year 2017 is from
 55.20 the general fund for a grant to the Mille
 55.21 Lacs Tourism Council to enhance marketing
 55.22 activities related to tourism promotion in
 55.23 the Mille Lacs Lake area. This is a onetime
 55.24 appropriation.

55.25 (b) \$500,000 in fiscal year 2017 is from the
 55.26 general fund for a pilot project to assist in
 55.27 funding and securing major events benefiting
 55.28 communities throughout the state. The pilot
 55.29 project must measure the economic impact
 55.30 of visitors on state and local economies,
 55.31 increased lodging and nonlodging sales taxes
 55.32 in addition to visitor spending, and increased
 55.33 media awareness of the state as an event
 55.34 destination. This is a onetime appropriation.

56.1	Sec. 5. <u>DEPARTMENT OF LABOR AND</u>		
56.2	<u>INDUSTRY</u>		
56.3	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <u>250,000</u>
56.4	<u>Subd. 2. Labor Standards and Apprenticeship</u>		\$ <u>250,000</u>
56.5	<u>\$250,000 in fiscal year 2017 is from the</u>		
56.6	<u>general fund for the apprenticeship program</u>		
56.7	<u>under Minnesota Statutes, chapter 178.</u>		
56.8	Sec. 6. <u>BUREAU OF MEDIATION</u>		
56.9	<u>SERVICES</u>	\$	<u>-0-</u> \$ <u>(125,000)</u>
56.10	<u>This is a reduction in the general fund</u>		
56.11	<u>appropriation in fiscal year 2017 for the</u>		
56.12	<u>Public Employment Relations Board.</u>		
56.13	Sec. 7. <u>DEPARTMENT OF COMMERCE</u>		
56.14	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <u>(151,000)</u>
56.15	<u>Subd. 2. Telecommunications</u>		<u>(376,000)</u>
56.16	<u>The base amount for this purpose is \$558,000</u>		
56.17	<u>in fiscal year 2018 and \$482,000 in fiscal</u>		
56.18	<u>year 2019.</u>		
56.19	<u>Subd. 3. Energy Resources</u>		<u>-0-</u> <u>100,000</u>
56.20	<u>\$100,000 in fiscal year 2017 is from the</u>		
56.21	<u>general fund for energy regulation and</u>		
56.22	<u>planning unit staff. This appropriation is</u>		
56.23	<u>not subject to assessment under Minnesota</u>		
56.24	<u>Statutes, section 216B.62.</u>		
56.25	<u>Subd. 4. Insurance</u>		<u>125,000</u>
56.26	<u>\$125,000 in fiscal year 2017 is from the</u>		
56.27	<u>general fund for insurance fraud enforcement</u>		
56.28	<u>under Minnesota Statutes, section 45.0135,</u>		
56.29	<u>subdivision 9.</u>		
56.30	Sec. 8. <u>PUBLIC UTILITIES COMMISSION</u>	\$	<u>-0-</u> \$ <u>(56,000)</u>

57.1 (a) Of the amount appropriated, \$112,000
 57.2 in fiscal year 2017 is from the general
 57.3 fund for costs related to implementation
 57.4 of solar energy standards and community
 57.5 solar garden requirements under Laws
 57.6 2013, chapter 85, and Laws 2015, First
 57.7 Special Session chapter 1, article 3. This
 57.8 appropriation is not subject to assessment
 57.9 under Minnesota Statutes, section 216B.62.

57.10 (b) Of the amount in fiscal year 2017,
 57.11 \$375,000 is a onetime reduction in the general
 57.12 fund appropriation for telecommunications
 57.13 regulation.

57.14 (c) Of the amount appropriated in fiscal year
 57.15 2017, \$207,000 is from the general fund for
 57.16 expenses related to additional Public Utilities
 57.17 Commission members.

57.18 (d) The base funding for the Public Utilities
 57.19 Commission is \$7,155,000 in fiscal year
 57.20 2018 and \$7,461,000 in fiscal year 2019.

57.21 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ -0- \$ 11,500,000**

57.22 \$11,500,000 in fiscal year 2017 is from the
 57.23 general fund for a grant to the Lewis and
 57.24 Clark Joint Powers Board to acquire land,
 57.25 design, engineer, and construct facilities
 57.26 and infrastructure necessary to complete
 57.27 Phase 3 of the Lewis and Clark Regional
 57.28 Water System project, including extension
 57.29 of the project from the Lincoln-Pipestone
 57.30 Rural Water System connection near
 57.31 Adrian to Worthington, construction of a
 57.32 reservoir in Nobles County and a meter
 57.33 building in Worthington, and acquiring and
 57.34 installing a supervisory control and data

58.1 acquisition (SCADA) system. This is a
 58.2 onetime appropriation and is not available
 58.3 until the commissioner of management and
 58.4 budget determines that at least \$9,000,000
 58.5 is committed to the Phase 3 of the project
 58.6 from nonstate sources. This appropriation
 58.7 is available until the project is completed or
 58.8 abandoned, subject to Minnesota Statutes,
 58.9 section 16A.642.

58.10 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 3,
 58.11 is amended to read:

58.12 Subd. 3. **Workforce Development**

58.13	Appropriations by Fund		
58.14	General	2,189,000	1,789,000
58.15	Workforce		
58.16	Development	17,567,000	16,767,000

58.17 (a) \$1,039,000 each year from the general
 58.18 fund and \$3,104,000 each year from the
 58.19 workforce development fund are for the adult
 58.20 workforce development competitive grant
 58.21 program. Of this amount, up to five percent
 58.22 is for administration and monitoring of the
 58.23 adult workforce development competitive
 58.24 grant program. All grant awards shall be
 58.25 for two consecutive years. Grants shall be
 58.26 awarded in the first year.

58.27 (b) \$4,050,000 each year is from the
 58.28 workforce development fund for the
 58.29 Minnesota youth program under Minnesota
 58.30 Statutes, sections 116L.56 and 116L.561, to
 58.31 provide employment and career advising to
 58.32 youth, including career guidance in secondary
 58.33 schools, to address the youth career advising
 58.34 deficiency, to carry out activities outlined
 58.35 in Minnesota Statutes, section 116L.561,

59.1 to provide support services, and to provide
59.2 work experience to youth in the workforce
59.3 service areas. The funds in this paragraph
59.4 may be used for expansion of the pilot
59.5 program combining career and higher
59.6 education advising in Laws 2013, chapter 85,
59.7 article 3, section 27. Activities in workforce
59.8 services areas under this paragraph may
59.9 serve all youth up to age 24.

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

59.14 (d) \$450,000 each year is from the workforce
59.15 development fund for a grant to Minnesota
59.16 Diversified Industries, Inc., to provide
59.17 progressive development and employment
59.18 opportunities for people with disabilities.

59.19 (e) \$3,348,000 each year is from the
59.20 workforce development fund for the "Youth
59.21 at Work" youth workforce development
59.22 competitive grant program. Of this amount,
59.23 up to five percent is for administration
59.24 and monitoring of the youth workforce
59.25 development competitive grant program. All
59.26 grant awards shall be for two consecutive
59.27 years. Grants shall be awarded in the first
59.28 year.

59.29 (f) \$500,000 each year is from the workforce
59.30 development fund for the Opportunities
59.31 Industrialization Center programs.

59.32 (g) \$750,000 each year is from the workforce
59.33 development fund for a grant to the
59.34 Minnesota Alliance of Boys and Girls
59.35 Clubs to administer a statewide project

60.1 of youth jobs skills development. This
60.2 project, which may have career guidance
60.3 components, including health and life skills,
60.4 is to encourage, train, and assist youth in
60.5 job-seeking skills, workplace orientation,
60.6 and job-site knowledge through coaching.
60.7 This grant requires a 25 percent match from
60.8 nonstate resources.

60.9 (h) \$250,000 the first year and \$250,000 the
60.10 second year are for pilot programs in the
60.11 workforce service areas to combine career
60.12 and higher education advising.

60.13 (i) \$215,000 each year is from the workforce
60.14 development fund for a grant to Big
60.15 Brothers, Big Sisters of the Greater Twin
60.16 Cities for workforce readiness, employment
60.17 exploration, and skills development for
60.18 youth ages 12 to 21. The grant must serve
60.19 youth in the Twin Cities, Central Minnesota
60.20 and Southern Minnesota Big Brothers, Big
60.21 Sisters chapters.

60.22 (j) \$900,000 in fiscal year 2016 and
60.23 \$1,100,000 in fiscal year 2017 are from the
60.24 workforce development fund for a grant to the
60.25 Minnesota High Tech Association to support
60.26 SciTechsperience, a program that supports
60.27 science, technology, engineering, and math
60.28 (STEM) internship opportunities for two-
60.29 and four-year college students in their field
60.30 of study. The internship opportunities
60.31 must match students with paid internships
60.32 within STEM disciplines at small, for-profit
60.33 companies located in the seven-county
60.34 metropolitan area, having fewer than 150
60.35 total employees; or at small or medium,

61.1 for-profit companies located outside of the
61.2 seven-county metropolitan area, having
61.3 fewer than 250 total employees. At least 200
61.4 students must be matched in the first year
61.5 and at least 250 students must be matched in
61.6 the second year. Selected hiring companies
61.7 shall receive from the grant 50 percent of the
61.8 wages paid to the intern, capped at \$2,500
61.9 per intern. The program must work toward
61.10 increasing the participation among women or
61.11 other underserved populations.

61.12 (k) \$50,000 each year is from the workforce
61.13 development fund for a grant to the St. Cloud
61.14 ~~Area Somali Salvation~~ Youth Organization
61.15 for youth development and crime prevention
61.16 activities. Grant funds may be used to
61.17 train and place mentors in elementary and
61.18 secondary schools; for athletic, social,
61.19 and other activities to foster leadership
61.20 development; to provide a safe place for
61.21 participating youth to gather after school, on
61.22 weekends, and on holidays; and activities to
61.23 improve the organizational and job readiness
61.24 skills of participating youth. This is a
61.25 onetime appropriation and is available until
61.26 June 30, 2019. Funds appropriated the first
61.27 year are available for use in the second year
61.28 of the biennium.

61.29 (l) \$500,000 each year is for rural career
61.30 counseling coordinator positions in the
61.31 workforce service areas and for the purposes
61.32 specified in Minnesota Statutes, section
61.33 116L.667. The commissioner, in consultation
61.34 with local workforce investment boards and
61.35 local elected officials in each of the service
61.36 areas receiving funds, shall develop a method

62.1 of distributing funds to provide equitable
62.2 services across workforce service areas.

62.3 (m) \$400,000 in fiscal year 2016 is for a grant
62.4 to YWCA Saint Paul for training and job
62.5 placement assistance, including commercial
62.6 driver's license training, through the job
62.7 placement and retention program. This is a
62.8 onetime appropriation.

62.9 (n) \$800,000 in fiscal year 2016 is from
62.10 the workforce development fund for
62.11 the customized training program for
62.12 manufacturing industries under article 2,
62.13 section 24. This is a onetime appropriation
62.14 and is available in either year of the
62.15 biennium. Of this amount:

62.16 (1) \$350,000 is for a grant to Central Lakes
62.17 College for the purposes of this paragraph;

62.18 (2) \$250,000 is for Minnesota West
62.19 Community and Technical College for the
62.20 purposes of this paragraph; and

62.21 (3) \$200,000 is for South Central College for
62.22 the purposes of this paragraph.

62.23 (o) \$500,000 each year is from the workforce
62.24 development fund for a grant to Resource,
62.25 Inc. to provide low-income individuals
62.26 career education and job skills training that
62.27 are fully integrated with chemical and mental
62.28 health services.

62.29 (p) \$200,000 in fiscal year 2016 and \$200,000
62.30 in fiscal year 2017 are from the workforce
62.31 development fund for performance grants
62.32 under Minnesota Statutes, section 116J.8747,
62.33 to Twin Cities RISE! to provide training to

63.1 hard-to-train individuals. This is a onetime
63.2 appropriation.

63.3 (q) \$200,000 in fiscal year 2016 is from
63.4 the workforce development fund for the
63.5 foreign-trained health care professionals
63.6 grant program modeled after the pilot
63.7 program conducted under Laws 2006,
63.8 chapter 282, article 11, section 2, subdivision
63.9 12, to encourage state licensure of
63.10 foreign-trained health care professionals,
63.11 including: physicians, with preference given
63.12 to primary care physicians who commit
63.13 to practicing for at least five years after
63.14 licensure in underserved areas of the state;
63.15 nurses; dentists; pharmacists; mental health
63.16 professionals; and other allied health care
63.17 professionals. The commissioner must
63.18 collaborate with health-related licensing
63.19 boards and Minnesota workforce centers to
63.20 award grants to foreign-trained health care
63.21 professionals sufficient to cover the actual
63.22 costs of taking a course to prepare health
63.23 care professionals for required licensing
63.24 examinations and the fee for the state
63.25 licensing examinations. When awarding
63.26 grants, the commissioner must consider the
63.27 following factors:

63.28 (1) whether the recipient's training involves
63.29 a medical specialty that is in high demand in
63.30 one or more communities in the state;

63.31 (2) whether the recipient commits to
63.32 practicing in a designated rural area or an
63.33 underserved urban community, as defined in
63.34 Minnesota Statutes, section 144.1501;

64.1 (3) whether the recipient's language skills
 64.2 provide an opportunity for needed health care
 64.3 access for underserved Minnesotans; and
 64.4 (4) any additional criteria established by the
 64.5 commissioner.

64.6 This is a onetime appropriation and is
 64.7 available until June 30, 2019.

64.8 Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 8,
 64.9 is amended to read:

64.10 Subd. 8. **Insurance**

64.11	Appropriations by Fund		
64.12	General	4,095,000	4,004,000
64.13	Workers'		
64.14	Compensation	553,000	553,000

64.15 \$642,000 each year is for health insurance
 64.16 rate review staffing.

64.17 \$91,000 in fiscal year 2016 is for the task
 64.18 force on no-fault auto insurance issues.

64.19 \$125,000 in fiscal year 2017 is for insurance
 64.20 fraud enforcement under Minnesota Statutes,
 64.21 section 45.0135, subdivision 9.

64.22 **ARTICLE 5**

64.23 **JOBS AND ECONOMIC DEVELOPMENT**

64.24 Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2,
 64.25 is amended to read:

64.26 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations
 64.27 of this subdivision, the commissioner may sell and issue appropriation bonds of the state
 64.28 under this section for public purposes as provided by law, ~~including, in particular, the~~
 64.29 ~~financing of the land acquisition, design, engineering, and construction of facilities and~~
 64.30 ~~infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water~~
 64.31 ~~System project, including completion of the pipeline to Magnolia, extension of the project~~
 64.32 ~~to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering,~~

65.1 ~~design, and easement acquisition for the final phase of the project to Worthington. No~~
65.2 ~~bonds shall be sold until the commissioner determines that a nonstate match of at least~~
65.3 ~~\$9,000,000 is committed to this project phase.~~ Grant agreements entered into under this
65.4 section must provide for reimbursement to the state from any federal money provided for
65.5 the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

65.6 (b) The appropriation bonds may be issued and sold only after the commissioner
65.7 determines that the construction and administration for work done on the project will
65.8 comply with (1) all federal requirements and regulations associated with the Lewis and
65.9 Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the
65.10 United States Department of the Interior and the Lewis and Clark Regional Water System,
65.11 Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis
65.12 and Clark bond proceeds fund in the state treasury. All income from investment of the
65.13 bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for
65.14 the payment of principal and interest on the appropriation bonds.

65.15 (c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the
65.16 commissioner, are necessary to provide sufficient money to the Public Facilities Authority
65.17 under subdivision 7, not to exceed \$19,000,000 net of costs of issuance, for the purposes as
65.18 provided under this paragraph (a), and pay debt service including capitalized interest, costs
65.19 of issuance, costs of credit enhancement, or make payments under other agreements entered
65.20 into under paragraph (e). The bonds authorized by this paragraph are for the purposes
65.21 of financing the land acquisition, design, engineering, and construction of facilities and
65.22 infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water
65.23 System project, including completion of the pipeline to Magnolia; extension of the project
65.24 to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering,
65.25 design, and easement acquisition for the final phase of the project to Worthington. No
65.26 bonds shall be sold under this subdivision until the commissioner determines that a
65.27 nonstate match of at least \$9,000,000 is committed to this project phase. Upon completion
65.28 of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision
65.29 is available for the purposes of Phase 3, which includes extension of the project from
65.30 the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington,
65.31 construction of a reservoir in Nobles County and a meter building in Worthington, and
65.32 acquiring and installing a supervisory control and data acquisition (SCADA) system.

65.33 (d) Appropriation bonds may be issued in one or more issues or series on the terms and
65.34 conditions the commissioner determines to be in the best interests of the state, but the term
65.35 on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of

66.1 each issue and series thereof shall be dated and bear interest, and may be includable in or
 66.2 excludable from the gross income of the owners for federal income tax purposes.

66.3 (e) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
 66.4 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
 66.5 enter into agreements and ancillary arrangements relating to the appropriation bonds,
 66.6 including but not limited to trust indentures, grant agreements, lease or use agreements,
 66.7 operating agreements, management agreements, liquidity facilities, remarketing or
 66.8 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,
 66.9 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
 66.10 payments made or received according to the agreement or ancillary arrangement shall be
 66.11 made from or deposited as provided in the agreement or ancillary arrangement. The
 66.12 determination of the commissioner included in an interest exchange agreement that the
 66.13 agreement relates to an appropriation bond shall be conclusive.

66.14 (f) The commissioner may enter into written agreements or contracts relating to the
 66.15 continuing disclosure of information necessary to comply with or facilitate the issuance
 66.16 of appropriation bonds in accordance with federal securities laws, rules, and regulations,
 66.17 including Securities and Exchange Commission rules and regulations in Code of Federal
 66.18 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
 66.19 with purchasers and holders of appropriation bonds set forth in the order or resolution
 66.20 authorizing the issuance of the appropriation bonds, or a separate document authorized
 66.21 by the order or resolution.

66.22 (g) The appropriation bonds are not subject to chapter 16C.

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

66.24 Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is
 66.25 amended to read:

66.26 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued
 66.27 under this section and interest credited to the special appropriation Lewis and Clark bond
 66.28 proceeds fund are appropriated ~~to the commissioner:~~

66.29 (1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers
 66.30 Board for payment of capital expenses for the purposes provided by as specified in
 66.31 subdivision 2, paragraph (a); and

66.32 (2) to the commissioner for debt service on the bonds including capitalized interest,
 66.33 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
 66.34 payments under any agreements entered into under subdivision 2, paragraph (e), each as

67.1 permitted by state and federal law, ~~and such proceeds may be granted, loaned, or otherwise~~
 67.2 ~~provided for the public purposes provided by subdivision 2, paragraph (a).~~

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

67.4 Sec. 3. Minnesota Statutes 2014, section 116J.548, subdivision 2, is amended to read:

67.5 Subd. 2. **Definitions.** For purposes of this section:

67.6 (a) "Capital costs" means expenditures for the public acquisition and of land and
 67.7 buildings, betterment of public lands and buildings, and ~~for~~ other publicly owned capital
 67.8 improvements. Capital costs also include expenditures for predesign, design, engineering,
 67.9 and similar activities for specifically identified eligible projects.

67.10 (b) "Eligible project" means a development or redevelopment project that will
 67.11 generate economic development within a time frame of five years or less or facilitate the
 67.12 preparation of long-term economic development within a host community.

67.13 (c) "Economic development" means assistance in preparation of a redevelopment or
 67.14 development area contained in the application that results in at least one of the following:

67.15 (1) job creation, including jobs relating to construction and temporary jobs;

67.16 (2) an increase in the tax base;

67.17 (3) the capacity ability of the eligible project to attract private investment, and;

67.18 (4) long-term economic development;

67.19 (5) needed public infrastructure or transportation-related improvements to facilitate
 67.20 long-term redevelopment or development; or

67.21 (6) other objective criteria established by the commissioner that demonstrate a
 67.22 public benefit to the host community.

67.23 (d) "Host community" means a city located within the seven-county metropolitan
 67.24 area, as defined in section 473.121, subdivision 2, that is the site of a waste disposal
 67.25 facility that meets the standards in section 473.849, that accepts unprocessed mixed
 67.26 municipal solid waste generated in the metropolitan area.

67.27 (e) "Long-term economic development" means capital costs associated with
 67.28 economic development projects identified by a host community comprehensive plan or
 67.29 redevelopment plan that will generate eligible economic development.

67.30 Sec. 4. Minnesota Statutes 2014, section 116J.548, subdivision 3, is amended to read:

67.31 Subd. 3. **Application.** Host communities may apply for a grant under this section
 67.32 on a form and in a manner prescribed by the commissioner. In awarding grants under
 67.33 this section, ~~the commissioner shall give priority to eligible projects that, based on a~~

68.1 ~~cost-benefit analysis, provide the highest return on public investment.~~ the commissioner
68.2 must allocate available money between host communities as evenly as practicable.

68.3 Sec. 5. Minnesota Statutes 2014, section 116J.8737, subdivision 3, is amended to read:

68.4 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the
68.5 commissioner for certification as a qualified investor for a taxable year. The application
68.6 must be in the form and be made under the procedures specified by the commissioner,
68.7 accompanied by an application fee of \$350. Application fees are deposited in the small
68.8 business investment tax credit administration account in the special revenue fund. The
68.9 application for certification for 2010 must be made available on the department's Web
68.10 site by August 1, 2010. Applications for subsequent years' certification must be made
68.11 available on the department's Web site by November 1 of the preceding year.

68.12 (b) Within 30 days of receiving an application for certification under this subdivision,
68.13 the commissioner must either certify the investor as satisfying the conditions required
68.14 of a qualified investor, request additional information from the investor, or reject the
68.15 application for certification. If the commissioner requests additional information from the
68.16 investor, the commissioner must either certify the investor or reject the application within
68.17 30 days of receiving the additional information. If the commissioner neither certifies the
68.18 investor nor rejects the application within 30 days of receiving the original application or
68.19 within 30 days of receiving the additional information requested, whichever is later, then
68.20 the application is deemed rejected, and the commissioner must refund the \$350 application
68.21 fee. An investor who applies for certification and is rejected may reapply.

68.22 (c) To receive certification, an investor must (1) be a natural person; and (2) certify
68.23 to the commissioner that the investor will only invest in a transaction that is exempt under
68.24 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a
68.25 security registered under section 80A.50, paragraph (b).

68.26 (d) In order for a qualified investment in a qualified small business to be eligible
68.27 for tax credits, a qualified investor who makes the investment must have applied for
68.28 and received certification for the calendar year prior to making the qualified investment,
68.29 except in the case of an investor who is not an accredited investor, within the meaning of
68.30 Regulation D of the Securities and Exchange Commission, Code of Federal Regulations,
68.31 title 17, section 230.501, paragraph (a), application for certification may be made within
68.32 30 days after making the qualified investment.

68.33 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
68.34 December 31, 2015.

69.1 Sec. 6. Minnesota Statutes 2014, section 116J.8747, subdivision 1, is amended to read:

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

69.4 (1) a ~~\$9,000~~ \$11,000 placement grant paid to a job training program upon
69.5 placement in employment of a qualified graduate of the program; and

69.6 (2) a ~~\$9,000~~ \$11,000 retention grant paid to a job training program upon retention
69.7 in employment of a qualified graduate of the program for at least one year.

69.8 Sec. 7. Minnesota Statutes 2014, section 116J.8747, subdivision 2, is amended to read:

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

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

69.13 (2) the program must spend ~~at least~~, on average, \$15,000 or more per graduate
69.14 of the program;

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

69.16 (i) basic skills, such as reading, writing, mathematics, and communications;

69.17 (ii) thinking skills, such as reasoning, creative thinking, decision making, and
69.18 problem solving; and

69.19 (iii) personal qualities, such as responsibility, self-esteem, self-management,
69.20 honesty, and integrity;

69.21 (4) the program ~~must~~ may provide income supplements, when needed, to participants
69.22 for housing, counseling, tuition, and other basic needs;

69.23 (5) the program's education and training course must last for an average of at least
69.24 six months;

69.25 (6) individuals served by the program must:

69.26 (i) be 18 years of age or older;

69.27 (ii) have federal adjusted gross income of no more than ~~\$11,000~~ \$12,000 per year in
69.28 the calendar year immediately before entering the program;

69.29 (iii) have assets of no more than ~~\$7,000~~ \$10,000, excluding the value of a
69.30 homestead; and

69.31 (iv) not have been claimed as a dependent on the federal tax return of another person
69.32 in the previous taxable year; and

69.33 (7) the program must be certified by the commissioner of employment and economic
69.34 development as meeting the requirements of this subdivision.

70.1 Sec. 8. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

70.2 Subdivision 1. **Creation; membership.** The Urban Initiative Board is created and
 70.3 consists of the commissioner of employment and economic development, the commissioner
 70.4 of human rights, the chair of the Metropolitan Council, and eight members from the general
 70.5 public appointed by the governor. Six of the public members must be representatives from
 70.6 minority business enterprises. No more than four of the public members may be of one
 70.7 gender. All public members must be experienced in business or economic development.

70.8 Sec. 9. Minnesota Statutes 2014, section 383B.142, is amended to read:

70.9 **383B.142 PROCEDURE.**

70.10 Subdivision 1. **Delegation of authority.** The county board may by resolution
 70.11 delegate the powers and duties enumerated in sections 383B.141 to ~~383B.151~~ 383B.1511,
 70.12 and those powers and duties necessary to the implementation of the purposes of central
 70.13 purchasing specifying the nature, scope and extent of the delegation. The authority and
 70.14 responsibility subject to delegation shall include, but not be limited to the following:

70.15 (a) purchasing and contracting for all goods, materials, supplies, equipment and
 70.16 contracted services, as provided in section 383B.143;

70.17 (b) preparation, review, modification and approval of all plans and specifications for
 70.18 goods, materials, supplies, equipment and contracted services;

70.19 (c) the transfer of any goods, materials, supplies, equipment or contracted services to
 70.20 or between departments, boards, commissions and agencies;

70.21 (d) selling or otherwise disposing of goods, materials, supplies, equipment and
 70.22 contracted services which are unusable or no longer required; and

70.23 (e) periodically reviewing and requiring department heads to supply necessary data
 70.24 concerning inventories and surpluses and monitoring compliance by department heads
 70.25 with purchasing laws, rules, regulations and procedures.

70.26 Subd. 2. **Administrator's duties.** Notwithstanding the provisions of section
 70.27 373.02, the county board may delegate its purchasing powers and duties to the county
 70.28 administrator. The county administrator, wherever referred to in sections 383B.141 to
 70.29 ~~383B.151~~ 383B.1511, may designate and delegate a purchasing manager or other person
 70.30 to perform the tasks empowered or assigned to the county administrator. Any purchase in
 70.31 excess of \$3,500 shall require the signature of the county administrator or designee.

70.32 Sec. 10. **383B.1511] JOB ORDER CONTRACTING.**

70.33 Subdivision 1. **Definitions.** (a) In this section, the definitions in this subdivision
 70.34 apply.

71.1 (b) "Job order contracting" means a project delivery method that requests a limited
71.2 number of bids from a list of qualified contractors, selected from a registry of qualified
71.3 contractors who have been prescreened and who have entered into master contracts with
71.4 the county, as provided in this section.

71.5 (c) "Project" means an undertaking by the county to construct, alter, maintain, repair,
71.6 or enlarge a building, structure, road, or bridge, or make other improvements.

71.7 (d) "Request for qualifications" means the document or publication soliciting
71.8 qualifications for a job order contracting contract.

71.9 Subd. 2. **Authority.** Notwithstanding any law to the contrary, the county may utilize
71.10 job order contracting for projects that do not exceed a construction cost of \$250,000.

71.11 Subd. 3. **Job order contracting request for qualifications.** (a) The county is
71.12 authorized to issue a request for qualifications that includes the criteria that will be
71.13 used for the projects, provided that these criteria (1) do not unduly restrict competition
71.14 or impose conditions beyond reasonable requirements, in order to ensure maximum
71.15 participation of all qualified contractors, and (2) do not relate to the collective bargaining
71.16 status of the contractor.

71.17 (b) The request for qualifications must be publicized in a manner designated by the
71.18 county that ensures open and unrestricted access for any potential responder. To the extent
71.19 practical, this must include posting on a county Web site.

71.20 Subd. 4. **Qualified contractors.** (a) The county shall review the responses to the
71.21 request for qualifications and determine each proposer's ability to enter into the master
71.22 contract that will be utilized for the projects. The county shall establish a list of qualified
71.23 contractors based on the proposers' ability to enter into a master contract as described
71.24 in the request for qualifications.

71.25 (b) The county may establish a reasonable limit to the number of contractors on the
71.26 registry of qualified contractors, based on the reasonable needs of the county. The county
71.27 may reserve up to 75 percent of the registry for certified small business enterprises that
71.28 may include minority-owned business enterprises, women-owned business enterprises,
71.29 and veteran-owned businesses. The remaining 25 percent of the registry may include
71.30 qualified businesses of any size or ownership.

71.31 (c) The county shall establish procedures to allow firms to submit qualifications at
71.32 least every 24 months to allow placement on the list of contractors qualified to enter
71.33 into a master contract. The county is not prohibited from accepting qualifications more
71.34 frequently or on an ongoing or rolling basis.

72.1 Subd. 5. **Construction services bidding.** The county shall request bids for
72.2 construction services for any project using job order contracting from qualified contractors
72.3 as follows:

72.4 (1) for projects up to a maximum cost of \$50,000, the county shall request a
72.5 minimum of two bids;

72.6 (2) for projects with a cost greater than \$50,000, but less than or equal to \$100,000,
72.7 the county shall request a minimum of three bids; and

72.8 (3) for projects with a cost greater than \$100,000, but less than or equal to \$250,000,
72.9 the county shall request a minimum of four bids.

72.10 Subd. 6. **Qualified contractor selection.** The county shall select the contractor who
72.11 submits the lowest price bid for the construction services proposed. At the discretion of
72.12 the county, any or all bids may be rejected if it is determined to be in the best interest
72.13 of the county.

72.14 Subd. 7. **Reasonable distribution of bid requests among qualified contractors.**
72.15 The county, in requesting bidding for projects using job order contracting as described in
72.16 this section, shall develop a system to ensure a reasonable opportunity for all qualified
72.17 contractors to periodically bid on construction services.

72.18 Subd. 8. **Expiration.** The authority to enter into new contracts under this section
72.19 expires on December 31, 2019.

72.20 Subd. 9. **Reporting.** Hennepin County must provide reports to the chairs of the
72.21 committees in the senate and the house of representatives that have jurisdiction over local
72.22 government operations, describing the uses of the authority provided in this section.
72.23 Uses of the authority described in the reports may include identifying the total number
72.24 of projects where this procurement method was used, the total number of contractors
72.25 qualified by the county, and the total annual expenditures for projects under this section.
72.26 The first report must be made by January 15, 2018, and subsequent reports must be made
72.27 on January 15 of each subsequent even-numbered year.

72.28 Sec. 11. **LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

72.29 Subdivision 1. **Relief program established.** Mille Lacs County must develop and
72.30 implement a Lake Mille Lacs area economic relief program to assist businesses adversely
72.31 affected by a decline in walleye fishing on Lake Mille Lacs.

72.32 Subd. 2. **Available relief.** (a) The economic relief program established under this
72.33 section may include grants or loans as provided in this section to the extent that funds are
72.34 available. Prior to awarding a grant to Mille Lacs County for the relief program under
72.35 this section:

- 73.1 (1) the county must develop criteria, procedures, and requirements for:
73.2 (i) determining eligibility for assistance;
73.3 (ii) the duration, terms, underwriting and security requirements, and repayment
73.4 requirements for loans;
73.5 (iii) evaluating applications for assistance;
73.6 (iv) awarding assistance; and
73.7 (v) administering the grant and loan program authorized under this section;
73.8 (2) the county must submit its criteria, procedures, and requirements developed
73.9 pursuant to clause (1) to the commissioner of employment and economic development
73.10 for review; and
73.11 (3) the commissioner must approve the criteria, procedures, and requirements as
73.12 developed pursuant to clause (1) to be used by the county in determining eligibility for
73.13 assistance, evaluating, awarding, and administering the grant and loan program.
73.14 (b) The relief authorized under this section includes:
73.15 (1) grants not to exceed \$50,000 per business. Grants may be awarded to applicants
73.16 only when the county determines that a loan is not appropriate to address the needs of
73.17 the applicant; and
73.18 (2) loans, with or without interest, and deferred or forgivable loans. The maximum
73.19 loan amount under this subdivision is \$100,000 per business. The lending criteria adopted
73.20 by the county for loans under this subdivision must:
73.21 (i) specify that an entity receiving a deferred or forgivable loan must remain in
73.22 the local community a minimum of five years after the date of the loan. The maximum
73.23 loan deferral period must not exceed five years from the date the loan is approved. The
73.24 maximum amount of a loan that may be forgiven must not exceed 50 percent of the
73.25 principle amount and may be forgiven only if the business has remained in operation in
73.26 the community for at least ten years after the loan is approved; and
73.27 (ii) require submission of a business plan for continued operation until the walleye
73.28 fishing resource recovers. The plan must document the probable success of the applicant's
73.29 business plan and probable success in repaying the loan according to the terms established
73.30 for the loan program; and
73.31 (3) tourism promotion grants to the Mille Lacs Tourism Council.
73.32 (c) All loan repayment funds under this subdivision must be paid to the commissioner
73.33 of employment and economic development for deposit in the Minnesota investment fund
73.34 disaster contingency account under Minnesota Statutes, section 116J.8731.
73.35 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
73.36 business must:

74.1 (1) be located within one of the following municipalities surrounding Lake Mille

74.2 Lacs:

74.3 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township
74.4 of Roosevelt;

74.5 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township
74.6 of Malmo, or township of Lakeside; or

74.7 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township
74.8 of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

74.9 (2) document a reduction of at least ten percent in gross receipts in any two-year
74.10 period since 2010; and

74.11 (3) be a business in one of the following industries, as defined within the
74.12 North American Industry Classification System: accommodation, restaurants, bars,
74.13 amusement and recreation, food and beverages retail, sporting goods, miscellaneous retail,
74.14 general retail, museums, historical sites, health and personal care, gas station, general
74.15 merchandise, business and professional membership, movies, or nonstore retailer, as
74.16 determined by Mille Lacs County in consultation with the commissioner of employment
74.17 and economic development.

74.18 Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures
74.19 that include, but are not limited to, the following components:

74.20 (1) the number of loans approved and the amounts and terms of the loans;

74.21 (2) the number of grants awarded, award amounts, and the reason that a grant award
74.22 was made in lieu of a loan;

74.23 (3) the loan default rate;

74.24 (4) the number of jobs created or retained as a result of the assistance, including
74.25 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
74.26 and the status of the jobs as temporary or permanent;

74.27 (5) the amount of business activity and changes in gross revenues of the grant or
74.28 loan recipient as a result of the assistance; and

74.29 (6) the new tax revenue generated as a result of the assistance.

74.30 (b) The commissioner of employment and economic development must monitor
74.31 Mille Lacs County's compliance with this section and the performance measures
74.32 developed under paragraph (a).

74.33 (c) Mille Lacs County must comply with all requests made by the commissioner
74.34 under this section.

76.1 **ARTICLE 7**

76.2 **HOUSING**

76.3 Section 1. Minnesota Statutes 2014, section 462A.204, subdivision 1, is amended to
76.4 read:

76.5 Subdivision 1. **Establishment.** The agency may establish a family homeless
76.6 prevention and assistance program to assist families who are homeless or are at imminent
76.7 risk of homelessness. The term "family" may include single individuals. The agency may
76.8 make grants to develop and implement family homeless prevention and assistance projects
76.9 under the program. For purposes of this section, "families" means families and persons
76.10 ~~under the age of 22~~ 24 years of age or younger.

76.11 Sec. 2. Minnesota Statutes 2014, section 462A.204, subdivision 3, is amended to read:

76.12 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of
76.13 the metropolitan area. A county, a group of contiguous counties jointly acting together, a
76.14 tribe, a group of tribes, or a community-based nonprofit organization with a sponsoring
76.15 resolution from each of the county boards of the counties located within its operating
76.16 jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

76.17 **ARTICLE 8**

76.18 **WORKERS' COMPENSATION COURT OF APPEALS PROPOSALS**

76.19 Section 1. Minnesota Statutes 2014, section 176.081, subdivision 1, is amended to read:

76.20 Subdivision 1. **Limitation of fees.** (a) A fee for legal services of 20 percent of the
76.21 first \$130,000 of compensation awarded to the employee is the maximum permissible fee
76.22 and does not require approval by the commissioner, compensation judge, or any other
76.23 party. All fees, including fees for obtaining medical or rehabilitation benefits, must be
76.24 calculated according to the formula under this subdivision, except as otherwise provided
76.25 in clause (1) or (2).

76.26 (1) The contingent attorney fee for recovery of monetary benefits according to the
76.27 formula in this section is presumed to be adequate to cover recovery of medical and
76.28 rehabilitation benefit or services concurrently in dispute. Attorney fees for recovery of
76.29 medical or rehabilitation benefits or services shall be assessed against the employer or
76.30 insurer only if the attorney establishes that the contingent fee is inadequate to reasonably
76.31 compensate the attorney for representing the employee in the medical or rehabilitation

77.1 dispute. In cases where the contingent fee is inadequate the employer or insurer is liable
77.2 for attorney fees based on the formula in this subdivision or in clause (2).

77.3 For the purposes of applying the formula where the employer or insurer is liable for
77.4 attorney fees, the amount of compensation awarded for obtaining disputed medical and
77.5 rehabilitation benefits under sections 176.102, 176.135, and 176.136 shall be the dollar
77.6 value of the medical or rehabilitation benefit awarded, where ascertainable.

77.7 (2) The maximum attorney fee for obtaining a change of doctor or qualified
77.8 rehabilitation consultant, or any other disputed medical or rehabilitation benefit for which
77.9 a dollar value is not reasonably ascertainable, is the amount charged in hourly fees for the
77.10 representation or \$500, whichever is less, to be paid by the employer or insurer.

77.11 (3) The fees for obtaining disputed medical or rehabilitation benefits are included
77.12 in the \$26,000 limit in paragraph (b). An attorney must concurrently file all outstanding
77.13 disputed issues. An attorney is not entitled to attorney fees for representation in any
77.14 issue which could reasonably have been addressed during the pendency of other issues
77.15 for the same injury.

77.16 (b) All fees for legal services related to the same injury are cumulative and may
77.17 not exceed \$26,000. If multiple injuries are the subject of a dispute, the commissioner,
77.18 compensation judge, or court of appeals shall specify the attorney fee attributable to
77.19 each injury.

77.20 (c) If the employer or the insurer or the defendant is given written notice of claims
77.21 for legal services or disbursements, the claim shall be a lien against the amount paid
77.22 or payable as compensation. Subject to the foregoing maximum amount for attorney
77.23 fees, up to 20 percent of the first \$130,000 of periodic compensation awarded to the
77.24 employee may be withheld from the periodic payments for attorney fees or disbursements
77.25 if the payor of the funds clearly indicates on the check or draft issued to the employee for
77.26 payment the purpose of the withholding, the name of the attorney, the amount withheld,
77.27 and the gross amount of the compensation payment before withholding. In no case
77.28 shall fees be calculated on the basis of any undisputed portion of compensation awards.
77.29 Allowable fees under this chapter shall be based solely upon genuinely disputed claims or
77.30 portions of claims, including disputes related to the payment of rehabilitation benefits or
77.31 to other aspects of a rehabilitation plan. The existence of a dispute is dependent upon a
77.32 disagreement after the employer or insurer has had adequate time and information to take
77.33 a position on liability. Neither the holding of a hearing nor the filing of an application for a
77.34 hearing alone may determine the existence of a dispute. Except where the employee is
77.35 represented by an attorney in other litigation pending at the department or at the Office
77.36 of Administrative Hearings, a fee may not be charged after June 1, 1996, for services

78.1 with respect to a medical or rehabilitation issue arising under section 176.102, 176.135,
78.2 or 176.136 performed before the employee has consulted with the department and the
78.3 department certifies that there is a dispute and that it has tried to resolve the dispute.

78.4 (d) An attorney who is claiming legal fees for representing an employee in a workers'
78.5 compensation matter shall file a statement of attorney fees with the commissioner, or
78.6 compensation judge before whom the matter was heard, ~~or Workers' Compensation Court~~
78.7 ~~of Appeals on cases before the court.~~ A copy of the signed retainer agreement shall also
78.8 be filed. The employee and insurer shall receive a copy of the statement. The statement
78.9 shall be on a form prescribed by the commissioner and shall report the number of hours
78.10 spent on the case.

78.11 (e) Employers and insurers may not pay attorney fees or wages for legal services
78.12 of more than \$26,000 per case.

78.13 (f) An attorney must file a statement of attorney fees within 12 months of the date
78.14 the attorney has submitted the written notice specified in paragraph (c). If the attorney
78.15 has not filed a statement of attorney fees within the 12 months, the attorney must send a
78.16 renewed notice of lien to the insurer. If 12 months have elapsed since the last notice of
78.17 lien has been received by the insurer and no statement of attorney fees has been filed, the
78.18 insurer must release the withheld money to the employee, except that before releasing the
78.19 money to the employee, the insurer must give the attorney 30 days' written notice of the
78.20 pending release. The insurer must not release the money if the attorney files a statement of
78.21 attorney fees within the 30 days.

78.22 Sec. 2. Minnesota Statutes 2014, section 176.081, subdivision 3, is amended to read:

78.23 Subd. 3. **Review.** A party that is dissatisfied with its attorney fees awarded by the
78.24 commissioner or a compensation judge may file an application a petition for review by the
78.25 Workers' Compensation Court of Appeals. The application petition shall state the basis for
78.26 the need of review and whether or not a hearing is requested. A copy of the application
78.27 petition shall be served by the court upon the party's attorney ~~by the court administrator~~
78.28 ~~and if a hearing is requested by either party, the matter shall be set for hearing awarded~~
78.29 or denied attorney fees. ~~The notice of hearing shall be served upon known interested~~
78.30 ~~parties.~~ The Workers' Compensation Court of Appeals shall have the authority to raise
78.31 the issue of the attorney fees at any time upon its own motion and shall have continuing
78.32 jurisdiction over attorney fees.

78.33 Sec. 3. Minnesota Statutes 2014, section 176.471, subdivision 3, is amended to read:

79.1 Subd. 3. **Service of writ and bond; filing fee.** To effect a review upon certiorari,
79.2 the party shall serve a writ of certiorari ~~and a bond~~ upon the administrator of the Workers'
79.3 Compensation Court of Appeals within the 30-day period referred to in subdivision 1. The
79.4 party shall also at this time pay to the ~~administrator~~ clerk of the appellate courts the fee
79.5 prescribed by rule ~~103.01~~ 116.03 of the Rules of Civil Appellate Procedure ~~which shall be~~
79.6 ~~disposed of in the manner provided by that rule.~~

79.7 Sec. 4. Minnesota Statutes 2014, section 176.471, subdivision 5, is amended to read:

79.8 Subd. 5. **Bond.** ~~The bond required by subdivision 3 shall be executed in such~~
79.9 ~~amount and with such sureties as the Workers' Compensation Court of Appeals directs~~
79.10 ~~and approves. The bond shall be conditioned to pay the cost of the review. The Workers'~~
79.11 ~~Compensation Court of Appeals may, upon motion of any respondent and a showing that~~
79.12 ~~extraordinary circumstances warrant the requirement of a cost bond, order that a bond be~~
79.13 ~~provided as prescribed by rule 107.02 of the Rules of Civil Appellate Procedure.~~

79.14 Sec. 5. Minnesota Statutes 2014, section 176.511, subdivision 2, is amended to read:

79.15 Subd. 2. **Disbursements, taxation.** The commissioner or compensation judge, or
79.16 ~~on appeal~~ the Workers' Compensation Court of Appeals on cases before the court, may
79.17 award the prevailing party reimbursement for actual and necessary disbursements. ~~These~~
79.18 ~~Disbursements shall be taxed upon five~~ ten days' written notice to adverse parties.

79.19 Sec. 6. Minnesota Statutes 2014, section 176.511, subdivision 3, is amended to read:

79.20 Subd. 3. **Attorney fee, allowance.** ~~Where upon an appeal to the Workers'~~
79.21 ~~Compensation Court of Appeals, (1) an award of compensation is affirmed, or modified~~
79.22 ~~and affirmed, or (2) an order disallowing compensation is reversed, or (3) a petition to~~
79.23 ~~vacate an award is granted, the Workers' Compensation Court of Appeals may include in~~
79.24 ~~its award as an incident to its review on appeal an amount to cover a reasonable attorney~~
79.25 ~~fee; or it may allow the an attorney fee in a proceeding to tax disbursements.~~

79.26 If the employer or insurer files a notice of discontinuance of an employee's benefits
79.27 and an administrative conference is held to resolve the dispute, but the employer or insurer
79.28 fails to attend the administrative conference, the commissioner or compensation judge
79.29 may order the employer or insurer to pay the employee's attorney fees as a cost under this
79.30 section if the employee's benefits are continued.

79.31 Sec. 7. **EFFECTIVE DATE.**

79.32 Sections 1 to 6 are effective the day following final enactment.

80.1 **ARTICLE 9**80.2 **WORKERS' COMPENSATION DEPARTMENT PROPOSALS**

80.3 Section 1. Minnesota Statutes 2015 Supplement, section 176.135, subdivision 7a,
80.4 is amended to read:

80.5 Subd. 7a. **Electronic transactions.** (a) For purposes of this subdivision, the
80.6 following terms have the meanings given:

80.7 (1) "workers' compensation payer" means a workers' compensation insurer and an
80.8 employer, or group of employers, that is self-insured for workers' compensation;

80.9 (2) "clearinghouse" has the meaning given in section 62J.51, subdivision 11a; and

80.10 (3) "electronic transactions" means the health care administrative transactions
80.11 described in section 62J.536.

80.12 (b) In addition to the requirements of section 62J.536, workers' compensation payers
80.13 and health care providers must comply with the requirements in paragraphs (c) to (e).

80.14 (c) No later than January 1, 2016, each workers' compensation payer must place
80.15 the following information in a prominent location on its Web site or otherwise provide
80.16 the information to health care providers:

80.17 (1) the name of each clearinghouse with which the workers' compensation payer has
80.18 an agreement to exchange or transmit electronic transactions, along with the identification
80.19 number each clearinghouse has assigned to the payer in order to route electronic
80.20 transactions through intermediaries or other clearinghouses to the payer;

80.21 (2) information about how a health care provider can obtain the claim number
80.22 assigned by the workers' compensation payer for an employee's claim and how the
80.23 provider should submit the claim number in the appropriate field on the electronic bill to
80.24 the payer; and

80.25 (3) the name, phone number, and e-mail address of contact persons who can answer
80.26 questions related to electronic transactions on behalf of the workers' compensation payer
80.27 and the clearinghouses with which the payer has agreements.

80.28 (d) No later than ~~July 1, 2016~~ January 1, 2017:

80.29 (1) health care providers must electronically submit copies of medical records or
80.30 reports that substantiate the nature of the charge and its relationship to the work injury
80.31 using the ~~most recently approved~~ ASC X12N 5010 version of the ASC X12N 275
80.32 transaction ("Additional Information to Support Health Care Claim or Encounter"),
80.33 according to the requirements in the corresponding implementation guide. The ASC X12N
80.34 275 transaction is the only one that shall be used to electronically submit attachments

81.1 unless a national standard is adopted by federal law or rule. If a new version of the
81.2 attachment transaction is approved, it must be used one year after the approval date;

81.3 (2) workers' compensation payers and all clearinghouses receiving or transmitting
81.4 workers' compensation bills must accept attachments using the ASC X12N 275 transaction
81.5 and must respond with the ~~most recently approved~~ ASC X12N 5010 version of the ASC
81.6 X12 electronic acknowledgment for the attachment transaction. If a new version of the
81.7 acknowledgment transaction is approved, it must be used one year after the approval
81.8 date; and

81.9 (3) if a different national claims attachment or acknowledgment requirement is
81.10 adopted by federal law or rule, it will replace the ASC X12N 275 transaction, and the new
81.11 standard must be used on the date that it is required by the federal law or rule.

81.12 (e) No later than September 1, 2015, workers' compensation payers must provide
81.13 the patient's name and patient control number on or with all payments made to a provider
81.14 under this chapter, whether payment is made by check or electronic funds transfer. The
81.15 information provided on or with the payment must be sufficient to allow providers to
81.16 match the payment to specific bills. If a bulk payment is made to a provider for more than
81.17 one patient, the check or electronic funds transfer statement must also specify the amount
81.18 being paid for each patient. For purposes of this paragraph, the patient control number is
81.19 located on the electronic health care claim 837 transaction, loop 2300, segment CLM01,
81.20 and on the electronic health care claim payment/advice 835 transaction, loop 2100, CLP01.

81.21 (f) The commissioner may assess a monetary penalty of \$500 for each violation of
81.22 this section, not to exceed \$25,000 for identical violations during a calendar year. Before
81.23 issuing a penalty for a first violation of this section, the commissioner must provide written
81.24 notice to the noncompliant payer, clearinghouse, or provider that a penalty may be issued
81.25 if the violation is not corrected within 30 days. Penalties under this paragraph are payable
81.26 to the commissioner for deposit in the assigned risk safety account.

81.27 Sec. 2. Minnesota Statutes 2015 Supplement, section 176.136, subdivision 1b, is
81.28 amended to read:

81.29 Subd. 1b. **Limitation of liability.** (a) The liability of the employer for treatment,
81.30 articles, and supplies provided to an employee while an inpatient or outpatient at a Critical
81.31 Access Hospital certified by the Centers for Medicare and Medicaid Services, or while an
81.32 outpatient at a hospital with 100 or fewer licensed beds, shall be the hospital's usual and
81.33 customary charge, unless the charge is determined by the commissioner or a compensation
81.34 judge to be unreasonably excessive.

82.1 (b) The liability of the employer for the treatment, articles, and supplies that are not
82.2 limited by paragraph (a), subdivision 1a, 1c, or section 176.1362 shall be limited to 85
82.3 percent of the provider's usual and customary charge, or 85 percent of the prevailing
82.4 charges for similar treatment, articles, and supplies furnished to an injured person when
82.5 paid for by the injured person, whichever is lower. On this basis, the commissioner or
82.6 compensation judge may determine the reasonable value of all treatment, services, and
82.7 supplies, and the liability of the employer is limited to that amount. The commissioner
82.8 may by rule establish the reasonable value of a service, article, or supply in lieu of the
82.9 85 percent limitation in this paragraph. A prevailing charge established under Minnesota
82.10 Rules, part 5221.0500, subpart 2, must be based on no more than two years of billing data
82.11 immediately preceding the date of the service.

82.12 (c) The limitation of liability for charges provided by paragraph (b) does not apply
82.13 to a nursing home that participates in the medical assistance program and whose rates are
82.14 established by the commissioner of human services.

82.15 (d) An employer's liability for treatment, articles, and supplies provided under this
82.16 chapter by a health care provider located outside of Minnesota is limited to the payment that
82.17 the health care provider would receive if the treatment, article, or supply were paid under
82.18 the workers' compensation law of the jurisdiction in which the treatment was provided.

82.19 Sec. 3. Minnesota Statutes 2014, section 176.571, subdivision 1, is amended to read:

82.20 Subdivision 1. **Preliminary investigation.** When the head of a department has filed
82.21 a report or the commissioner of administration has otherwise received information of
82.22 the occurrence of an injury to a state employee for which liability to pay compensation
82.23 may exist, the commissioner of administration shall make a preliminary investigation to
82.24 determine the question of probable liability.

82.25 In making this investigation, the commissioner of administration may require the
82.26 assistance of the head of any department or any employee of the state. The commissioner
82.27 of ~~management and budget administration~~ administration may require that all facts be furnished which
82.28 appear in the records of any state department bearing on the issue.

82.29 Sec. 4. **EFFECTIVE DATE.**

82.30 Sections 1 to 3 are effective the day following enactment.

82.31 **ARTICLE 10**

82.32 **WORKERS' COMPENSATION LITIGATION-RELATED PROPOSALS**

82.33 Section 1. Minnesota Statutes 2014, section 176.011, subdivision 7a, is amended to read:

83.1 Subd. 7a. ~~(1)~~ **Compensation judge.** "Compensation judge" means a workers'
83.2 compensation judge at the Office of Administrative Hearings.

83.3 ~~(2) **Calendar judge.** "Calendar judge" means a workers' compensation judge at the~~
83.4 ~~Office of Administrative Hearings.~~

83.5 ~~(3) **Compensation judge.** "Compensation judge" means a compensation judge at~~
83.6 ~~the Department of Labor and Industry. Compensation judges may conduct settlement~~
83.7 ~~conferences, issue summary decisions, approve settlements and issue awards thereon,~~
83.8 ~~determine petitions for attorney fees and costs, and make other determinations,~~
83.9 ~~decisions, orders, and awards as may be delegated to them by law or the commissioner.~~
83.10 Compensation judges must be learned in the law.

83.11 Sec. 2. Minnesota Statutes 2014, section 176.137, subdivision 1, is amended to read:

83.12 Subdivision 1. **Requirement; determination.** The employer shall furnish to an
83.13 employee who is permanently disabled because of a personal injury suffered in the course
83.14 of employment with that employer such alteration or remodeling of the employee's
83.15 principal residence as is reasonably required to enable the employee to move freely into
83.16 and throughout the residence and to otherwise adequately accommodate the disability.
83.17 Any remodeling or alteration shall be furnished only when the division ~~or Workers'~~
83.18 ~~Compensation Court of Appeals~~ determines that the injury is to such a degree that the
83.19 employee is substantially prevented from functioning within the principal residence.

83.20 Sec. 3. Minnesota Statutes 2014, section 176.137, subdivision 4, is amended to read:

83.21 Subd. 4. **Certification required; exceptions.** (a) Except as provided in paragraph
83.22 (b), no award may be made except upon the certification of a licensed architect to the
83.23 division ~~or Workers' Compensation Court of Appeals~~ that the proposed alteration or
83.24 remodeling of an existing residence or the building or purchase of a new or different
83.25 residence is reasonably required for the purposes specified in subdivision 1. The Council on
83.26 Disability shall advise the division ~~or Workers' Compensation Court of Appeals~~ as provided
83.27 in section 256.482, subdivision 5, clause (7). The alteration or remodeling of an existing
83.28 residence, or the building or purchase of a new home must be done under the supervision
83.29 of a licensed architect relative to the specific needs to accommodate the disability.

83.30 (b) Remodeling or alteration projects do not require an architect's certification and
83.31 supervision if the project is:

83.32 (1) approved by the Council on Disability;

83.33 (2) performed by a residential building contractor or residential remodeler licensed
83.34 under section 326B.805, subdivision 1; and

84.1 (3) approved by a certified building official or certified accessibility specialist under
84.2 section 326B.133, subdivision 3a, paragraphs (b) and (d), who states in writing that the
84.3 proposed remodeling or alterations are reasonably required to enable the employee to move
84.4 freely into and throughout the residence and to otherwise accommodate the disability.

84.5 Sec. 4. Minnesota Statutes 2014, section 176.137, is amended by adding a subdivision
84.6 to read:

84.7 Subd. 6. **Disputes.** A proceeding to resolve a dispute under this section shall be
84.8 initiated by petition under sections 176.271 and 176.291 and decided by a compensation
84.9 judge at the office under section 176.305, 176.322, or 176.341. The decision of the
84.10 compensation judge is appealable to the Workers' Compensation Court of Appeals under
84.11 section 176.421.

84.12 Sec. 5. Minnesota Statutes 2014, section 176.331, is amended to read:

84.13 **176.331 PROCEEDINGS WHEN ANSWER NOT FILED.**

84.14 Except in cases involving multiple employers or multiple insurers, if an adverse
84.15 party fails to file and serve an answer or obtain an extension from the commissioner or the
84.16 petitioner as required by section 176.321, subdivision 3, the commissioner shall refer the
84.17 matter to the chief administrative law judge for an immediate hearing and prompt award
84.18 or other order. The adverse party that failed to file an answer may appear at the hearing,
84.19 present evidence and question witnesses, but shall not be granted a continuance ~~for any~~
84.20 ~~reason~~ except upon a showing of good cause.

84.21 If an adverse party who fails to serve and file an answer is neither insured for
84.22 workers' compensation liability nor a licensed self-insured as required by section 176.181
84.23 and the special compensation fund is a party to the proceeding, the commissioner or
84.24 compensation judge may enter an order awarding benefits to the petitioning party without
84.25 a hearing if so requested by the special compensation fund.

84.26 Sec. 6. Minnesota Statutes 2014, section 176.361, subdivision 1, is amended to read:

84.27 Subdivision 1. **Right to intervene.** A person who has an interest in any matter
84.28 before the Workers' Compensation Court of Appeals, or commissioner, or compensation
84.29 judge such that the person may either gain or lose by an order or decision may intervene in
84.30 the proceeding by filing ~~an application or~~ a motion in writing stating the facts which show
84.31 the interest. The commissioner is considered to have an interest and shall be permitted
84.32 to intervene at the appellate level when a party relies in its claim or defense upon any

85.1 statute or rule administered by the commissioner, or upon any rule, order, requirement, or
85.2 agreement issued or made under the statute or rule.

85.3 The commissioner may adopt rules, not inconsistent with this section to govern
85.4 intervention. The Workers' Compensation Court of Appeals shall adopt rules to govern the
85.5 procedure for intervention in matters before it.

85.6 If the Department of Human Services or the Department of Employment and
85.7 Economic Development seeks to intervene in any matter before the division, a
85.8 compensation judge or the Workers' Compensation Court of Appeals, a nonattorney
85.9 employee of the department, acting at the direction of the staff of the attorney general,
85.10 may prepare, sign, serve and file motions for intervention and related documents, ~~appear~~
85.11 ~~at~~ attend prehearing conferences, and participate in matters before a compensation judge
85.12 or the Workers' Compensation Court of Appeals. Any other interested party may intervene
85.13 using a nonattorney and may participate in any proceeding to the same extent an attorney
85.14 could. This activity shall not be considered to be the unauthorized practice of law. An
85.15 intervenor represented by a nonattorney shall be deemed to be represented by an attorney
85.16 for the purposes of the conclusive presumption of section 176.521, subdivision 2.

85.17 Subdivisions 3 to 6 do not apply to ~~matters pending in the mediation or rehabilitation~~
85.18 ~~and medical services sections~~ the following proceedings conducted by the Department
85.19 of Labor and Industry or the office: mediation proceedings; discontinuance conferences
85.20 under section 176.239; or administrative conferences under section 176.106.

85.21 Sec. 7. Minnesota Statutes 2014, section 176.361, subdivision 2, is amended to read:

85.22 Subd. 2. **Written ~~application or motion~~.** A person desiring to intervene in a
85.23 workers' compensation case as a party, including but not limited to a health care provider
85.24 who has rendered services to an employee or an insurer who has paid benefits under
85.25 section 176.191, shall submit a timely written ~~application or motion~~ to intervene to the
85.26 commissioner, the office, or to the court of appeals, whichever is applicable.

85.27 (a) The ~~application or motion~~ must be served on all parties, except for other
85.28 intervenors, either personally, by first class mail, or by registered mail, return receipt
85.29 requested. ~~An application or A~~ motion to intervene must be served and filed within 60
85.30 days after a potential intervenor has been served with notice of a right to intervene or
85.31 within 30 days of notice of an administrative conference. Upon the filing of a timely
85.32 ~~application or motion~~ to intervene, the potential intervenor shall be granted intervenor
85.33 status without the need for an order. Objections to the intervention may be subsequently
85.34 addressed by a compensation judge. Where a motion to intervene is not timely filed
85.35 under this section, the potential intervenor interest shall be extinguished and the potential

86.1 intervenor may not collect, or attempt to collect, the extinguished interest from the
86.2 employee, employer, insurer, or any government program.

86.3 (b) The ~~application or~~ motion must show how the applicant's legal rights, duties, or
86.4 privileges may be determined or affected by the case; state the grounds and purposes for
86.5 which intervention is sought; and indicate the statutory right to intervene. The ~~application~~
86.6 ~~or~~ motion must be accompanied by the following:

86.7 (1) an itemization of disability payments showing the period during which the
86.8 payments were or are being made; the weekly or monthly rate of the payments; and the
86.9 amount of reimbursement claimed;

86.10 (2) a summary of the medical or treatment payments, or rehabilitation services
86.11 provided by the Vocational Rehabilitation Unit, broken down by creditor, showing the
86.12 total bill submitted, the period of treatment or rehabilitation covered by that bill, the
86.13 amount of payment on that bill, and to whom the payment was made;

86.14 (3) copies of all medical or treatment bills ~~on which some~~ for which payment was
86.15 made is sought;

86.16 (4) copies of the work sheets or other information stating how the payments on
86.17 medical or treatment bills were calculated;

86.18 (5) a copy of the relevant policy or contract provisions upon which the claim for
86.19 reimbursement is based;

86.20 (6) the name and telephone number of the person representing the intervenor who
86.21 has authority to represent the intervenor, including but not limited to the authority to
86.22 reach a settlement of the issues in dispute;

86.23 (7) proof of service or copy of the registered mail receipt evidencing service on all
86.24 parties except for other intervenors;

86.25 (8) at the option of the intervenor, a proposed stipulation which states that all of the
86.26 payments for which reimbursement is claimed are related to the injury or condition in
86.27 dispute in the case and that, if the petitioner is successful in proving the compensability of
86.28 the claim, it is agreed that the sum be reimbursed to the intervenor; and

86.29 (9) if represented by an attorney, the name, address, telephone number, and
86.30 Minnesota Supreme Court license number of the attorney.

86.31 Sec. 8. Minnesota Statutes 2014, section 176.361, subdivision 3, is amended to read:

86.32 Subd. 3. **Stipulation.** If the person submitting the ~~application or~~ motion for
86.33 intervention to intervene has included a proposed stipulation, all parties shall either
86.34 execute and return the signed stipulation to the intervenor who must file it with the
86.35 division or judge or serve upon the intervenor and all other parties and file with the

87.1 division specific and detailed objections to any payments made by the intervenor which
87.2 are not conceded to be correct and related to the injury or condition the petitioner has
87.3 asserted is compensable. If a party has not returned the signed stipulation or filed specific
87.4 and detailed objections within 30 days of service of the ~~application or motion to intervene~~,
87.5 the intervenor's right to reimbursement for the amount sought is deemed established
87.6 provided that the petitioner's claim is determined to be compensable. The office may
87.7 establish procedures for filing objections if a timely motion to intervene is filed less than
87.8 30 days before a scheduled hearing.

87.9 Sec. 9. Minnesota Statutes 2014, section 176.361, subdivision 4, is amended to read:

87.10 Subd. 4. **Attendance by intervenor.** ~~Unless a stipulation has been signed and filed or~~
87.11 ~~the intervenor's right to reimbursement has otherwise been established, the intervenor shall~~
87.12 ~~attend all settlement or pretrial conferences, administrative conferences, and the hearing.~~
87.13 ~~Failure~~ A person who has submitted a timely written motion to intervene, as required by
87.14 subdivision 2, is not required to attend settlement or pretrial conferences or the hearing,
87.15 unless attendance is ordered by the compensation judge assigned to the case, pursuant to a
87.16 motion to require the intervenor's attendance filed by a party or as a matter of the judge's
87.17 discretion. A motion to require attendance must be served and filed at least 20 days before
87.18 a scheduled hearing, and the compensation judge must serve and file an order granting or
87.19 denying the motion at least ten days before a scheduled hearing. If attendance is ordered,
87.20 failure of the intervenor to appear attend a proceeding either in person or, if approved by
87.21 the compensation judge, by telephone or some other electronic medium, shall result in the
87.22 denial of the claim for reimbursement: except upon a showing of good cause. If attendance
87.23 has not been ordered, this subdivision does not prohibit an intervenor from attending a
87.24 conference or hearing in person, or from requesting permission from the compensation
87.25 judge to attend a conference or hearing by telephone or other electronic medium.

87.26 Sec. 10. Minnesota Statutes 2014, section 176.361, subdivision 5, is amended to read:

87.27 Subd. 5. **Order Objections.** ~~If an~~ a specific and detailed objection to intervention
87.28 remains following settlement or pretrial conferences, the issue shall be addressed at the
87.29 hearing. If the intervenor has not been ordered to attend the hearing pursuant to subdivision
87.30 4, or has received permission to attend the hearing by telephone or other electronic
87.31 medium, the intervenor may provide a written response to the objection before the hearing
87.32 according to subdivision 6 for consideration as a matter of discretion by the judge.

87.33 Sec. 11. Minnesota Statutes 2014, section 176.361, subdivision 6, is amended to read:

88.1 Subd. 6. **Presentation of evidence by intervenor.** Unless a stipulation has been
88.2 signed and filed or the intervenor's right to reimbursement has otherwise been established,
88.3 the intervenor shall present evidence in support of the claim at or before the hearing ~~unless~~
88.4 ~~otherwise ordered by the compensation judge.~~ When the intervenor has not been ordered
88.5 to attend the hearing pursuant to subdivision 4, or has received permission to attend the
88.6 hearing by telephone or other electronic medium, the office may establish a procedure
88.7 for submission of the intervenor's evidence and response to outstanding objections to
88.8 intervention. If the intervenor does not submit a written response to the objection before
88.9 the hearing, the compensation judge's determination on the objection must be based on
88.10 the information and evidence submitted prior to or at the hearing, as a matter of judicial
88.11 discretion.

88.12 Sec. 12. Minnesota Statutes 2014, section 176.361, is amended by adding a subdivision
88.13 to read:

88.14 Subd. 8. **Chief administrative law judge orders.** The chief administrative law
88.15 judge may issue standing orders to implement this section. The chief administrative law
88.16 judge has the authority to issue standing orders instead of, or in addition to, the authority
88.17 granted to the office or compensation judges under this section, provided that any standing
88.18 order issued by the chief administrative law judge must be consistent with this section.

88.19 Sec. 13. **EFFECTIVE DATE.**

88.20 This article is effective August 1, 2016.

88.21 ARTICLE 11

88.22 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY

88.23 Section 1. Minnesota Statutes 2014, section 268.051, subdivision 5, is amended to read:

88.24 Subd. 5. **Tax rate for new employers.** ~~(a) Each new taxpaying employer that does~~
88.25 ~~not qualify for an experience rating under subdivision 3, except new employers in a high~~
88.26 ~~experience rating industry, must be assigned, for a calendar year, a tax rate the higher of~~
88.27 ~~(1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing~~
88.28 ~~the total amount of unemployment benefits paid all applicants during the 48 calendar~~
88.29 ~~months ending on June 30 of the prior calendar year by the total taxable wages of all~~
88.30 ~~taxpaying employers during the same period, plus the applicable base tax rate and any~~
88.31 ~~additional assessments under subdivision 2, paragraph (c).~~

88.32 ~~(b) Each new taxpaying employer in a high experience rating industry that does not~~
88.33 ~~qualify for an experience rating under subdivision 3, must be assigned, for a calendar year,~~

89.1 a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed
 89.2 to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits
 89.3 paid to all applicants from high experience rating industry employers during the 48
 89.4 calendar months ending on June 30 of the prior calendar year by the total taxable wages
 89.5 of all high experience rating industry employers during the same period, to a maximum
 89.6 provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any
 89.7 additional assessments under subdivision 2, paragraph (c).

89.8 (e) An employer is considered to be in a high experience rating industry if:

89.9 (1) the employer is engaged in residential, commercial, or industrial construction,
 89.10 including general contractors;

89.11 (2) the employer is engaged in sand, gravel, or limestone mining;

89.12 (3) the employer is engaged in the manufacturing of concrete, concrete products,
 89.13 or asphalt; or

89.14 (4) the employer is engaged in road building, repair, or resurfacing, including bridge
 89.15 and tunnels and residential and commercial driveways and parking lots.

89.16 (a) Each new taxpaying employer that does not qualify for an experience rating
 89.17 under subdivision 3 must be assigned, for the calendar year, a tax rate equal to the average
 89.18 experience rating for the employer's industry, plus the applicable base tax rate and any
 89.19 additional assessments under subdivision 2, paragraph (c). The tax rate assigned may not
 89.20 be less than one percent.

89.21 (b) The employer's industry, except for construction, is determined by the first two
 89.22 digits of the North American Industrial Classification System (NAICS). The construction
 89.23 industry is determined to five digits. For each calendar year, the commissioner must
 89.24 compute, in accordance with subdivision 3, the average industry experience rating for
 89.25 the employer's industry.

89.26 (d) (c) Regardless of any law to the contrary, a taxpaying employer must be
 89.27 assigned a tax rate under this subdivision if the employer had no taxable wages during the
 89.28 experience rating period under subdivision 3.

89.29 (e) (d) The commissioner must send to the new employer, by mail or electronic
 89.30 transmission, a determination of tax rate. An employer may appeal the determination of
 89.31 tax rate in accordance with the procedures in subdivision 6, paragraph (c).

89.32 **EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to tax
 89.33 rates assigned for the calendar year 2018 and thereafter.

89.34 Sec. 2. Minnesota Statutes 2015 Supplement, section 268.07, subdivision 3b, is
 89.35 amended to read:

90.1 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
90.2 unemployment benefits is effective the Sunday of the calendar week that the application
90.3 was filed. An application for unemployment benefits may be backdated one calendar week
90.4 before the Sunday of the week the application was actually filed if the applicant requests
90.5 the backdating at within seven calendar days of the time date the application is filed. An
90.6 application may be backdated only if the applicant was unemployed during the period of
90.7 the backdating. If an individual attempted to file an application for unemployment benefits,
90.8 but was prevented from filing an application by the department, the application is effective
90.9 the Sunday of the calendar week the individual first attempted to file an application.

90.10 (b) A benefit account established under subdivision 2 is effective the date the
90.11 application for unemployment benefits was effective.

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

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

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

90.17 A determination or amended determination of eligibility or ineligibility issued under
90.18 section 268.101, that was sent before the withdrawal of the benefit account, remains in
90.19 effect and is not voided by the withdrawal of the benefit account.

90.20 (d) An application for unemployment benefits is not allowed before the Sunday
90.21 following the expiration of the benefit year on a prior benefit account. Except as allowed
90.22 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
90.23 weeks. This paragraph applies to benefit accounts established under any federal law or
90.24 the law of any other state.

90.25 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to
90.26 applications for unemployment benefits filed after that date.

90.27 Sec. 3. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

90.28 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
90.29 unemployment benefits according to subdivision 10 except when:

90.30 (1) the applicant quit the employment because of a good reason caused by the
90.31 employer as defined in subdivision 3;

90.32 (2) the applicant quit the employment to accept other covered employment
90.33 that provided substantially equal or better terms and conditions of employment, but
90.34 the applicant did not work long enough at the second employment to have sufficient

91.1 subsequent ~~earnings~~ wages paid to satisfy the period of ineligibility that would otherwise
91.2 be imposed under subdivision 10 for quitting the first employment;

91.3 (3) the applicant quit the employment within 30 calendar days of beginning the
91.4 employment ~~because and~~ the employment was unsuitable for the applicant;

91.5 (4) the employment was unsuitable ~~for the applicant~~ and the applicant quit to enter
91.6 reemployment assistance training;

91.7 (5) the employment was part time and the applicant also had full-time employment
91.8 in the base period, from which full-time employment the applicant separated because of
91.9 reasons for which the applicant ~~was held~~ is not to be ineligible, and the wage credits from
91.10 the full-time employment are sufficient to meet the minimum requirements to establish a
91.11 benefit account under section 268.07;

91.12 (6) the applicant quit because the employer notified the applicant that the applicant
91.13 was going to be laid off because of lack of work within 30 calendar days. An applicant
91.14 who quit employment within 30 calendar days of a notified date of layoff because of lack
91.15 of work is ineligible for unemployment benefits through the end of the week that includes
91.16 the scheduled date of layoff;

91.17 (7) the applicant quit the employment (i) because the applicant's serious illness or
91.18 injury made it medically necessary that the applicant quit; or (ii) in order to provide
91.19 necessary care because of the illness, injury, or disability of an immediate family member
91.20 of the applicant. This exception only applies if the applicant informs the employer of
91.21 the medical problem and requests accommodation and no reasonable accommodation
91.22 is made available.

91.23 If the applicant's serious illness is chemical dependency, this exception does not
91.24 apply if the applicant was previously diagnosed as chemically dependent or had treatment
91.25 for chemical dependency, and since that diagnosis or treatment has failed to make
91.26 consistent efforts to control the chemical dependency.

91.27 This exception raises an issue of the applicant's being available for suitable
91.28 employment under section 268.085, subdivision 1, that the commissioner must determine;

91.29 (8) the applicant's loss of child care for the applicant's minor child caused the
91.30 applicant to quit the employment, provided the applicant made reasonable effort to obtain
91.31 other child care and requested time off or other accommodation from the employer and no
91.32 reasonable accommodation is available.

91.33 This exception raises an issue of the applicant's being available for suitable
91.34 employment under section 268.085, subdivision 1, that the commissioner must determine;

92.1 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
 92.2 applicant or an immediate family member of the applicant, necessitated the applicant's
 92.3 quitting the employment.

92.4 For purposes of this subdivision:

92.5 (i) "domestic abuse" has the meaning given in section 518B.01;

92.6 (ii) "sexual assault" means an act that would constitute a violation of sections
 92.7 609.342 to 609.3453 or 609.352; and

92.8 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

92.9 (10) the applicant quit in order to relocate to accompany a spouse;

92.10 (1) who is in the military; or

92.11 (2) whose job was transferred by the spouse's employer to a new location changed
 92.12 making it impractical for the applicant to commute.

92.13 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
 92.14 matters pending a determination or a decision by an unemployment law judge.

92.15 Sec. 4. Minnesota Statutes 2014, section 268.101, subdivision 2, is amended to read:

92.16 Subd. 2. **Determination.** (a) The commissioner must determine any issue of
 92.17 ineligibility raised by information required from an applicant under subdivision 1,
 92.18 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or
 92.19 electronic transmission, a document titled a determination of eligibility or a determination
 92.20 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result
 92.21 of a quit or a discharge of the applicant must state the effect on the employer under section
 92.22 268.047. A determination must be made in accordance with this paragraph even if a
 92.23 notified employer has not raised the issue of ineligibility.

92.24 (b) The commissioner must determine any issue of ineligibility raised by an
 92.25 employer and send to the applicant and that employer, by mail or electronic transmission,
 92.26 a document titled a determination of eligibility or a determination of ineligibility as is
 92.27 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge
 92.28 of the applicant must state the effect on the employer under section 268.047.

92.29 If a base period employer:

92.30 (1) was not the applicant's most recent employer before the application for
 92.31 unemployment benefits;

92.32 (2) did not employ the applicant during the six calendar months before the
 92.33 application for unemployment benefits; and

92.34 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the
 92.35 applicant within ten calendar days of notification under subdivision 1, paragraph (b);

93.1 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
93.2 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
93.3 the applicant was raised by the employer.

93.4 A communication from an employer must specifically set out why the applicant
93.5 should be determined ineligible for unemployment benefits for that communication to be
93.6 considered to have raised an issue of ineligibility for purposes of this section. A statement
93.7 of "protest" or a similar term without more information does not constitute raising an issue
93.8 of ineligibility for purposes of this section.

93.9 (c) Subject to section 268.031, an issue of ineligibility is determined based upon
93.10 that information required of an applicant, any information that may be obtained from an
93.11 applicant or employer, and information from any other source.

93.12 (d) Regardless of the requirements of this subdivision, the commissioner is not
93.13 required to send to an applicant a copy of the determination where the applicant has
93.14 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,
93.15 subdivision 10.

93.16 (e) The commissioner may issue a determination on an issue of ineligibility ~~at any~~
93.17 ~~time~~ within 24 months from the establishment of a benefit account based upon information
93.18 from any source, even if the issue of ineligibility was not raised by the applicant or an
93.19 employer. ~~This paragraph does not prevent the imposition of a penalty on~~

93.20 If an applicant obtained unemployment benefits through fraud under section 268.18,
93.21 subdivision 2, or 268.182 a determination of ineligibility may be issued within 48 months
93.22 of the establishment of the benefit account.

93.23 (f) A determination of eligibility or determination of ineligibility is final unless an
93.24 appeal is filed by the applicant or notified employer within 20 calendar days after sending.
93.25 The determination must contain a prominent statement indicating the consequences of not
93.26 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

93.27 (g) An issue of ineligibility required to be determined under this section includes
93.28 any question regarding the denial or allowing of unemployment benefits under this chapter
93.29 except for issues under section 268.07. An issue of ineligibility for purposes of this section
93.30 includes any question of effect on an employer under section 268.047.

93.31 ~~(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,~~
93.32 ~~the employer will be (1) sent a copy of the determination of eligibility or a determination~~
93.33 ~~of ineligibility, or (2) considered an involved employer for purposes of an appeal under~~
93.34 ~~section 268.105, only if the employer raised the issue of ineligibility.~~

93.35 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
93.36 matters pending a determination.

94.1 Sec. 5. Minnesota Statutes 2014, section 268.182, subdivision 2, is amended to read:

94.2 Subd. 2. **Administrative penalties.** (a) Any applicant who knowingly makes a false
 94.3 statement or representation, who knowingly fails to disclose a material fact, or who makes
 94.4 a false statement or representation without a good faith belief as to the correctness of the
 94.5 statement or representation, in order to obtain or in an attempt to obtain unemployment
 94.6 benefits may be assessed, in addition to any other penalties, an administrative penalty of
 94.7 being ineligible for unemployment benefits for 13 to 104 weeks.

94.8 (b) A determination of ineligibility setting out the weeks the applicant is ineligible
 94.9 must be sent to the applicant by mail or electronic transmission. A determination of
 94.10 ineligibility under this subdivision may be issued within 48 months of the establishment of
 94.11 the benefit account upon which the unemployment benefits were obtained or attempted to
 94.12 be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination
 94.13 is final. Proceedings on the appeal are conducted in accordance with section 268.105.

94.14 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
 94.15 matters pending a determination.

94.16 ARTICLE 12

94.17 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

94.18 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 12, is amended to read:

94.19 Subd. 12. **Covered employment.** (a) "Covered employment" means the following
 94.20 unless excluded as "noncovered employment" under subdivision 20:

94.21 (1) an employee's entire employment during the calendar quarter if:

94.22 (i) the employment during the quarter is performed primarily in Minnesota;

94.23 (ii) the employment during the quarter is not performed primarily in Minnesota or
 94.24 any other state but some of the employment is performed in Minnesota and the base
 94.25 of operations or the place from which the employment is directed or controlled is in
 94.26 Minnesota; or

94.27 (iii) the employment during the quarter is not performed primarily in Minnesota
 94.28 or any other state and the base of operations or place from which the employment is
 94.29 directed or controlled is not in any state where part of the employment is performed, but
 94.30 the employee's residence is in Minnesota;

94.31 (2) an employee's entire employment during the calendar quarter performed within
 94.32 the United States or Canada, if:

94.33 (i) the employment is not considered covered employment under the unemployment
 94.34 insurance program of any other state, federal law, or the law of Canada; and

95.1 (ii) the place from which the employment is directed or controlled is in Minnesota;

95.2 (3) the employment during the calendar quarter, performed entirely outside of the
 95.3 United States and Canada, by an employee who is a United States citizen in the employ of
 95.4 an American employer if the employer's principal place of business in the United States is
 95.5 located in Minnesota. An "American employer," for the purposes of this clause, means a
 95.6 corporation organized under the laws of any state, an individual who is a resident of the
 95.7 United States, or a partnership if two-thirds or more of the partners are residents of the
 95.8 United States, or a trust, if all of the trustees are residents of the United States; and

95.9 (4) all employment during the calendar quarter performed by an officer or member
 95.10 of the crew of an American vessel on or in connection with the vessel, if the operating
 95.11 office from which the operations of the vessel operating on navigable waters within, or
 95.12 within and without, the United States are ordinarily and regularly supervised, managed,
 95.13 directed, and controlled is in Minnesota.

95.14 (b) "Covered employment" includes covered agricultural employment under
 95.15 subdivision 11.

95.16 (c) For the purposes of ~~satisfying the period of ineligibility under~~ section 268.095,
 95.17 ~~subdivision 10~~, "covered employment" includes ~~covered~~ employment covered under an
 95.18 unemployment insurance program:

95.19 (1) of any other state; or

95.20 (2) established by an act of Congress.

95.21 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
 95.22 matters pending a determination or a decision by an unemployment law judge

95.23 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 29, is amended to read:

95.24 Subd. 29. **Wages.** (a) "Wages" means all compensation for employment, including
 95.25 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
 95.26 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
 95.27 a customer of an employer and accounted for by the employee to the employer; sickness
 95.28 and accident disability payments, except as otherwise provided in this subdivision; and
 95.29 the cash value of housing, utilities, meals, exchanges of services, and any other goods
 95.30 and services provided to compensate an employee, except:

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

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

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

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

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

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

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

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

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

96.24 (10) advances or reimbursements for traveling or other bona fide ordinary and
96.25 necessary expenses incurred or reasonably expected to be incurred in the business of the
96.26 employer. Traveling and other reimbursed expenses must be identified either by making
96.27 separate payments or by specifically indicating the separate amounts where both wages
96.28 and expense allowances are combined in a single payment;

96.29 (11) residual payments to radio, television, and similar artists that accrue after
96.30 the production of television commercials, musical jingles, spot announcements, radio
96.31 transcriptions, film sound tracks, and similar activities;

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

96.34 (13) ~~payments made to supplement~~ supplemental ~~unemployment benefits~~ benefit
96.35 payments under a plan established by an employer, ~~that makes provisions for employees~~
96.36 ~~generally or for a class or classes of employees under the written terms of an agreement,~~

97.1 ~~contract, trust arrangement, or other instrument~~ if the payment is not wages under the
97.2 Federal Unemployment Tax Act. ~~The plan must provide supplemental payments are~~
97.3 wages unless made solely for the supplementing of weekly state or federal unemployment
97.4 benefits. ~~The plan must provide supplemental payments only for those weeks the applicant~~
97.5 ~~has been paid regular, extended, or additional unemployment benefits. The supplemental~~
97.6 ~~payments, when combined with the applicant's weekly unemployment benefits paid, may~~
97.7 ~~not exceed the applicant's regular weekly pay. The plan must not allow the assignment~~
97.8 ~~of Supplemental unemployment benefit payments or provide for any type of additional~~
97.9 ~~payment. The plan must not require~~ may not be assigned, nor may any consideration be
97.10 required from the applicant, other than a release of claims, ~~and must not be designed for~~
97.11 ~~the purpose of avoiding the payment of Social Security obligations, or unemployment~~
97.12 ~~taxes on money disbursed from the plan~~ in order to be excluded from wages;

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

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

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

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

97.24 (b) Nothing in this subdivision excludes from the term "wages" any payment
97.25 made under any type of salary reduction agreement, including payments made under a
97.26 cash or deferred arrangement and cafeteria plan, as defined in United States Code, title
97.27 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the
97.28 employee has the option to receive the payment in cash.

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

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

97.35 (2) at the time of each payment there is a written ~~acknowledgement~~ acknowledgment
97.36 indicating the separate allocated amounts.

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

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

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

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

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

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

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

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

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

98.27 Sec. 3. Minnesota Statutes 2015 Supplement, section 268.085, subdivision 2, is
98.28 amended to read:

98.29 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
98.30 any week:

98.31 (1) that occurs before the effective date of a benefit account;

98.32 (2) that the applicant, at ~~the beginning of any time during~~ the week, has an
98.33 outstanding fraud overpayment balance under section 268.18, subdivision 2, including
98.34 any penalties and interest;

99.1 (3) that occurs in a period when the applicant is a student in attendance at, or on
 99.2 vacation from a secondary school including the period between academic years or terms;

99.3 (4) that the applicant is incarcerated or performing court-ordered community service.
 99.4 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
 99.5 the applicant is incarcerated or performing court-ordered community service;

99.6 (5) that the applicant fails or refuses to provide information on an issue of
 99.7 ineligibility required under section 268.101;

99.8 (6) that the applicant is performing services 32 hours or more, in employment,
 99.9 covered employment, noncovered employment, volunteer work, or self-employment
 99.10 regardless of the amount of any earnings; or

99.11 (7) with respect to which the applicant has filed an application for unemployment
 99.12 benefits under any federal law or the law of any other state. If the appropriate agency
 99.13 finally determines that the applicant is not entitled to establish a benefit account under
 99.14 federal law or the law of any other state, this clause does not apply.

99.15 Sec. 4. Minnesota Statutes 2014, section 268.0865, subdivision 3, is amended to read:

99.16 Subd. 3. **Continued request for unemployment benefits by electronic**
 99.17 **transmission.** (a) A continued request for unemployment benefits by electronic
 99.18 transmission must be filed to that electronic mail address, telephone number, or Internet
 99.19 address prescribed by the commissioner for that applicant. In order to constitute a
 99.20 continued request, all information asked for, including information authenticating that the
 99.21 applicant is sending the transmission, must be provided in the format required. If all of the
 99.22 information asked for is not provided, the communication does not constitute a continued
 99.23 request for unemployment benefits.

99.24 (b) The continued request by electronic transmission communication must be filed
 99.25 within four calendar weeks following the week for which payment is requested on the
 99.26 date day of the week and during the time of day designated for the applicant ~~for filing a~~
 99.27 ~~continued request by electronic transmission.~~

99.28 (c) ~~If the electronic transmission continued request is not filed as required under~~
 99.29 ~~paragraph (b), a continued request by electronic transmission must be accepted if the~~
 99.30 ~~applicant files the continued request by electronic transmission within three calendar~~
 99.31 ~~weeks following the week for which payment is requested. If the continued request by~~
 99.32 ~~electronic transmission is not filed within three~~ four ~~calendar weeks following the week~~
 99.33 ~~for which payment is requested, the electronic continued request will not be accepted~~
 99.34 ~~and the applicant is ineligible for unemployment benefits for the period covered by the~~

100.1 continued request, unless the applicant shows good cause for failing to file the continued
100.2 request by electronic transmission within the time period required.

100.3 Sec. 5. Minnesota Statutes 2014, section 268.0865, subdivision 4, is amended to read:

100.4 Subd. 4. **Continued request for unemployment benefits by mail.** (a) A
100.5 continued request for unemployment benefits by mail must be on a form prescribed by
100.6 the commissioner. The form, in order to constitute a continued request, must be totally
100.7 completed and signed by the applicant. The form must be filed by mail, in an envelope
100.8 with postage prepaid, and sent to the address designated ~~during the week following the~~
100.9 ~~week for which payment is requested.~~

100.10 ~~(b) If the mail continued request for unemployment benefits is not filed as required~~
100.11 ~~under paragraph (a), a continued request must be accepted if the form is filed by mail~~
100.12 ~~within three four calendar weeks following the week for which payment is requested.~~

100.13 (b) If the continued request form is not filed within three four calendar weeks
100.14 following the week for which payment is requested, the form will not be accepted and the
100.15 applicant is ineligible for unemployment benefits for the period covered by the continued
100.16 request for unemployment benefits, unless the applicant shows good cause for failing to
100.17 file the form by mail within the time period required.

100.18 (c) If the applicant has been designated to file a continued request for unemployment
100.19 benefits by mail, an applicant may submit the form by facsimile transmission within
100.20 three four calendar weeks following the week for which payment is requested. A form
100.21 submitted by facsimile transmission must be sent only to the telephone number assigned
100.22 for that purpose.

100.23 (d) An applicant who has been designated to file a continued request by mail may
100.24 personally deliver a continued request form only to the location to which the form was
100.25 otherwise designated to be mailed.

100.26 Sec. 6. Minnesota Statutes 2014, section 268.095, subdivision 2, is amended to read:

100.27 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
100.28 the employment was, at the time the employment ended, the employee's.

100.29 (b) When determining if an applicant quit, the theory of a constructive quit does
100.30 not apply.

100.31 ~~(b)~~ (c) An employee who has been notified that the employee will be discharged in
100.32 the future, who chooses to end the employment while employment in any capacity is still
100.33 available, ~~is considered to have~~ has quit the employment.

101.1 ~~(e)~~ (d) An employee who seeks to withdraw a previously submitted notice of quitting
 101.2 ~~is considered to have~~ has quit the employment, as of the intended date of quitting, if the
 101.3 employer does not agree that the notice may be withdrawn.

101.4 ~~(d)~~ (e) An applicant ~~who~~ has quit employment with a staffing service if, within
 101.5 five calendar days after completion of a suitable job assignment from a staffing service,
 101.6 the applicant:

101.7 (1) fails without good cause to affirmatively request an additional suitable job
 101.8 assignment;

101.9 (2) refuses without good cause an additional suitable job assignment offered;

101.10 (3) accepts employment with the client of the staffing service, ~~is considered to have~~
 101.11 ~~quit employment with the staffing service~~. Accepting employment with the client of the
 101.12 staffing service meets the requirements of the exception to ineligibility under subdivision
 101.13 1, clause (2).

101.14 This paragraph applies only if, at the time of beginning of employment with the
 101.15 staffing service, the applicant signed and was provided a copy of a separate document
 101.16 written in clear and concise language that informed the applicant of this paragraph and
 101.17 that unemployment benefits may be affected.

101.18 For purposes of this paragraph, "good cause" is a reason that ~~is significant and~~ would
 101.19 compel an average, reasonable worker, who would otherwise want an additional suitable
 101.20 job assignment with the staffing service (1) to fail to contact the staffing service, or (2)
 101.21 to refuse an offered assignment.

101.22 Sec. 7. Minnesota Statutes 2014, section 268.095, subdivision 5, is amended to read:

101.23 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any
 101.24 words or actions by an employer would lead a reasonable employee to believe that the
 101.25 employer will no longer allow the employee to work for the employer in any capacity. A
 101.26 layoff because of lack of work is ~~considered~~ a discharge. A suspension from employment
 101.27 without pay of more than 30 calendar days is ~~considered~~ a discharge.

101.28 (b) When determining if an applicant was discharged, the theory of a constructive
 101.29 discharge does not apply.

101.30 ~~(b)~~ (c) An employee who gives notice of intention to quit the employment and is not
 101.31 allowed by the employer to work the entire notice period is ~~considered~~ discharged from
 101.32 the employment as of the date the employer will no longer allow the employee to work. If
 101.33 the discharge occurs within 30 calendar days before the intended date of quitting, then,
 101.34 as of the intended date of quitting, the separation from employment is ~~considered~~ a quit
 101.35 from employment subject to subdivision 1.

102.1 ~~(e)~~ (d) The end of a job assignment with the client of a staffing service is considered
 102.2 a discharge from employment with the staffing service unless subdivision 2, paragraph
 102.3 (d), applies.

102.4 Sec. 8. Minnesota Statutes 2014, section 268.18, is amended to read:

102.5 **268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.**

102.6 Subdivision 1. **Nonfraud Repaying an overpayment.** (a) Any applicant who (1)
 102.7 because of a determination or amended determination issued under section 268.07 or
 102.8 268.101, or any other section of this chapter, or (2) because of an unemployment law
 102.9 judge's decision under section 268.105, has received any unemployment benefits that the
 102.10 applicant was held not entitled to, is overpaid the benefits, and must promptly repay the
 102.11 unemployment benefits to the trust fund.

102.12 (b) If the applicant fails to repay the unemployment benefits overpaid, ~~the~~
 102.13 ~~commissioner may offset from any future unemployment benefits otherwise payable the~~
 102.14 ~~amount of the overpayment. Except when the overpayment resulted because the applicant~~
 102.15 ~~failed to report deductible earnings or deductible or benefit delaying payments, no single~~
 102.16 ~~offset may exceed 50 percent of the amount of the payment from which the offset is made.~~
 102.17 ~~The overpayment may also~~ including any penalty and interest assessed under subdivisions
 102.18 2 and 2b, the total due may be collected by the methods allowed under state and federal law.

102.19 ~~(c) If an applicant has been overpaid unemployment benefits under the law of~~
 102.20 ~~another state, because of a reason other than fraud, and that state certifies that the applicant~~
 102.21 ~~is liable under its law to repay the unemployment benefits and requests the commissioner~~
 102.22 ~~to recover the overpayment, the commissioner may offset from future unemployment~~
 102.23 ~~benefits otherwise payable the amount of overpayment, except that no single offset may~~
 102.24 ~~exceed 50 percent of the amount of the payment from which the offset is made.~~

102.25 Subd. 2. **Overpayment because of fraud.** (a) ~~Any~~ An applicant who receives has
 102.26 committed fraud if the applicant is overpaid unemployment benefits by:

102.27 (1) knowingly misrepresenting, misstating, or failing to disclose any material fact;
 102.28 ~~or who makes~~

102.29 (2) making a false statement or representation without a good faith belief as to the
 102.30 correctness of the statement or representation; ~~has committed fraud.~~

102.31 After the discovery of facts indicating fraud, the commissioner must make issue a
 102.32 determination ~~that the applicant obtained unemployment benefits by fraud and that the~~
 102.33 ~~applicant must promptly repay the unemployment benefits to the trust fund. In addition, the~~
 102.34 ~~commissioner must assess~~ of overpayment penalty, assessing a penalty equal to 40 percent

103.1 of the amount ~~fraudulently obtained~~ overpaid. This penalty is in addition to penalties under
103.2 section 268.182. ~~The determination is effective the Sunday of the week that it was issued.~~

103.3 (b) Unless the applicant files an appeal within 20 calendar days after the sending of
103.4 ~~the~~ a determination of overpayment by fraud penalty to the applicant by mail or electronic
103.5 transmission, the determination is final. Proceedings on the appeal are conducted in
103.6 accordance with section 268.105.

103.7 (c) ~~If the applicant fails to repay the unemployment benefits, penalty, and interest~~
103.8 ~~assessed, the total due may be collected by the methods allowed under state and federal~~
103.9 ~~law.~~ A determination of overpayment by fraud penalty must state the methods of collection
103.10 the commissioner may use to recover the overpayment, penalty, and interest assessed.
103.11 Money received in repayment of ~~fraudulently obtained~~ overpaid unemployment benefits,
103.12 penalties, and interest is first applied to the ~~unemployment~~ benefits overpaid, then to the
103.13 penalty amount due, then to any interest due. 62.5 percent of the payments made toward the
103.14 penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

103.15 (d) ~~If an applicant has been overpaid unemployment benefits under the law of~~
103.16 ~~another state because of fraud and that state certifies that the applicant is liable to repay~~
103.17 ~~the unemployment benefits and requests the commissioner to recover the overpayment,~~
103.18 ~~the commissioner may offset from future unemployment benefits otherwise payable the~~
103.19 ~~amount of overpayment.~~

103.20 (e) ~~Regardless of the limitations in section 268.101, subdivision 2, paragraph (e),~~
103.21 ~~unemployment benefits paid for weeks more than four years before the date of (d) A~~
103.22 ~~determination of overpayment by fraud issued penalty under this subdivision are not~~
103.23 ~~considered overpaid unemployment benefits~~ may be issued within 48 months of the
103.24 establishment of the benefit account upon which the unemployment benefits were obtained
103.25 though fraud.

103.26 Subd. 2b. **Interest.** On any unemployment benefits fraudulently obtained, and any
103.27 penalty amounts assessed under subdivision 2, the commissioner must assess interest at the
103.28 rate of one percent per month on any amount that remains unpaid beginning 30 calendar
103.29 days after the date of ~~the~~ a determination of overpayment by fraud penalty. A determination
103.30 of overpayment by ~~fraud~~ penalty must state that interest will be assessed. Interest is
103.31 assessed in the same manner as on employer debt under section 268.057, subdivision 5.
103.32 Interest payments collected under this subdivision are credited to the trust fund.

103.33 Subd. 3a. **Offset of federal unemployment benefits.** ~~The commissioner is~~
103.34 ~~authorized to enter into reciprocal agreements with the United States Secretary of Labor,~~
103.35 ~~whereby,~~ (a) The commissioner may offset from any future unemployment benefits
103.36 otherwise payable the amount of a nonfraud overpayment. Except when the nonfraud

104.1 overpayment resulted because the applicant failed to report deductible earnings or
104.2 deductible or benefit delaying payments, no single offset may exceed 50 percent of the
104.3 amount of the payment from which the offset is made.

104.4 (b) Overpayments of unemployment benefits as determined under a federal law,
104.5 program may be recovered by offset from unemployment future benefits otherwise
104.6 payable and.

104.7 (c) If an applicant has been overpaid unemployment benefits under the law of
104.8 another state, the commissioner may offset from future benefits otherwise payable the
104.9 amount of overpayment.

104.10 (d) Nonfraud unemployment benefit overpayments under subdivisions 1 and 2
104.11 may be recovered by offset from unemployment future benefits otherwise payable under
104.12 a federal program.

104.13 **Subd. 4. Cancellation of overpayments.** (a) If unemployment benefits overpaid
104.14 under subdivision 1 for reasons other than fraud are not repaid or offset from subsequent
104.15 unemployment benefits as provided for in subdivision 1 within six years after the date
104.16 of the determination or decision holding the applicant overpaid, the commissioner must
104.17 cancel the overpayment balance, and no administrative or legal proceedings may be used
104.18 to enforce collection of those amounts.

104.19 (b) If unemployment benefits ~~determined~~ overpaid under subdivision 2 because of
104.20 fraud including penalties and interest are not repaid within ten years after the date of
104.21 the determination of overpayment by fraud penalty, the commissioner must cancel the
104.22 overpayment balance and any penalties and interest due, and no administrative or legal
104.23 proceeding may be used to enforce collection of those amounts.

104.24 (c) The commissioner may cancel at any time any overpayment, including penalties
104.25 and interest, that the commissioner determines is uncollectible because of death or
104.26 bankruptcy.

104.27 **Subd. 4a. Court fees; collection fees.** (a) If the ~~commissioner~~ department
104.28 is required to pay any court fees in an attempt to enforce collection of overpaid
104.29 unemployment benefits, penalties, or interest, ~~the commissioner may add~~ the amount of
104.30 the court fees may be added to the total amount due.

104.31 (b) If an applicant who has been ~~determined~~ overpaid unemployment benefits
104.32 because of fraud seeks to have any portion of the debt discharged under the federal
104.33 bankruptcy code, and the ~~commissioner~~ department files an objection in bankruptcy court
104.34 to the discharge, ~~the commissioner may add the commissioner's cost of any court fees~~ may
104.35 be added to the debt if the bankruptcy court does not discharge the debt.

105.1 (c) If the Internal Revenue Service assesses the ~~commissioner~~ department a fee for
105.2 offsetting from a federal tax refund the amount of any overpayment, including penalties
105.3 and interest, the amount of the fee may be added to the total amount due. The offset
105.4 amount must be put in the trust fund and that amount credited to the total amount due
105.5 from the applicant.

105.6 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
105.7 unemployment benefits, including any penalties and interest, is not considered an election
105.8 of a method of recovery.

105.9 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation
105.10 matter under section 176.361 is not considered an election of a remedy and does not
105.11 prevent the commissioner from determining any unemployment benefits overpaid under
105.12 subdivision 1 or 2 or taking action under section 268.182.

105.13 Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise
105.14 the amount ~~that has been determined of any overpaid under this section~~ unemployment
105.15 benefits including penalties and interest.

105.16 (b) The commissioner has discretion regarding the recovery of any overpayment
105.17 ~~under subdivision 4 for reasons other than fraud.~~ Regardless of any law to the contrary, the
105.18 commissioner is not required to refer any ~~amount determined overpaid under subdivision~~
105.19 ~~4 overpayment for reasons other than fraud~~ to a public or private collection agency,
105.20 including agencies of this state.

105.21 (c) Amounts ~~determined overpaid under subdivision 4 for reasons other than fraud~~
105.22 are not considered a "debt" to the state of Minnesota for purposes of any reporting
105.23 requirements to the commissioner of management and budget.

105.24 (d) A pending appeal under section 268.105 does not suspend the assessment of
105.25 interest, penalties, or collection of an overpayment ~~under this section.~~

105.26 (e) Section 16A.626 applies to the repayment by an applicant of any overpayment,
105.27 penalty, or interest ~~under this section.~~

105.28 Sec. 9. **EFFECTIVE DATE.**

105.29 This article is effective July 31, 2016, unless indicated otherwise.

105.30 **ARTICLE 13**

105.31 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL**

105.32 Section 1. Minnesota Statutes 2014, section 268.035, is amended by adding a
105.33 subdivision to read:

106.1 Subd. 12e. **Earnings.** "Earnings" means all compensation to which the applicant has
 106.2 a legal claim and is earned income under state and federal law for income tax purposes.

106.3 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 20, is amended to read:

106.4 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

106.5 (1) employment for the United States government or an instrumentality thereof,
 106.6 including military service;

106.7 (2) employment for a state, other than Minnesota, or a political subdivision or
 106.8 instrumentality thereof;

106.9 (3) employment for a foreign government;

106.10 ~~(4) employment for an instrumentality wholly owned by a foreign government,~~
 106.11 ~~if the employment is of a character similar to that performed in foreign countries by~~
 106.12 ~~employees of the United States government or an instrumentality thereof and the United~~
 106.13 ~~States Secretary of State has certified that the foreign government grants an equivalent~~
 106.14 ~~exemption to similar employment performed in the foreign country by employees of the~~
 106.15 ~~United States government and instrumentalities thereof;~~

106.16 ~~(5) (4) employment covered under United States Code, title 45, section 351, the~~
 106.17 ~~federal Railroad Unemployment Insurance Act;~~

106.18 ~~(6) employment covered by a reciprocal arrangement between the commissioner and~~
 106.19 ~~another state or the federal government that provides that all employment performed by an~~
 106.20 ~~individual for an employer during the period covered by the reciprocal arrangement is~~
 106.21 ~~considered performed entirely within another state;~~

106.22 ~~(7) (5) employment for a church or convention or association of churches, or an~~
 106.23 ~~a nonprofit organization operated primarily for religious purposes that is operated,~~
 106.24 ~~supervised, controlled, or principally supported by a church or convention or association~~
 106.25 ~~of churches described in United States Code, title 26, section 501(e)(3) of the federal~~
 106.26 ~~Internal Revenue Code and exempt from income tax under section 501(a);~~

106.27 ~~(8) (6) employment for Minnesota or a political subdivision, or a nonprofit~~
 106.28 ~~organization, of a duly ordained or licensed minister of a church in the exercise of a~~
 106.29 ~~ministry or by a member of a religious order in the exercise of duties required by the order;~~
 106.30 ~~for Minnesota or a political subdivision or an organization described in United States~~
 106.31 ~~Code, title 26, section 501(e)(3) of the federal Internal Revenue Code and exempt from~~
 106.32 ~~income tax under section 501(a);~~

106.33 ~~(9) (7) employment for Minnesota or a political subdivision, or a nonprofit~~
 106.34 ~~organization, of an individual receiving rehabilitation of "sheltered" work in a facility~~
 106.35 ~~conducted for the purpose of carrying out a program of rehabilitation for individuals~~

107.1 whose earning capacity is impaired by age or physical or mental deficiency or injury or a
107.2 program providing "sheltered" work for individuals who because of an impaired physical
107.3 or mental capacity cannot be readily absorbed in the competitive labor market. This
107.4 clause applies only to services performed ~~for Minnesota or a political subdivision or an~~
107.5 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
107.6 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~ in a facility
107.7 certified by the Rehabilitation Services Branch of the department or in a day training or
107.8 habilitation program licensed by the Department of Human Services;

107.9 ~~(10)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit
107.10 organization, of an individual receiving work relief or work training as part of an
107.11 unemployment work relief or work training program assisted or financed in whole or
107.12 in part by any federal agency or an agency of a state or political subdivision thereof.
107.13 ~~This clause applies only to employment for Minnesota or a political subdivision or an~~
107.14 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
107.15 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~. This clause does
107.16 not apply to programs that require unemployment benefit coverage for the participants;

107.17 ~~(11)~~ (9) employment for Minnesota or a political subdivision, as an elected official, a
107.18 member of a legislative body, or a member of the judiciary;

107.19 ~~(12)~~ (10) employment as a member of the Minnesota National Guard or Air National
107.20 Guard;

107.21 ~~(13)~~ (11) employment for Minnesota, or a political subdivision, or instrumentality
107.22 thereof, as an employee of an individual serving only on a temporary basis in case of
107.23 fire, flood, tornado, or similar emergency;

107.24 ~~(14)~~ (12) employment as an election official or election worker for Minnesota or
107.25 a political subdivision, ~~but only~~ if the compensation for that employment was less than
107.26 \$1,000 in a calendar year;

107.27 ~~(15)~~ (13) employment for Minnesota that is a major policy-making or advisory
107.28 position in the unclassified service;

107.29 ~~(16)~~ (14) employment for Minnesota in an unclassified position established under
107.30 section 43A.08, subdivision 1a;

107.31 ~~(17)~~ (15) employment for a political subdivision of Minnesota that is a nontenured
107.32 major policy making or advisory position;

107.33 ~~(18)~~ (16) domestic employment in a private household, local college club, or local
107.34 chapter of a college fraternity or sorority ~~performed for a person, only~~, if the wages paid
107.35 in any calendar quarter in either the current or prior calendar year to all individuals in
107.36 domestic employment totaled less than \$1,000.

108.1 "Domestic employment" includes all service in the operation and maintenance of a
108.2 private household, for a local college club, or local chapter of a college fraternity or
108.3 sorority as distinguished from service as an employee in the pursuit of an employer's
108.4 trade or business;

108.5 ~~(19)~~ (17) employment of an individual by a son, daughter, or spouse, and
108.6 employment of a child under the age of 18 by the child's father or mother;

108.7 ~~(20)~~ (18) employment of an inmate of a custodial or penal institution;

108.8 ~~(21)~~ (19) employment for a school, college, or university, by a student who is
108.9 enrolled and whose primary relation to the school, college, or university is as a student.

108.10 This does not include an individual whose primary relation to the school, college, or
108.11 university is as an employee who also takes courses;

108.12 ~~(22)~~ (20) employment of an individual who is enrolled as a student in a full-time
108.13 program at a nonprofit or public educational institution that maintains a regular faculty
108.14 and curriculum and has a regularly organized body of students in attendance at the place
108.15 where its educational activities are carried on, taken for credit at the institution, that
108.16 combines academic instruction with work experience, if the employment is an integral
108.17 part of the program, and the institution has so certified to the employer, except that this
108.18 clause does not apply to employment in a program established for or on behalf of an
108.19 employer or group of employers;

108.20 ~~(23)~~ (21) employment of university, college, or professional school students in an
108.21 internship or other training program with the city of St. Paul or the city of Minneapolis
108.22 under Laws 1990, chapter 570, article 6, section 3;

108.23 ~~(24)~~ (22) employment for a hospital by a patient of the hospital. "Hospital" means
108.24 an institution that has been licensed by the Department of Health as a hospital;

108.25 ~~(25)~~ (23) employment as a student nurse for a hospital or a nurses' training school by
108.26 an individual who is enrolled and is regularly attending classes in an accredited nurses'
108.27 training school;

108.28 ~~(26)~~ (24) employment as an intern for a hospital by an individual who has completed
108.29 a four-year course in an accredited medical school;

108.30 ~~(27)~~ (25) employment as an insurance salesperson, by other than a corporate
108.31 officer, if all the wages from the employment is solely by way of commission. The word
108.32 "insurance" includes an annuity and an optional annuity;

108.33 ~~(28)~~ (26) employment as an officer of a township mutual insurance company or
108.34 farmer's mutual insurance company ~~operating~~ under chapter 67A;

108.35 ~~(29)~~ (27) employment of a corporate officer, if the officer directly or indirectly,
108.36 including through a subsidiary or holding company, owns 25 percent or more of the

109.1 employer corporation, and employment of a member of a limited liability company, if the
 109.2 member directly or indirectly, including through a subsidiary or holding company, owns
 109.3 25 percent or more of the employer limited liability company;

109.4 ~~(30)~~ (28) employment as a real estate salesperson, ~~by~~ other than a corporate officer,
 109.5 if all the wages from the employment is solely by way of commission;

109.6 ~~(31)~~ (29) employment as a direct seller as defined in United States Code, title 26,
 109.7 section 3508;

109.8 ~~(32)~~ (30) employment of an individual under the age of 18 in the delivery or
 109.9 distribution of newspapers or shopping news, not including delivery or distribution to any
 109.10 point for subsequent delivery or distribution;

109.11 ~~(33)~~ (31) casual employment performed for an individual, other than domestic
 109.12 employment under clause ~~(18)~~ (16), that does not promote or advance that employer's
 109.13 trade or business;

109.14 ~~(34)~~ (32) employment in "agricultural employment" unless ~~considered~~ it is "covered
 109.15 agricultural employment" under subdivision 11; or

109.16 ~~(35)~~ (33) if employment during one-half or more of any pay period was covered
 109.17 employment, all the employment for the pay period is ~~considered~~ covered employment;
 109.18 but if during more than one-half of any pay period the employment was noncovered
 109.19 employment, then all of the employment for the pay period is ~~considered~~ noncovered
 109.20 employment. "Pay period" means a period of not more than a calendar month for which a
 109.21 payment or compensation is ordinarily made to the employee by the employer.

109.22 Sec. 3. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision
 109.23 to read:

109.24 Subd. 20b. **Nonprofit organization.** "Nonprofit organization" means an
 109.25 organization described in United States Code, title 26, section 501(c)(3), and is exempt
 109.26 from income tax under United States Code, title 26, section 501(a).

109.27 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 23a, is amended to read:

109.28 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in
 109.29 the applicant's labor market area that is reasonably related to the applicant's qualifications.
 109.30 In determining whether any employment is suitable for an applicant, the degree of risk
 109.31 involved to the health and safety, physical fitness, prior training, experience, length
 109.32 of unemployment, prospects for securing employment in the applicant's customary
 109.33 occupation, and the distance of the employment from the applicant's residence is
 109.34 considered.

110.1 (b) In determining what is suitable employment, primary consideration is given to the
110.2 temporary or permanent nature of the applicant's separation from employment and whether
110.3 the applicant has favorable prospects of finding employment in the applicant's usual or
110.4 customary occupation at the applicant's past wage level within a reasonable period of time.

110.5 If prospects are unfavorable, employment at lower skill or wage levels is suitable
110.6 if the applicant is reasonably suited for the employment considering the applicant's
110.7 education, training, work experience, and current physical and mental ability.

110.8 The total compensation must be considered, including the wage rate, hours of
110.9 employment, method of payment, overtime practices, bonuses, incentive payments, and
110.10 fringe benefits.

110.11 (c) When potential employment is at a rate of pay lower than the applicant's former
110.12 rate, consideration must be given to the length of the applicant's unemployment and the
110.13 proportion of difference in the rates. Employment that may not be suitable because of
110.14 lower wages during the early weeks of the applicant's unemployment may become suitable
110.15 as the duration of unemployment lengthens.

110.16 (d) For an applicant seasonally unemployed, suitable employment includes
110.17 temporary work in a lower skilled occupation that pays average gross weekly wages equal
110.18 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

110.19 (e) If a majority of the applicant's weeks of employment in the base period includes
110.20 part-time employment, part-time employment in a position with comparable skills and
110.21 comparable hours that pays comparable wages is ~~considered~~ suitable employment.

110.22 Full-time employment is not ~~considered~~ suitable employment for an applicant if a
110.23 majority of the applicant's weeks of employment in the base period includes part-time
110.24 employment.

110.25 (f) To determine suitability of employment in terms of shifts, the arrangement of
110.26 hours in addition to the total number of hours is to be considered. Employment on a
110.27 second, third, rotating, or split shift is suitable employment if it is customary in the
110.28 occupation in the labor market area.

110.29 (g) Employment is not ~~considered~~ suitable if:

110.30 (1) the position offered is vacant because of a labor dispute;

110.31 (2) the wages, hours, or other conditions of employment are ~~substantially~~ less
110.32 favorable than those prevailing for similar employment in the labor market area; or

110.33 (3) as a condition of becoming employed, the applicant would be required to join a
110.34 company union or to resign from or refrain from joining any bona fide labor organization; ~~or~~

110.35 ~~(4) the employment is with a staffing service and less than 25 percent of the~~
110.36 ~~applicant's wage credits are from a job assignment with the client of a staffing service.~~

111.1 (h) A job assignment with a staffing service is ~~considered~~ suitable only if 25
111.2 percent or more of the applicant's wage credits are from job assignments with clients of
111.3 a staffing service and the job assignment meets the definition of suitable employment
111.4 under paragraph (a).

111.5 Sec. 5. Minnesota Statutes 2014, section 268.085, subdivision 4, is amended to read:

111.6 Subd. 4. **Social Security old age insurance benefits.** (a) Any applicant aged 62 or
111.7 over is required to state when filing an application for unemployment benefits and when
111.8 filing continued requests for unemployment benefits if the applicant is receiving, has filed
111.9 for, or intends to file for, primary Social Security old age benefits.

111.10 (b) Unless paragraph ~~(b)~~ (c) applies, 50 percent of the weekly equivalent of the
111.11 primary Social Security old age benefit the applicant has received, has filed for, or
111.12 intends to file for, with respect to that week must be deducted from an applicant's weekly
111.13 unemployment benefit amount.

111.14 ~~(b)~~ (c) If all of the applicant's wage credits were earned while the applicant was
111.15 claiming Social Security old age benefits, there is no deduction of the Social Security
111.16 benefits from the applicant's weekly unemployment benefit amount.

111.17 ~~(e)~~ (d) Information from the Social Security Administration is ~~considered~~ conclusive,
111.18 absent specific evidence showing that the information was erroneous.

111.19 ~~(d)~~ (e) This subdivision does not apply to Social Security survivor benefits.

111.20 Sec. 6. Minnesota Statutes 2014, section 268.085, subdivision 5, is amended to read:

111.21 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday
111.22 pay, with respect to any week, from employment, covered employment, noncovered
111.23 employment, self-employment, or volunteer work, equal to or in excess of the applicant's
111.24 weekly unemployment benefit amount, the applicant is ineligible for unemployment
111.25 benefits for that week.

111.26 (b) If the applicant has earnings, including holiday pay, with respect to any week,
111.27 that is less than the applicant's weekly unemployment benefit amount, from employment,
111.28 covered employment, noncovered employment, self-employment, or volunteer work, 50
111.29 percent of the earnings are deducted from the weekly unemployment benefit amount.

111.30 (c) No deduction is made from an applicant's weekly unemployment benefit amount
111.31 for earnings from service in the National Guard or a United States military reserve unit or
111.32 from direct service as a volunteer firefighter or volunteer ambulance service personnel.

111.33 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided

112.1 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made
112.2 for jury duty pay or for pay as an election judge.

112.3 (d) The applicant may report deductible earnings on continued requests for
112.4 unemployment benefits at the next lower whole dollar amount.

112.5 (e) Deductible earnings does not include any money ~~considered that is~~ a deductible
112.6 payment under subdivision 3, ~~but includes all compensation considered wages under~~
112.7 ~~section 268.035, subdivision 29, and any other compensation considered earned income~~
112.8 ~~under state and federal law for income tax purposes.~~

112.9 **Sec. 7. REVISOR'S INSTRUCTION.**

112.10 (a) The revisor of statutes shall change "liability" to "liability for damages" in
112.11 Minnesota Rules, part 3315.0555, subpart 1.

112.12 (b) The revisor of statutes shall change "entitled to" to "eligible for" in Minnesota
112.13 Statutes, section 268.085, subdivision 1, clause (6).

112.14 (c) The revisor of statutes shall change "shall calculate" to "must calculate" in
112.15 Minnesota Statutes, section 268.035, subdivision 23.

112.16 (d) The revisor of statutes shall renumber Minnesota Statutes, section 268.035,
112.17 subdivision 12d, to subdivision 12f.

112.18 (e) The revisor of statutes shall reletter the paragraphs in Minnesota Statutes, section
112.19 268.085, subdivision 4, as follows:

112.20 (1) paragraph (a) shall be relettered paragraph (c); and

112.21 (2) paragraph (c) shall be relettered paragraph (a).

112.22 (f) The revisor of statutes shall renumber the reference to "clause (29)" to "clause
112.23 (27)" in Minnesota Statutes, section 268.046, subdivision 1.

112.24 (g) The revisor of statutes shall renumber the reference to "clause (10)" to "clause
112.25 (8)" in Minnesota Statutes, section 383C.19.

112.26 **Sec. 8. EFFECTIVE DATE.**

112.27 This article is effective July 31, 2016, and applies to all matters pending a
112.28 determination or a decision by an unemployment law judge.

112.29 **ARTICLE 14**

112.30 **TELEPHONE REGULATION**

112.31 Section 1. Minnesota Statutes 2014, section 222.37, subdivision 1, is amended to read:

112.32 Subdivision 1. **Use requirements.** Any water power, telegraph, telephone, wireless
112.33 telecommunications service provider, pneumatic tube, pipeline, community antenna

113.1 television, cable communications or electric light, heat, power company, or fire department
113.2 may use public roads for the purpose of constructing, using, operating, and maintaining
113.3 lines, subways, canals, conduits, hydrants, or dry hydrants, for their business, but such
113.4 lines shall be so located as in no way to interfere with the safety and convenience of
113.5 ordinary travel along or over the same; and, in the construction and maintenance of such
113.6 line, subway, canal, conduit, hydrants, or dry hydrants, the company shall be subject to all
113.7 reasonable regulations imposed by the governing body of any county, town or city in which
113.8 such public road may be. If the governing body does not require the company to obtain a
113.9 permit, a company shall notify the governing body of any county, town, or city having
113.10 jurisdiction over a public road prior to the construction or major repair, involving extensive
113.11 excavation on the road right-of-way, of the company's equipment along, over, or under the
113.12 public road, unless the governing body waives the notice requirement. A waiver of the
113.13 notice requirement must be renewed on an annual basis. For emergency repair a company
113.14 shall notify the governing body as soon as practical after the repair is made. Nothing herein
113.15 shall be construed to grant to any person any rights for the maintenance of a telegraph,
113.16 telephone, pneumatic tube, community antenna television system, cable communications
113.17 system, or light, heat, power system, or hydrant system within the corporate limits of any
113.18 city until such person shall have obtained the right to maintain such system within such city
113.19 or for a period beyond that for which the right to operate such system is granted by such city.

113.20 Sec. 2. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
113.21 to read:

113.22 Subd. 9. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol
113.23 service" or "VoIP service" means any service that (1) enables real-time two-way voice
113.24 communications that originate from or terminate at the user's location in Internet protocol
113.25 or any successor protocol, and (2) permits users generally to receive calls that originate
113.26 on the public switched telephone network and terminate calls to the public switched
113.27 telephone network.

113.28 Sec. 3. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
113.29 to read:

113.30 Subd. 10. **Internet protocol-enabled service.** "Internet protocol-enabled service"
113.31 or "IP-enabled service" means any service, capability, functionality, or application
113.32 provided using Internet protocol, or any successor protocol, that enables an end user to
113.33 send or receive a communication in Internet protocol format or any successor format,
113.34 regardless of whether that communication is voice, data, or video.

114.1 Sec. 4. [237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND
114.2 INTERNET PROTOCOL-ENABLED SERVICE.

114.3 Subdivision 1. Regulation prohibited. Except as provided in this section, no
114.4 state agency, including the commission and the Department of Commerce, or political
114.5 subdivision of this state shall by rule, order, or other means directly or indirectly regulate
114.6 the entry, rates, terms, quality of service, availability, classification, or any other aspect of
114.7 VoIP service or IP-enabled service.

114.8 Subd. 2. VoIP regulation. (a) To the extent permitted by federal law, VoIP service
114.9 is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard
114.10 to the collection and remittance of the surcharges governed by those sections.

114.11 (b) A provider of VoIP service must comply with the requirements of chapter 403
114.12 applicable to the provision of access to 911 service by service providers, except to the
114.13 extent those requirements conflict with federal requirements for the provision of 911
114.14 service by VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP
114.15 provider is entitled to the benefit of the limitation of liability provisions of section 403.07,
114.16 subdivision 5. Beginning June 1, 2016, and continuing each June 1 thereafter, each VoIP
114.17 provider shall file a plan with the commission describing how it will comply with the
114.18 requirements of this paragraph. After its initial filing under this paragraph, a VoIP provider
114.19 shall file with the commission either an update of the plan or a statement certifying that
114.20 the plan and personnel contact information previously filed is still current.

114.21 Subd. 3. Relation to other law. Nothing in this section restricts, creates, expands,
114.22 or otherwise affects or modifies:

114.23 (1) the commission's authority under the Federal Communications Act of 1934,
114.24 United States Code, title 47, sections 251 and 252;

114.25 (2) any applicable wholesale tariff or any commission authority related to wholesale
114.26 services;

114.27 (3) any commission jurisdiction over (i) intrastate switched access rates, terms,
114.28 and conditions, including the implementation of federal law with respect to intercarrier
114.29 compensation, or (ii) existing commission authority to address or affect the resolution of
114.30 disputes regarding intercarrier compensation;

114.31 (4) the rights of any entity, or the authority of the commission and local government
114.32 authorities, with respect to the use and regulation of public rights-of-way under sections
114.33 237.162 and 237.163; or

114.34 (5) the establishment or enforcement of standards, requirements or procedures in
114.35 procurement policies, internal operational policies, or work rules of any state agency or
114.36 political subdivision of the state relating to the protection of intellectual property.

115.1 Subd. 4. **Exemption.** The following services delivered by IP-enabled service are
115.2 not regulated under this chapter:

115.3 (1) video services provided by a cable communications system, as defined in section
115.4 238.02, subdivision 3; or

115.5 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

115.6 (3) any other IP-enabled video service.

115.7 Sec. 5. **TASK FORCE ON DEPLOYMENT OF SMALL WIRELESS**
115.8 **TELECOMMUNICATIONS FACILITIES.**

115.9 Subdivision 1. **Purpose; task force established.** In order to promote statewide
115.10 access to wireless telecommunications and ensure orderly deployment of wireless
115.11 telecommunication facilities subject to consistent and fair local regulations and
115.12 appropriate fee structures, a task force is established to study the needs of the state and
115.13 make recommendations to the legislature.

115.14 Subd. 2. **Members.** The task force consists of 13 voting members, appointed as
115.15 follows:

115.16 (1) two members appointed by the League of Minnesota Cities, one member
115.17 appointed by the Association of Minnesota Counties, and one member appointed by
115.18 the Minnesota Association of Townships;

115.19 (2) two members of the public, one member appointed by the senate Subcommittee
115.20 on Committees of the Committee on Rules and Administration and one member appointed
115.21 by the speaker of the house. Appointments under this clause must be made as provided in
115.22 Minnesota Statutes, section 15.0597, to the extent applicable;

115.23 (3) four members representing wireless telecommunications service providers, two
115.24 members appointed by the senate Subcommittee on Committees of the Committee on
115.25 Rules and Administration and two members appointed by the speaker of the house;

115.26 (4) one member appointed by the commissioner of commerce to serve as chair; and

115.27 (5) two members of the wireless telecommunications infrastructure industry, one
115.28 member appointed by the senate Subcommittee on Committees of the Committee On
115.29 Rules and Administration and one member appointed by the speaker of the house.

115.30 Appointments must be made as soon as practicable after the effective date of this section.

115.31 Subd. 3. **Study.** The task force shall identify and analyze issues that increase
115.32 its understanding of the needs of local governments and wireless telecommunications
115.33 providers in order to develop a robust statewide wireless telecommunications network.

115.34 These issues include, but are not limited to:

116.1 (1) the concerns and needs of local governments, municipal utilities, and wireless
116.2 telecommunications providers;

116.3 (2) the goals of the state to ensure all areas of the state and all residents have access
116.4 to wireless telecommunications networks that meet residents' needs, and the obstacles
116.5 to achieving those goals;

116.6 (3) the best practices and protocols for local governments' timely consideration and
116.7 approval of applications by wireless telecommunications providers for equipment and
116.8 facilities placements; and

116.9 (4) what changes in law are necessary to implement the best practices and protocols
116.10 to achieve the goals while addressing the concerns and needs of local governments.

116.11 Subd. 4. **Open meetings; staff.** Meetings of the task force are subject to Minnesota
116.12 Statutes, chapter 13D. The commissioner of commerce shall provide meeting space and
116.13 administrative support to the task force as requested, including posting meeting notices
116.14 on the agency's Web site.

116.15 Subd. 5. **Report.** The task force shall submit a report containing the findings and
116.16 recommendations of its study under subdivision 3 to the chairs and ranking minority
116.17 members of the legislative committees with jurisdiction over local government and
116.18 telecommunications, and to the governor, by January 15, 2017. The report may be in
116.19 the form of proposed legislation.

116.20 Subd. 6. **No compensation.** Members of the task force shall not receive
116.21 compensation.

116.22 Subd. 7. **Expiration.** The task force expires January 15, 2017.

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

116.24 **ARTICLE 15**

116.25 **BROADBAND DEVELOPMENT**

116.26 Section 1. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

116.27 **116J.394 DEFINITIONS.**

116.28 (a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms
116.29 have the meanings given them.

116.30 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
116.31 subdivision 1, paragraph (b).

116.32 (c) "Broadband infrastructure" means networks of deployed telecommunications
116.33 equipment and technologies necessary to provide high-speed Internet access and other
116.34 advanced telecommunications services for end users.

117.1 (d) "Commissioner" means the commissioner of employment and economic
117.2 development.

117.3 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
117.4 final leg connecting the broadband service provider's network to the end-use customer's
117.5 on-premises telecommunications equipment.

117.6 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
117.7 broadband service provider's core network infrastructure to last-mile infrastructure.

117.8 (g) "Political subdivision" means any county, city, town, school district, special
117.9 district or other political subdivision, or public corporation.

117.10 (h) "Underserved areas" means areas of Minnesota in which households or
117.11 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
117.12 ~~broadband goals of~~ greater than ten to 20 megabits per second download and five to ten
117.13 three megabits per second upload but less than 25 megabits per second download and
117.14 three megabits per second upload.

117.15 (i) "Unserved areas" means areas of Minnesota in which households or businesses
117.16 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds equal to
117.17 or greater than ten megabits per second download and three megabits per second upload.

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

117.19 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

117.20 Subd. 4. **Application process.** (a) An eligible applicant must submit an application
117.21 to the commissioner on a form prescribed by the commissioner. The commissioner shall
117.22 develop administrative procedures governing the application and grant award process.
117.23 The commissioner shall act as fiscal agent for the grant program and shall be responsible
117.24 for receiving and reviewing grant applications and awarding grants under this section.

117.25 (b) At least 30 days prior to the first day applications may be submitted each fiscal
117.26 year, the commissioner must publish the specific criteria and any quantitative weighting
117.27 scheme or scoring system the commissioner will use to evaluate or rank applications and
117.28 award grants under subdivision 6 on the department's Web site.

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

117.30 Sec. 3. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
117.31 to read:

117.32 Subd. 5a. **Incumbent right of first refusal.** (a) An applicant shall submit a copy of
117.33 the application to all incumbent broadband service providers operating in the geographic

118.1 area in which the proposed project is to be located at the same time the application is
118.2 submitted to the commissioner.

118.3 (b) The commissioner may not continue to process or consider an application for a
118.4 grant award if the commissioner receives notice in writing from an incumbent broadband
118.5 service provider of the service provider's intention and commitment to begin construction,
118.6 within 12 months of the date on which grant awards are to be made under this section, and
118.7 to complete construction within 24 months of that date, of a project to extend or upgrade
118.8 broadband service to speeds equal to or greater than the state broadband speed goal
118.9 contained in section 237.012, subdivision 1, throughout the area in which the proposed
118.10 project that is the subject of the application is to be located.

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

118.12 Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

118.13 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants,
118.14 the commissioner shall give priority to applications that: (1) are constructed in areas
118.15 identified by the director of the Office of Broadband Development as unserved; and (2) the
118.16 commissioner determines will result in the creation or retention of jobs in underserved
118.17 areas located in counties that are not metropolitan counties, as defined in section 473.121,
118.18 subdivision 4.

118.19 (b) In evaluating applications and awarding grants, the commissioner may give
118.20 priority to applications that:

118.21 (1) are constructed in areas identified by the director of the Office of Broadband
118.22 Development as underserved;

118.23 (2) offer new or substantially upgraded broadband service to important community
118.24 institutions including, but not limited to, libraries, educational institutions, public safety
118.25 facilities, and healthcare facilities;

118.26 (3) facilitate the use of telemedicine and electronic health records;

118.27 (4) serve economically distressed areas of the state, as measured by indices of
118.28 unemployment, poverty, or population loss that are significantly greater than the statewide
118.29 average;

118.30 (5) provide technical support and train residents, businesses, and institutions in the
118.31 community served by the project to utilize broadband service;

118.32 (6) include a component to actively promote the adoption of the newly available
118.33 broadband services in the community;

118.34 (7) provide evidence of strong support for the project from citizens, government,
118.35 businesses, and institutions in the community;

119.1 (8) provide access to broadband service to a greater number of unserved or
119.2 underserved households and businesses; or

119.3 (9) leverage greater amounts of funding for the project from other private and
119.4 public sources.

119.5 (c) The commissioner shall endeavor to award grants under this section to qualified
119.6 applicants in all regions of the state.

119.7 (d) Within 90 days after the first grant is awarded under this section in a fiscal year,
119.8 the commissioner shall notify in writing each applicant who did not receive a grant why
119.9 the specific application was unsuccessful.

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

119.11 Sec. 5. Minnesota Statutes 2014, section 116J.395, subdivision 7, is amended to read:

119.12 Subd. 7. **Limitation.** (a) No grant awarded under this section in an unserved area
119.13 may fund more than 50 percent of the total cost of a project.

119.14 (b) ~~Grants awarded to a single project under this section must not exceed \$5,000,000~~
119.15 No grant awarded under this section in an underserved area may fund more than 25
119.16 percent of the total cost of a project.

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

119.18 Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
119.19 to read:

119.20 Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of
119.21 Broadband Development shall place on the Department of Employment and Economic
119.22 Development's Web site and provide to the chairs and ranking minority members of the
119.23 senate and house of representatives committees with primary jurisdiction over broadband
119.24 a list of all applications for grants under this section received during the previous year
119.25 and, for each application:

119.26 (1) the results of any quantitative weighting scheme or scoring system the
119.27 commissioner used to award grants or rank the applications;

119.28 (2) the grant amount requested; and

119.29 (3) the grant amount awarded, if any.

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

119.31 The initial report submission required under this section is due June 30, 2016.

119.32 Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

120.1 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband
 120.2 Development shall contract with one or more independent organizations that have
 120.3 extensive experience working with Minnesota broadband providers to:

120.4 (1) collect broadband deployment data from Minnesota providers, verify its accuracy
 120.5 through on-the-ground testing, and create state and county maps available to the public by
 120.6 February 1, 2017, and each February 1 thereafter, showing the availability of broadband
 120.7 service at various upload and download speeds throughout Minnesota;

120.8 (2) analyze the deployment data collected to help inform future investments in
 120.9 broadband infrastructure; and

120.10 (3) conduct business and residential surveys that measure broadband adoption and
 120.11 use in the state.

120.12 (b) Data provided by a broadband provider under this section is nonpublic data
 120.13 under section 13.02, subdivision 9. Maps produced under this paragraph are public data
 120.14 under section 13.03.

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

120.16 Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

120.17 Notwithstanding any other law to the contrary, sections 116J.871 and 177.41 to
 120.18 177.44 do not apply to the construction, installation, remodeling, and repair of last-mile
 120.19 infrastructure, as defined under section 116J.394, paragraph (e).

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

120.21 Sec. 9. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

120.22 Subdivision 1. **Universal access and high-speed goal.** (a) It is a state goal that as
 120.23 soon as possible, but no later than ~~2015~~ 2022, all state residents and businesses have access
 120.24 to high-speed broadband service that provides minimum download speeds of ~~ten to 20~~ 25
 120.25 megabits per second and minimum upload speeds of ~~five to ten~~ three megabits per second.

120.26 (b) It is a state goal that no later than 2026 all households in the state have access to
 120.27 at least one broadband service provider offering broadband service at minimum speeds of
 120.28 100 megabits per second download and 20 megabits per second upload.

120.29 Sec. 10. Minnesota Statutes 2014, section 237.012, subdivision 2, is amended to read:

120.30 Subd. 2. **State broadband leadership position.** It is a goal of the state that by
 120.31 ~~2015~~ 2022 and thereafter, the state be in:

121.1 (1) the top five states of the United States for broadband speed universally accessible
121.2 to residents and businesses;

121.3 (2) the top five states for broadband access; and

121.4 (3) the top 15 when compared to countries globally for broadband penetration.

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

121.6 **ARTICLE 16**

121.7 **ENERGY**

121.8 Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

121.9 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
121.10 eligible applicants for reimbursable costs.

121.11 (b) The following costs are reimbursable for purposes of this chapter:

121.12 (1) corrective action costs incurred by the applicant and documented in a form
121.13 prescribed by the board, ~~except the costs related to the physical removal of a tank,~~

121.14 Corrective action costs incurred by the applicant include costs for physical removal of
121.15 a tank when the physical removal is part of a corrective action, regardless of whether
121.16 the tank is leaking at the time of removal, and the removal is directed or approved by
121.17 the commissioner;

121.18 (2) costs that the responsible person is legally obligated to pay as damages to third
121.19 parties for bodily injury, property damage, or corrective action costs incurred by a third
121.20 party caused by a release where the responsible person's liability for the costs has been
121.21 established by a court order or court-approved settlement; and

121.22 (3) up to 180 days of interest costs associated with the financing of corrective action
121.23 and incurred by the applicant in a written extension of credit or loan that has been signed by
121.24 the applicant and executed after July 1, 2002, provided that the applicant documents that:

121.25 (i) the interest costs are incurred as a result of an extension of credit or loan from a
121.26 financial institution; and

121.27 (ii) the board has not considered the application within the applicable time frame
121.28 specified in subdivision 2a, paragraph (c).

121.29 Interest costs meeting the requirements of this clause are eligible only when they are
121.30 incurred between the date a complete initial application is received by the board, or the
121.31 date a complete supplemental application is received by the board, and the date that the
121.32 board first notifies the applicant of its reimbursement determination. An application is
121.33 complete when the information reasonably required or requested by the board's staff
121.34 from the applicant has been received by the board's staff. Interest costs are not eligible

122.1 for reimbursement to the extent they exceed two percentage points above the adjusted
122.2 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
122.3 extension of credit or loan was executed.

122.4 (c) A cost for liability to a third party is incurred by the responsible person when an
122.5 order or court-approved settlement is entered that sets forth the specific costs attributed
122.6 to the liability. Except as provided in this paragraph, reimbursement may not be made
122.7 for costs of liability to third parties until all eligible corrective action costs have been
122.8 reimbursed. If a corrective action is expected to continue in operation for more than one
122.9 year after it has been fully constructed or installed, the board may estimate the future
122.10 expense of completing the corrective action and, after subtracting this estimate from the
122.11 total reimbursement available under subdivision 3, reimburse the costs for liability to third
122.12 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

122.13 Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

122.14 Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall
122.15 reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs
122.16 incurred at the site, except that the board may reimburse an eligible applicant from the
122.17 fund for greater than 90 percent of the total reimbursable costs, if the applicant previously
122.18 qualified for a higher reimbursement rate. For costs associated with a release from a tank
122.19 in transport, the board may reimburse a maximum of \$100,000.

122.20 Not more than ~~\$1,000,000 may be reimbursed for costs associated with a single~~
122.21 ~~release, regardless of the number of persons eligible for reimbursement, and not more than~~
122.22 ~~\$2,000,000 may be reimbursed for costs associated with a single tank facility release.~~

122.23 (b) A reimbursement may not be made from the fund under this chapter until the
122.24 board has determined that the costs for which reimbursement is requested were actually
122.25 incurred and were reasonable.

122.26 (c) When an applicant has obtained responsible competitive bids or proposals
122.27 according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs
122.28 for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal
122.29 are presumed to be reasonable by the board, unless the costs of the low bid or proposal are
122.30 substantially in excess of the average costs charged for similar tasks, procedures, services,
122.31 materials, equipment, and tests in the same geographical area during the same time period.

122.32 (d) When an applicant has obtained a minimum of two responsible competitive bids or
122.33 proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under
122.34 this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures,

123.1 services, materials, equipment and tests, the eligible costs of the low bid or proposal are
123.2 deemed reasonable if the costs are at or below the maximums set forth in the rules.

123.3 (e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~
123.4 adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are
123.5 at or below the maximums set forth in the rules, unless the costs in the change order are
123.6 above those in the original bid or proposal or are unsubstantiated and inconsistent with the
123.7 process and standards required by the rules.

123.8 (f) A reimbursement may not be made from the fund in response to either an initial
123.9 or supplemental application for costs incurred after June 4, 1987, that are payable under
123.10 an applicable insurance policy, except that if the board finds that the applicant has made
123.11 reasonable efforts to collect from an insurer and failed, the board shall reimburse the
123.12 applicant.

123.13 (g) If the board reimburses an applicant for costs for which the applicant has
123.14 insurance coverage, the board is subrogated to the rights of the applicant with respect to
123.15 that insurance coverage, to the extent of the reimbursement by the board. The board may
123.16 request the attorney general to bring an action in district court against the insurer to enforce
123.17 the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes
123.18 an assignment by the applicant to the board of any rights of the applicant with respect to
123.19 any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this
123.20 paragraph, the board may instead request a return of the reimbursement under subdivision
123.21 5 and may employ against the applicant the remedies provided in that subdivision, except
123.22 where the board has knowingly provided reimbursement because the applicant was denied
123.23 coverage by the insurer.

123.24 (h) Money in the fund is appropriated to the board to make reimbursements under
123.25 this chapter. A reimbursement to a state agency must be credited to the appropriation
123.26 account or accounts from which the reimbursed costs were paid.

123.27 (i) The board may reduce the amount of reimbursement to be made under this
123.28 chapter if it finds that the applicant has not complied with a provision of this chapter, a
123.29 rule or order issued under this chapter, or one or more of the following requirements:

123.30 (1) the agency was given notice of the release as required by section 115.061;

123.31 (2) the applicant, to the extent possible, fully cooperated with the agency in
123.32 responding to the release;

123.33 (3) the state rules applicable after December 22, 1993, to operating an underground
123.34 storage tank and appurtenances without leak detection;

124.1 (4) the state rules applicable after December 22, 1998, to operating an underground
124.2 storage tank and appurtenances without corrosion protection or spill and overflow
124.3 protection; and

124.4 (5) the state rule applicable after November 1, 1998, to operating an aboveground
124.5 tank without a dike or other structure that would contain a spill at the aboveground tank site.

124.6 (j) The reimbursement may be reduced as much as 100 percent for failure by
124.7 the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In
124.8 determining the amount of the reimbursement reduction, the board shall consider:

124.9 (1) the reasonable determination by the agency that the noncompliance poses a
124.10 threat to the environment;

124.11 (2) whether the noncompliance was negligent, knowing, or willful;

124.12 (3) the deterrent effect of the award reduction on other tank owners and operators;

124.13 (4) the amount of reimbursement reduction recommended by the commissioner; and

124.14 (5) the documentation of noncompliance provided by the commissioner.

124.15 (k) An applicant may request that the board issue a multiparty check that includes each
124.16 lender who advanced funds to pay the costs of the corrective action or to each contractor
124.17 or consultant who provided corrective action services. This request must be made by filing
124.18 with the board a document, in a form prescribed by the board, indicating the identity of the
124.19 applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the
124.20 location of the corrective action. The applicant must submit a request for the issuance
124.21 of a multiparty check for each application submitted to the board. Payment under this
124.22 paragraph does not constitute the assignment of the applicant's right to reimbursement
124.23 to the consultant, contractor, or lender. The board has no liability to an applicant for a
124.24 payment issued as a multiparty check that meets the requirements of this paragraph.

124.25 Sec. 3. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

124.26 Subdivision 1. **Renewable development account.** (a) Except as provided in
124.27 subdivision 1a, the public utility that owns the Prairie Island nuclear generating plant
124.28 must transfer to a renewable development account \$500,000 each year for each dry cask
124.29 containing spent fuel that is located at the Prairie Island power plant for each year the plant
124.30 is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the
124.31 commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste
124.32 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for
124.33 any part of a year.

124.34 (b) Except as provided in subdivision 1a, the public utility that owns the Monticello
124.35 nuclear generating plant must transfer to the renewable development account \$350,000

125.1 each year for each dry cask containing spent fuel that is located at the Monticello nuclear
125.2 power plant for each year the plant is in operation, and \$5,250,000 each year the plant is
125.3 not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer
125.4 must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage
125.5 facility at Monticello for any part of a year.

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

125.14 (d) Funds in the account may be expended only for any of the following purposes:

125.15 (1) to increase the market penetration within the state of renewable electric energy
125.16 resources at reasonable costs;

125.17 (2) to promote the start-up, expansion, and attraction of renewable electric energy
125.18 projects and companies within the state;

125.19 (3) to stimulate research and development within the state into renewable electric
125.20 energy technologies; and

125.21 (4) to develop near-commercial and demonstration scale renewable electric projects
125.22 or near-commercial and demonstration scale electric infrastructure delivery projects if
125.23 those delivery projects enhance the delivery of renewable electric energy.

125.24 The utility that owns a nuclear generating plant is eligible to apply for renewable
125.25 development account grants.

125.26 (e) Expenditures authorized by this subdivision from the account may be made only
125.27 after approval by order of the Public Utilities Commission upon a petition by the public
125.28 utility. The commission may approve proposed expenditures, may disapprove proposed
125.29 expenditures that it finds to be not in compliance with this subdivision or otherwise
125.30 not in the public interest, and may, if agreed to by the public utility, modify proposed
125.31 expenditures. The commission may approve reasonable and necessary expenditures
125.32 for administering the account in an amount not to exceed five percent of expenditures.
125.33 Commission approval is not required for expenditures required under subdivisions 2
125.34 and 3, section 116C.7791, or other law.

125.35 (f) The account shall be managed by the public utility but the public utility must
125.36 consult about account expenditures with an advisory group that includes, among others,

126.1 representatives of its ratepayers. The commission may require that other interests be
126.2 represented on the advisory group. The advisory group must be consulted with respect to
126.3 the general scope of expenditures in designing a request for proposal and in evaluating
126.4 projects submitted in response to a request for proposals. In addition to consulting with the
126.5 advisory group, the public utility must utilize an independent third-party expert to evaluate
126.6 proposals submitted in response to a request for proposal, including all proposals made by
126.7 the public utility. A request for proposal for research and development under paragraph (d),
126.8 clause (3), may be limited to or include a request to higher education institutions located in
126.9 Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for
126.10 multiple projects may include a provision that exempts the projects from the third-party
126.11 expert review and instead provides for project evaluation and selection by a merit peer
126.12 review grant system. The utility should attempt to reach agreement with the advisory
126.13 group after consulting with it but the utility has full and sole authority to determine which
126.14 expenditures shall be submitted to the commission for commission approval. In the
126.15 process of determining request for proposal scope and subject and in evaluating responses
126.16 to request for proposals, the public utility must strongly consider, where reasonable,
126.17 potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

126.18 (g) Funds in the account may not be directly appropriated by the legislature by a law
126.19 enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date
126.20 may be expended only pursuant to an order of the commission according to this subdivision.

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

126.24 (i) The public utility must annually, by February 15, report to the chairs and ranking
126.25 minority members of the legislative committees with jurisdiction over energy policy on
126.26 projects funded by the account for the prior year and all previous years. The report must,
126.27 to the extent possible and reasonable, itemize the actual and projected financial benefit to
126.28 the public utility's ratepayers of each project.

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

126.33 (k) Final reports, any mid-project status reports, and renewable development account
126.34 financial reports must be posted online on a public Web site designated by the commission.

127.1 (l) All final reports must acknowledge that the project was made possible in whole
127.2 or part by the Minnesota renewable development fund, noting that the fund is financed
127.3 by the public utility's ratepayers.

127.4 Sec. 4. Minnesota Statutes 2014, section 116C.779, is amended by adding a subdivision
127.5 to read:

127.6 Subd. 1a. **Payment termination.** (a) The commissioner shall track the cumulative
127.7 transfers made to the account each year since 1999 for each dry cask containing spent fuel
127.8 that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello.
127.9 During the time when state law required the public utility to transfer a specific amount of
127.10 funds to the account for all the casks stored, the per-cask allocation shall be calculated by
127.11 dividing the total amount transferred by the number of casks stored that year.

127.12 (b) When the commissioner determines that the cumulative transfers calculated
127.13 under paragraph (a) for a specific cask reach \$10,000,000, the commissioner shall notify
127.14 the public utility that no additional transfers to the account for that cask shall be made.

127.15 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (a) or
127.16 (b), with respect to transfers to the account made after a plant has ceased operation.

127.17 Sec. 5. Minnesota Statutes 2014, section 216A.03, subdivision 1, is amended to read:

127.18 Subdivision 1. **Members.** The Public Utilities Commission shall consist of ~~five~~ nine
127.19 members, eight of whom shall each represent one of the state's congressional districts, and
127.20 one member appointed at large. At the time of appointment, each member, except for the
127.21 at-large appointee, must reside in the congressional district the member is to represent.

127.22 The terms of members shall be six years and until their successors have been appointed
127.23 and qualified. Each commissioner shall be appointed by the governor by and with the
127.24 advice and consent of the senate. Not more than ~~three~~ five commissioners shall belong
127.25 to the same political party. ~~At least one commissioner must have been domiciled at the~~
127.26 ~~time of appointment outside the seven-county metropolitan area. If the membership of the~~
127.27 ~~commission after July 31, 1986, does not consist of at least one member domiciled at the~~
127.28 ~~time of appointment outside the seven-county metropolitan area, the membership shall~~
127.29 ~~conform to this requirement following normal attrition of the present commissioners. The~~
127.30 governor when selecting commissioners shall give consideration to persons learned in the
127.31 law or persons who have engaged in the profession of engineering, public accounting,
127.32 property and utility valuation, finance, physical or natural sciences, production agriculture,
127.33 or natural resources as well as being representative of the general public.

128.1 For purposes of this subdivision, "~~seven-county metropolitan area~~" means ~~Anoka,~~
128.2 ~~Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.~~

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

128.4 Sec. 6. Minnesota Statutes 2014, section 216A.03, is amended by adding a subdivision
128.5 to read:

128.6 Subd. 2a. **Transition.** (a) Until the governor has appointed commissioners from
128.7 each congressional district and one at-large commissioner, this subdivision governs
128.8 membership of the commission.

128.9 (b) Members of the commission as of July 1, 2016, shall continue to serve until the
128.10 expiration of their terms.

128.11 (c) No later than October 1, 2016, the governor shall appoint commissioners from
128.12 the first, seventh, and eighth congressional districts for terms to begin January 2, 2017.

128.13 (d) No later than October 1, 2018, the governor shall appoint a commissioner from
128.14 the second congressional district for a term to begin January 7, 2019.

128.15 (e) No later than October 1, 2019, the governor shall appoint commissioners from
128.16 the third, fourth, and fifth congressional districts for terms to begin January 6, 2020.

128.17 (f) No later than October 1, 2020, the governor shall appoint a commissioner from
128.18 the sixth congressional district for a term to begin January 4, 2021.

128.19 (g) No later than October 1, 2021, the governor shall appoint an at-large
128.20 commissioner for a term to begin January 3, 2022.

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

128.22 Sec. 7. Minnesota Statutes 2014, section 216B.1641, is amended to read:

128.23 **216B.1641 COMMUNITY SOLAR GARDEN.**

128.24 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
128.25 plan with the commission to operate a community solar garden program which shall begin
128.26 operations within 90 days after commission approval of the plan. Other public utilities
128.27 may file an application at their election. The community solar garden program must be
128.28 designed to offset the energy use of not less than five subscribers in each community
128.29 solar garden facility of which no single subscriber has more than a 40 percent interest.
128.30 The owner of the community solar garden may be a public utility or any other entity or
128.31 organization that contracts to sell the output from the community solar garden to the
128.32 utility under section 216B.164. There shall be no limitation on the number or cumulative

129.1 generating capacity of community solar garden facilities other than the limitations imposed
129.2 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

129.3 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
129.4 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for
129.5 the electricity generated in proportion to the size of their subscription. The solar garden
129.6 must have a nameplate capacity of no more than one megawatt. Each subscription shall be
129.7 sized to represent at least 200 watts of the community solar garden's generating capacity
129.8 and to supply, when combined with other distributed generation resources serving the
129.9 premises, no more than 120 percent of the average annual consumption of electricity by
129.10 each subscriber at the premises to which the subscription is attributed.

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

129.14 (d) The public utility must purchase from the community solar garden all energy
129.15 generated by the solar garden. The purchase shall be at the rate calculated under section
129.16 216B.164, subdivision 10, or, until that rate for the public utility has been approved by
129.17 the commission, the applicable retail rate. A solar garden is eligible for any incentive
129.18 programs offered under either section 116C.7792 or section 216C.415. A subscriber's
129.19 portion of the purchase shall be provided by a credit on the subscriber's bill.

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

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

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

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

129.29 (4) be consistent with the public interest;

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

129.32 (6) include a program implementation schedule;

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

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

130.1 (9) certify that the utility and the owner of a solar garden will submit copies of all
130.2 marketing and promotional material and sample contracts to the commission, and that
130.3 the materials will be updated periodically;

130.4 (10) provide a mechanism for subscribers to transfer subscriptions to other new or
130.5 current subscribers;

130.6 (11) require an owner of a solar garden and the utility purchasing electricity
130.7 generated by the solar garden to forward customer complaints regarding the operation of
130.8 the solar garden to the commission; and

130.9 (12) reflect the commission's determination that:

130.10 (i) the plan is financially viable; and

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

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

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

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

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

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

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

130.27 Sec. 8. Minnesota Statutes 2014, section 216B.241, subdivision 1, is amended to read:

130.28 Subdivision 1. **Definitions.** For purposes of this section and section 216B.16,
130.29 subdivision 6b, the terms defined in this subdivision have the meanings given them.

130.30 (a) "Commission" means the Public Utilities Commission.

130.31 (b) "Commissioner" means the commissioner of commerce.

130.32 (c) "Department" means the Department of Commerce.

130.33 (d) "Energy conservation" means demand-side management of energy supplies
130.34 resulting in a net reduction in energy use. Load management that reduces overall energy
130.35 use is energy conservation.

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

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

131.11 (g) "Gross annual retail energy sales" means annual electric sales to all retail
 131.12 customers in a utility's or association's Minnesota service territory or natural gas
 131.13 throughput to all retail customers, including natural gas transportation customers, on a
 131.14 utility's distribution system in Minnesota. For purposes of this section, gross annual
 131.15 retail energy sales exclude:

131.16 (1) gas sales to:

131.17 (i) a large energy facility;

131.18 (ii) a large customer facility whose natural gas utility has been exempted by the
 131.19 commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made
 131.20 to the large customer facility; ~~and~~

131.21 (iii) a commercial gas customer facility whose natural gas utility has been exempted
 131.22 by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales
 131.23 made to the commercial gas customer facility; and

131.24 (iv) a pipeline facility; and

131.25 (2) electric sales to:

131.26 (i) a large customer facility whose electric utility has been exempted by the
 131.27 commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to
 131.28 the large customer facility; and

131.29 (ii) a pipeline facility.

131.30 (h) "Investments and expenses of a public utility" includes the investments
 131.31 and expenses incurred by a public utility in connection with an energy conservation
 131.32 improvement, including but not limited to:

131.33 (1) the differential in interest cost between the market rate and the rate charged on a
 131.34 no-interest or below-market interest loan made by a public utility to a customer for the
 131.35 purchase or installation of an energy conservation improvement;

132.1 (2) the difference between the utility's cost of purchase or installation of energy
132.2 conservation improvements and any price charged by a public utility to a customer for
132.3 such improvements.

132.4 (i) "Large customer facility" means all buildings, structures, equipment, and
132.5 installations at a single site that collectively (1) impose a peak electrical demand on an
132.6 electric utility's system of not less than 20,000 kilowatts, measured in the same way as the
132.7 utility that serves the customer facility measures electrical demand for billing purposes or
132.8 (2) consume not less than 500 million cubic feet of natural gas annually. In calculating
132.9 peak electrical demand, a large customer facility may include demand offset by on-site
132.10 cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy
132.11 demand from the large customer facility's mining and processing operations.

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

132.14 (k) "Load management" means an activity, service, or technology to change the
132.15 timing or the efficiency of a customer's use of energy that allows a utility or a customer to
132.16 respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

132.17 (l) "Low-income programs" means energy conservation improvement programs that
132.18 directly serve the needs of low-income persons, including low-income renters.

132.19 (m) "Petroleum products" has the meaning given in section 296A.01, subdivision 42,
132.20 and includes propane, as defined in section 216B.02, subdivision 3a.

132.21 (n) "Pipeline facility" means a pipeline located within Minnesota with a diameter of
132.22 six inches or greater and through which natural gas, petroleum, or petroleum products are
132.23 transported under pressure to a utility, petroleum refinery, or other wholesale customer.
132.24 Pipeline facility includes natural gas compressor stations, petroleum pumping stations,
132.25 and other facilities necessary to physically transport fuel through a pipeline to a wholesale
132.26 customer, but does not include facilities used to transport natural gas, petroleum, or
132.27 petroleum products within a petroleum refinery, storage, or manufacturing facility.

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

132.30 ~~(n)~~ (p) "Waste heat recovered and used as thermal energy" means capturing
132.31 heat energy that would otherwise be exhausted or dissipated to the environment from
132.32 machinery, buildings, or industrial processes and productively using such recovered
132.33 thermal energy where it was captured or distributing it as thermal energy to other locations
132.34 where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

132.35 ~~(o)~~ (q) "Waste heat recovery converted into electricity" means an energy recovery
132.36 process that converts otherwise lost energy from the heat of exhaust stacks or pipes used

133.1 for engines or manufacturing or industrial processes, or the reduction of high pressure
133.2 in water or gas pipelines.

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

133.4 Sec. 9. Minnesota Statutes 2014, section 216B.241, subdivision 1a, is amended to read:

133.5 Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For
133.6 purposes of this subdivision and subdivision 2, "public utility" has the meaning given it
133.7 in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy
133.8 conservation improvements under this subdivision and subdivision 2 the following
133.9 amounts:

133.10 (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues
133.11 from service provided in the state;

133.12 (2) for a utility that furnishes electric service, 1.5 percent of its gross operating
133.13 revenues from service provided in the state; and

133.14 (3) for a utility that furnishes electric service and that operates a nuclear-powered
133.15 electric generating plant within the state, two percent of its gross operating revenues
133.16 from service provided in the state.

133.17 For purposes of this paragraph (a), "gross operating revenues" do not include
133.18 revenues from large customer facilities exempted under paragraph (b), ~~or~~ from commercial
133.19 gas customers that are exempted under paragraph (c) or (e), or from a customer that is
133.20 a pipeline facility.

133.21 (b) The owner of a large customer facility may petition the commissioner to exempt
133.22 both electric and gas utilities serving the large customer facility from the investment and
133.23 expenditure requirements of paragraph (a) with respect to retail revenues attributable to
133.24 the large customer facility. The filing must include a discussion of the competitive or
133.25 economic pressures facing the owner of the facility and the efforts taken by the owner
133.26 to identify, evaluate, and implement energy conservation and efficiency improvements.
133.27 A filing submitted on or before October 1 of any year must be approved within 90 days
133.28 and become effective January 1 of the year following the filing, unless the commissioner
133.29 finds that the owner of the large customer facility has failed to take reasonable measures
133.30 to identify, evaluate, and implement energy conservation and efficiency improvements.
133.31 If a facility qualifies as a large customer facility solely due to its peak electrical demand
133.32 or annual natural gas usage, the exemption may be limited to the qualifying utility if
133.33 the commissioner finds that the owner of the large customer facility has failed to take
133.34 reasonable measures to identify, evaluate, and implement energy conservation and
133.35 efficiency improvements with respect to the nonqualifying utility. Once an exemption is

134.1 approved, the commissioner may request the owner of a large customer facility to submit,
134.2 not more often than once every five years, a report demonstrating the large customer
134.3 facility's ongoing commitment to energy conservation and efficiency improvement after
134.4 the exemption filing. The commissioner may request such reports for up to ten years after
134.5 the effective date of the exemption, unless the majority ownership of the large customer
134.6 facility changes, in which case the commissioner may request additional reports for up to
134.7 ten years after the change in ownership occurs. The commissioner may, within 180 days
134.8 of receiving a report submitted under this paragraph, rescind any exemption granted under
134.9 this paragraph upon a determination that the large customer facility is not continuing
134.10 to make reasonable efforts to identify, evaluate, and implement energy conservation
134.11 improvements. A large customer facility that is, under an order from the commissioner,
134.12 exempt from the investment and expenditure requirements of paragraph (a) as of
134.13 December 31, 2010, is not required to submit a report to retain its exempt status, except as
134.14 otherwise provided in this paragraph with respect to ownership changes. No exempt large
134.15 customer facility may participate in a utility conservation improvement program unless the
134.16 owner of the facility submits a filing with the commissioner to withdraw its exemption.

134.17 (c) A commercial gas customer that is not a large customer facility and that
134.18 purchases or acquires natural gas from a public utility having fewer than 600,000 natural
134.19 gas customers in Minnesota may petition the commissioner to exempt gas utilities serving
134.20 the commercial gas customer from the investment and expenditure requirements of
134.21 paragraph (a) with respect to retail revenues attributable to the commercial gas customer.
134.22 The petition must be supported by evidence demonstrating that the commercial gas
134.23 customer has acquired or can reasonably acquire the capability to bypass use of the utility's
134.24 gas distribution system by obtaining natural gas directly from a supplier not regulated by
134.25 the commission. The commissioner shall grant the exemption if the commissioner finds
134.26 that the petitioner has made the demonstration required by this paragraph.

134.27 (d) The commissioner may require investments or spending greater than the amounts
134.28 required under this subdivision for a public utility whose most recent advance forecast
134.29 required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100
134.30 megawatts or greater within five years under midrange forecast assumptions.

134.31 (e) A public utility or owner of a large customer facility may appeal a decision of the
134.32 commissioner under paragraph (b), (c), or (d) to the commission under subdivision 2. In
134.33 reviewing a decision of the commissioner under paragraph (b), (c), or (d), the commission
134.34 shall rescind the decision if it finds that the required investments or spending will:

- 134.35 (1) not result in cost-effective energy conservation improvements; or
134.36 (2) otherwise not be in the public interest.

135.1 (f) No pipeline facility may participate in a utility conservation improvement
 135.2 program.

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

135.4 Sec. 10. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

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

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

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

135.18 (d) In its energy conservation improvement plan filing, a utility or association may
 135.19 request the commissioner to adjust its annual energy-savings percentage goal based on
 135.20 its historical conservation investment experience, customer class makeup, load growth, a
 135.21 conservation potential study, or other factors the ~~commissioner determines warrants~~ utility
 135.22 or association asserts warrant an adjustment. The commissioner:

135.23 (1) must approve a request by a municipal utility or cooperative electric association
 135.24 to adjust the utility's or association's annual energy-savings goal;

135.25 (2) may approve a request from a public utility to adjust its annual energy-savings
 135.26 goal; and

135.27 (3) may not approve is prohibited from approving a plan of a public utility that
 135.28 provides for an annual energy-savings goal of less than one percent of gross annual retail
 135.29 energy sales from energy conservation improvements.

135.30 A public utility or association may include in its energy conservation plan energy
 135.31 savings from electric utility infrastructure projects approved by the commission under
 135.32 section 216B.1636 or waste heat recovery converted into electricity projects ~~that~~ each of
 135.33 which may count as energy savings only in addition to a minimum energy-savings goal of
 135.34 at least one percent for energy conservation improvements. Energy savings from electric
 135.35 utility infrastructure projects, as defined in section 216B.1636, may be included in the

136.1 energy conservation plan of a municipal utility or cooperative electric association. Electric
136.2 utility infrastructure projects must result in increased energy efficiency greater than that
136.3 which would have occurred through normal maintenance activity.

136.4 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
136.5 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
136.6 energy-savings goal established in this subdivision.

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

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

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

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

136.24 Sec. 11. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

136.25 Subd. 8. **Exemptions.** This section does not apply to:

136.26 (1) cogeneration or small power production facilities as defined in the Federal Power
136.27 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
136.28 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
136.29 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
136.30 any case where the commission has determined after being advised by the attorney general
136.31 that its application has been preempted by federal law;

136.32 (2) a high-voltage transmission line proposed primarily to distribute electricity to
136.33 serve the demand of a single customer at a single location, unless the applicant opts to
136.34 request that the commission determine need under this section or section 216B.2425;

137.1 (3) the upgrade to a higher voltage of an existing transmission line that serves the
 137.2 demand of a single customer that primarily uses existing rights-of-way, unless the applicant
 137.3 opts to request that the commission determine need under this section or section 216B.2425;

137.4 (4) a high-voltage transmission line of one mile or less required to connect a new or
 137.5 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

137.6 (5) conversion of the fuel source of an existing electric generating plant to using
 137.7 natural gas;

137.8 (6) the modification of an existing electric generating plant to increase efficiency,
 137.9 as long as the capacity of the plant is not increased more than ten percent or more than
 137.10 100 megawatts, whichever is greater; ~~or~~

137.11 (7) a wind energy conversion system or solar electric generation facility if the system
 137.12 or facility is owned and operated by an independent power producer and the electric output
 137.13 of the system or facility is not sold to an entity that provides retail service in Minnesota
 137.14 or wholesale electric service to another entity in Minnesota other than an entity that is a
 137.15 federally recognized regional transmission organization or independent system operator; or

137.16 (8) an interstate pipeline traversing Minnesota whose termini lie outside the state.

137.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
 137.18 and applies to (1) a pipeline that has not filed a certificate of need application before the
 137.19 effective date of this section, and (2) a pipeline that has a certificate of need application
 137.20 pending before the commission on the effective date of this section.

137.21 Sec. 12. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

137.22 Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure
 137.23 constructed after January 1, 1978, and used primarily as a commercial parking facility for
 137.24 three or more motor vehicles shall be heated. Incidental heating resulting from building
 137.25 exhaust air passing through a parking facility shall not be prohibited, provided that
 137.26 substantially all useful heat has previously been removed from the air. The commissioner
 137.27 of commerce may grant an exemption from this subdivision if the commercial parking is
 137.28 integrated within a facility that has both public and private uses, the benefits to taxpayers
 137.29 of the exemption exceed the costs, and all appropriate energy efficiency measures have
 137.30 been considered.

137.31 Sec. 13. **[216E.023] PROHIBITION; SITING SOLAR SYSTEM; TREE**
 137.32 **CUTTING.**

137.33 No state or local site permit may be issued for a solar energy generating system that
 137.34 would contribute to meeting the requirements of section 216B.1691, subdivision 2f, or

138.1 that is governed under section 216B.1641, if the solar energy generating system is to be
138.2 sited at a location where more than 75 percent of the trees standing in an area exceeding
138.3 three acres are proposed to be cut in order to accommodate construction of the solar
138.4 energy generating system.

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

138.6 Sec. 14. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

138.7 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
138.8 Commerce shall prepare for the commission an environmental impact statement on each
138.9 proposed large electric generating plant or high-voltage transmission line for which a
138.10 complete application has been submitted. The commissioner shall not consider whether
138.11 or not the project is needed. No other state environmental review documents shall be
138.12 required. The commissioner shall study and evaluate any site or route proposed by an
138.13 applicant and any other site or route the commission deems necessary that was proposed in
138.14 a manner consistent with rules concerning the form, content, and timeliness of proposals
138.15 for alternate sites or routes.

138.16 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is
138.17 a large electric power generating plant and is not proposed by a utility, the commissioner
138.18 must make a finding in the environmental impact statement whether the project is likely to
138.19 result in a net reduction of carbon dioxide emissions, considering both the utility providing
138.20 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
138.21 emissions as a result of increased efficiency from the production of thermal energy on the
138.22 part of the customer operating or owning the proposed cogeneration facility.

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

138.24 Sec. 15. Minnesota Statutes 2014, section 216H.01, is amended by adding a
138.25 subdivision to read:

138.26 Subd. 1a. **Cogeneration facility or combined heat and power facility.**

138.27 "Cogeneration facility" or "combined heat and power facility" means a facility that:

138.28 (1) has the meaning given in United States Code, title 16, section 796, clause (18),
138.29 paragraph (A); and

138.30 (2) meets the applicable operating and efficiency standards contained in Code of
138.31 Federal Regulations, title 18, part 292.205.

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

139.1 Sec. 16. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

139.2 Subdivision 1. **Definition; new large energy facility.** For the purpose of this
139.3 section, "new large energy facility" means a large energy facility, as defined in section
139.4 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but
139.5 does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration
139.6 facility or combined heat and power facility located in the electric service area of a public
139.7 utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking,
139.8 intermediate, emergency backup, or contingency services, (3) uses a simple cycle or
139.9 combined cycle turbine technology, and (4) is capable of achieving full load operations
139.10 within 45 minutes of startup for a simple cycle facility, or is capable of achieving
139.11 minimum load operations within 185 minutes of startup for a combined cycle facility.

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

139.13 Sec. 17. Laws 2001, chapter 130, section 3, is amended to read:

139.14 Sec. 3. **ASSESSMENT.**

139.15 A propane education and research council, established and certified pursuant to
139.16 section 2, may assess propane producers and retail marketers an amount not to exceed ~~one~~
139.17 ~~mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a),
139.18 per gallon of odorized propane in a manner established by the council in compliance with
139.19 United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and
139.20 retail marketers shall be responsible for the amounts assessed.

139.21 Sec. 18. **PROHIBITION ON EXPENDITURE OF STATE FUNDS; CLEAN**
139.22 **POWER PLAN.**

139.23 No state agency shall expend state funds to develop a state plan as required by the
139.24 federal Clean Power Plan unless and until a final decision in the case of West Virginia,
139.25 et. al., v. United States Environmental Protection Agency, et. al., determines that the
139.26 federal Environmental Protection Agency has legal authority to require the submission
139.27 of such state plans.

139.28 For the purposes of this section, "Clean Power Plan" means the final rule of the
139.29 federal Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric
139.30 Utility Generating Units, issued by the United States Environmental Protection Agency in
139.31 Docket No. EPA-HQ-OAR-2013-0602, and any subsequent amendments made to the plan.

APPENDIX
Article locations in H3931-2

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116P.13 MINNESOTA FUTURE RESOURCES FUND.

Subdivision 1. **Revenue sources.** The money in the Minnesota future resources fund consists of revenue credited under section 297F.10, subdivision 1, paragraph (b), clause (1).

Subd. 2. **Interest.** The interest attributable to the investment of the Minnesota future resources fund must be credited to the fund.

Subd. 3. **Revenue purposes.** Revenue in the Minnesota future resources fund may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance, and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the commissioner of employment and economic development. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the commissioner of employment and economic development about program payment, but the commissioner has the authority to make the final determination on payments. The commissioner's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment;

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

179A.50 REPRESENTATION OF FAMILY CHILD CARE PROVIDERS.

Sections 179A.50 to 179A.52 shall be known as the Family Child Care Providers Representation Act.

179A.51 DEFINITIONS.

APPENDIX

Repealed Minnesota Statutes: H3931-2

Subdivision 1. **Scope.** For the purposes of sections 179A.50 to 179A.52, the terms in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of mediation services.

Subd. 3. **Exclusive representative.** "Exclusive representative" means an employee organization that has been elected and certified under section 179A.52, thereby maintaining the right to represent family child care providers in their relations with the state.

Subd. 4. **Family child care provider.** "Family child care provider" means an individual, either licensed or unlicensed, who provides legal child care services as defined under section 245A.03, except for providers licensed under Minnesota Rules, chapter 9503, or excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), and who receives child care assistance to subsidize child care services for a child or children currently in the individual's care, under sections 119B.03; 119B.05; and 119B.011, subdivisions 20 and 20a.

179A.52 RIGHT TO ORGANIZE.

Subdivision 1. **Rights of individual providers and participants.** For the purposes of the Public Employment Labor Relations Act, under chapter 179A, family child care providers shall be considered, by virtue of this section, executive branch state employees employed by the commissioner of management and budget or the commissioner's representative. This section does not require the treatment of family child care providers as public employees for any other purpose. Family child care providers are not state employees for purposes of section 3.736. Chapter 179A shall apply to family child care providers except as otherwise provided in this section. Notwithstanding section 179A.03, subdivision 14, paragraph (a), clause (5), chapter 179A shall apply to family child care providers regardless of part-time or full-time employment status. Family child care providers shall not have the right to strike.

Subd. 2. **Appropriate unit.** The only appropriate unit under this section shall be a statewide unit of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The unit shall be treated as an appropriate unit under section 179A.10, subdivision 2.

Subd. 3. **Compilation of list.** The commissioner of human services shall, by July 1, 2013, and monthly thereafter, compile and maintain a list of the names and addresses of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The list shall not include the name of any participant, or indicate that an individual provider is a relative of a participant or has the same address as a participant. The commissioner of human services shall share the lists with others as needed for the state to meet its obligations under chapter 179A as modified and made applicable to family child care providers under this section, and to facilitate the representational processes under this section.

Subd. 4. **List access.** Beginning July 1, 2013, upon a showing made to the commissioner of the Bureau of Mediation Services by any employee organization wishing to represent the appropriate unit of family child care providers that at least 500 family child care providers support such representation, the commissioner of human services shall provide to such organization within seven days the most recent list of actively registered family child care providers compiled under subdivision 3, and subsequent monthly lists upon request for an additional three months. When the list is made available to an employee organization under this subdivision, the list must be made publicly available.

Subd. 5. **Elections for exclusive representative.** After July 31, 2013, any employee organization wishing to represent the appropriate unit of family child care providers may seek exclusive representative status pursuant to section 179A.12. Certification elections for family child care providers shall be conducted by mail ballot, and such election shall be conducted upon an appropriate petition stating that at least 30 percent of the appropriate unit wishes to be represented by the petitioner. The family child care providers eligible to vote in any such election shall be those family child care providers on the monthly list of family child care providers compiled under this section, most recently preceding the filing of the election petition. Except as otherwise provided, elections under this subdivision shall be conducted in accordance with section 179A.12.

Subd. 6. **Meet and negotiate.** If the commissioner certifies an employee organization as the majority exclusive representative, the state, through the governor or the governor's designee, shall meet and negotiate in good faith with the exclusive representative of the family child care provider unit regarding grievance issues, child care assistance reimbursement rates under chapter 119B, and terms and conditions of service, but this obligation does not compel the state or its representatives to agree to a proposal or require the making of a concession. The governor or the governor's designee is authorized to enter into agreements with the exclusive representative.

APPENDIX

Repealed Minnesota Statutes: H3931-2

Negotiated agreements and arbitration decisions must be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22.

Subd. 7. **Meet and confer.** The state has an obligation to meet and confer under chapter 179A with family child care providers to discuss policies and other matters relating to their service that are not terms and conditions of service.

Subd. 8. **Terms and conditions of service.** For purposes of this section, "terms and conditions of service" has the same meaning as given in section 179A.03, subdivision 19.

Subd. 9. **Rights.** Nothing in this section shall be construed to interfere with:

(1) parental rights to select and deselect family child care providers or the ability of family child care providers to establish the rates they charge to parents;

(2) the right or obligation of any state agency to communicate or meet with any citizen or organization concerning family child care legislation, regulation, or policy; or

(3) the rights and responsibilities of family child care providers under federal law.

Subd. 10. **Membership status and eligibility for subsidies.** Membership status in an employee organization shall not affect the eligibility of a family child care provider to receive payments under, or serve a child who receives payments under, chapter 119B.

179A.53 NO USE OF SCHOLARSHIPS FOR DUES OR FEES.

Early learning scholarships shall not be applied, through state withholding or otherwise, toward payment of dues or fees that are paid to exclusive representatives of family child care providers.