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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **2208**

- 03/07/2019 Authored by Mahoney, Noor, Stephenson, Wagenius, Long and others
The bill was read for the first time and referred to the Committee on Ways and Means
- 04/09/2019 Adoption of Report: Amended and re-referred to the Committee on Taxes
- 04/10/2019 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/11/2019 Adoption of Report: Placed on the General Register
Read for the Second Time
- 04/23/2019 Calendar for the Day, Amended
Bill was laid on the Table as Amended
- 04/24/2019 Bill was taken from the Table
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 04/30/2019 Returned to the House as Amended by the Senate
Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to state government; establishing a budget for economic development,

1.3 telecommunications, and energy; appropriating money to the broadband grant

1.4 program; establishing a budget to finance energy-related activities; creating

1.5 renewable energy grant programs; modifying and establishing various provisions

1.6 governing energy policy and finance; strengthening requirements for clean energy

1.7 and energy conservation in Minnesota; appropriating money for jobs and economic

1.8 development; establishing paid family leave insurance; modifying economic

1.9 development programs; establishing wage theft prevention; providing for earned

1.10 sick and safe time; modifying labor and industry policy provisions; modifying

1.11 commerce policy provisions; adopting Unemployment Insurance Advisory Council

1.12 provisions; modifying unemployment insurance policy; modifying Bureau of

1.13 Mediation Services policy; establishing guidelines relating to unclaimed property;

1.14 modifying fees; increasing civil and criminal penalties; authorizing rulemaking;

1.15 requiring reports; appropriating money; amending Minnesota Statutes 2018, sections

1.16 13.43, subdivision 6; 13.685; 13.719, by adding a subdivision; 15.72, subdivision

1.17 2; 16C.285, subdivision 3; 47.59, subdivision 2; 47.60, subdivision 2; 47.601,

1.18 subdivisions 2, 6; 53.04, subdivision 3a; 56.131, subdivision 1; 116C.7792;

1.19 116J.8731, subdivision 5; 116J.8748, subdivisions 4, 6; 175.46, subdivisions 3,

1.20 13; 176.1812, subdivision 2; 176.231, subdivision 1; 177.27, subdivisions 2, 4, 7,

1.21 by adding subdivisions; 177.30; 177.32, subdivision 1; 179.86, subdivisions 1, 3;

1.22 179A.041, by adding a subdivision; 181.03, subdivision 1, by adding subdivisions;

1.23 181.032; 181.101; 181.635, subdivision 2; 181.942, subdivision 1; 182.659,

1.24 subdivision 8; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 216B.16,

1.25 subdivision 13, by adding a subdivision; 216B.1641; 216B.1645, subdivisions 1,

1.26 2; 216B.1691, subdivisions 1, 2b, 9, by adding a subdivision; 216B.2401; 216B.241,

1.27 subdivisions 1a, 1c, 1d, 1f, 2, 2b, 3, 5, 7, 9, by adding a subdivision; 216B.2422,

1.28 subdivisions 1, 2, 3, 4, 5, by adding subdivisions; 216B.243, subdivisions 3, 3a;

1.29 216B.62, subdivision 3b; 216C.435, subdivisions 3a, 8; 216C.436, subdivision 4,

1.30 by adding a subdivision; 216F.04; 216F.08; 256J.561, by adding a subdivision;

1.31 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.035, subdivisions 4, 12,

1.32 15, 20; 268.044, subdivisions 2, 3; 268.046, subdivision 1; 268.047, subdivision

1.33 3; 268.051, subdivision 2a; 268.057, subdivision 5; 268.069, subdivision 1; 268.07,

1.34 subdivision 1; 268.085, subdivisions 3, 3a, 8, 13a, by adding subdivisions; 268.095,

1.35 subdivisions 6, 6a; 268.105, subdivision 6; 268.145, subdivision 1; 268.18,

1.36 subdivisions 2b, 5; 268.19, subdivision 1; 326B.082, subdivisions 6, 8, 12;

1.37 326B.103, subdivision 11; 326B.106, subdivision 9, by adding a subdivision;

1.38 326B.46, by adding a subdivision; 326B.475, subdivision 4; 326B.802, subdivision

3.1 The amounts that may be spent for each
 3.2 purpose are specified in the following
 3.3 subdivisions.

3.4 Subd. 2. **Business and Community Development** 47,121,000 34,230,000

3.5	<u>Appropriations by Fund</u>		
3.6	<u>General</u>	<u>44,721,000</u>	<u>31,830,000</u>
3.7	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
3.8	<u>Workforce</u>		
3.9	<u>Development</u>	<u>1,700,000</u>	<u>1,700,000</u>

3.10 (a) \$9,350,000 the first year is for:

3.11 (1) the greater Minnesota business
 3.12 development public infrastructure grant
 3.13 program under Minnesota Statutes, section
 3.14 116J.431;

3.15 (2) the spark program, formerly known as the
 3.16 business development competitive grant
 3.17 program;

3.18 (3) the community prosperity grant program;

3.19 (4) a grant to the Minnesota Design Center at
 3.20 the University of Minnesota for the greater
 3.21 Minnesota community design program; and

3.22 (5) a grant to Red Wing Ignite for economic
 3.23 development activities focused on technology
 3.24 and innovation in Southeastern Minnesota.

3.25 The commissioner has discretion to allocate
 3.26 this appropriation among the listed programs,
 3.27 including awarding zero funds to a listed
 3.28 program or grantee. The commissioner has
 3.29 discretion to stipulate reasonable terms for
 3.30 individual programs and grants. Of this
 3.31 amount, up to four percent is for
 3.32 administration and monitoring of the funded
 3.33 programs. This appropriation is available until
 3.34 June 30, 2022.

4.1 (b) \$2,500,000 each year is for the Minnesota
4.2 Innovation Collaborative. This is a onetime
4.3 appropriation and funds are available until
4.4 June 30, 2023. Of this amount:

4.5 (1) \$1,600,000 each year is for innovation
4.6 grants to eligible Minnesota entrepreneurs or
4.7 start-up businesses to assist with their
4.8 operating needs. Of this amount, five percent
4.9 is for the department's administrative costs;

4.10 (2) \$450,000 each year is for administration
4.11 of the Minnesota Innovation Collaborative;
4.12 and

4.13 (3) \$450,000 each year is for grantee activities
4.14 at the Minnesota Innovation Collaborative. Of
4.15 this amount, five percent is for the
4.16 department's administrative costs.

4.17 (c) \$1,772,000 each year is from the general
4.18 fund and \$700,000 each year is from the
4.19 remediation fund for contaminated site cleanup
4.20 and development grants under Minnesota
4.21 Statutes, sections 116J.551 to 116J.558. These
4.22 appropriations are available until spent.

4.23 (d) \$139,000 each year is for a grant to the
4.24 Rural Policy and Development Center under
4.25 Minnesota Statutes, section 116J.421.

4.26 (e) \$25,000 each year is for the administration
4.27 of state aid for the Destination Medical Center
4.28 under Minnesota Statutes, sections 469.40 to
4.29 469.47.

4.30 (f) \$875,000 each year is for the host
4.31 community economic development grant
4.32 program established in Minnesota Statutes,
4.33 section 116J.548.

5.1 (g) \$500,000 the first year and \$125,000 the
5.2 second year are for grants to the White Earth
5.3 Nation for the White Earth Nation Integrated
5.4 Business Development System to provide
5.5 business assistance with workforce
5.6 development, outreach, technical assistance,
5.7 infrastructure and operational support,
5.8 financing, and other business development
5.9 activities. This is a onetime appropriation.

5.10 (h) \$875,000 each year is for a grant to
5.11 Enterprise Minnesota, Inc. for the small
5.12 business growth acceleration program under
5.13 Minnesota Statutes, section 116O.115. This
5.14 is a onetime appropriation.

5.15 (i) \$300,000 each year is for a grant to
5.16 Enterprise Minnesota, Inc. to provide business
5.17 performance assessments to Minnesota
5.18 manufacturers with 50 or fewer employees,
5.19 with focus on very small and rural locations.
5.20 The assessment findings must position
5.21 Minnesota manufacturers to retain and recruit
5.22 employees and grow in their community. This
5.23 is a onetime appropriation.

5.24 (j) \$250,000 the first year is for a grant to the
5.25 Rondo Community Land Trust for
5.26 improvements to leased commercial space in
5.27 the Selby Milton Victoria Project that will
5.28 create long-term affordable space for small
5.29 businesses and for build-out and development
5.30 of new businesses.

5.31 (k) \$1,175,000 each year is for a grant to the
5.32 Metropolitan Economic Development
5.33 Association (MEDA) for statewide business
5.34 development and assistance services, including
5.35 services to entrepreneurs with businesses that

6.1 have the potential to create job opportunities
6.2 for unemployed and underemployed people,
6.3 with an emphasis on minority-owned
6.4 businesses. This is a onetime appropriation.

6.5 (l) \$2,865,000 the first year is for grants for
6.6 projects that support economic development
6.7 by increasing the availability of child care.
6.8 Eligible recipients for these grants are limited
6.9 to:

6.10 (1) WomenVenture;
6.11 (2) the Minnesota Initiative Foundations; and
6.12 (3) eligible applicants under the child care
6.13 economic development grant program.

6.14 The commissioner has discretion to allocate
6.15 the available grant funds among the listed
6.16 eligible recipients, including awarding zero
6.17 funds to a listed entity, though this allocation
6.18 must support both family child care providers
6.19 and center-based providers. The commissioner
6.20 has discretion to stipulate reasonable terms
6.21 for individual programs and grants. Of this
6.22 amount, up to four percent is for
6.23 administration and monitoring of the funded
6.24 programs. This appropriation is available until
6.25 June 30, 2021.

6.26 (m)(1) \$750,000 each year is for grants to the
6.27 Neighborhood Development Center for small
6.28 business programs. This is a onetime
6.29 appropriation.

6.30 (2) Of the amount appropriated in the first
6.31 year, \$150,000 is for outreach and training
6.32 activities outside the seven-county
6.33 metropolitan area, as defined in Minnesota
6.34 Statutes, section 473.121, subdivision 2.

7.1 (n)(1) \$50,000 the first year is for grants to
7.2 support broadband connections for coworking
7.3 spaces designed to foster start-up businesses.
7.4 Grant recipients must be located in an
7.5 unserved area or an underserved area for
7.6 broadband, as defined in Minnesota Statutes,
7.7 section 116J.394. Grant recipients must obtain
7.8 a 100 percent nonstate match to grant funds
7.9 in either cash or in-kind contributions, though
7.10 matching funds may be used for expenses of
7.11 the coworking space other than broadband.
7.12 This is a onetime appropriation.

7.13 (2) Within one year of receiving grant funds,
7.14 grant recipients must report to the
7.15 commissioner on the outcomes of the grant
7.16 program including but not limited to the
7.17 number of start-up businesses served and the
7.18 amount of local funds invested.

7.19 (o) \$6,772,000 each year is for the Minnesota
7.20 job creation fund under Minnesota Statutes,
7.21 section 116J.8748. Of this amount, the
7.22 commissioner of employment and economic
7.23 development may use up to three percent for
7.24 administrative expenses. In fiscal years 2022
7.25 and beyond, the base amount is \$5,500,000.
7.26 This appropriation is available until expended.

7.27 (p)(1) \$6,935,000 the first year and \$6,934,000
7.28 the second year are for the Minnesota
7.29 investment fund under Minnesota Statutes,
7.30 section 116J.8731. Of this amount, the
7.31 commissioner of employment and economic
7.32 development may use up to three percent for
7.33 administration and monitoring of the program.
7.34 In fiscal years 2022 and beyond, the base

8.1 amount is \$5,500,000. This appropriation is
8.2 available until expended.

8.3 (2) Of the amount appropriated in the first
8.4 year, \$2,000,000 is for a loan to a paper mill
8.5 in Duluth for a retrofit project that will support
8.6 the operation and manufacture of packaging
8.7 paper grades. The company that owns the
8.8 paper mill must spend \$20,000,000 on project
8.9 activities by December 31, 2020, in order to
8.10 be eligible to receive this loan. Loan funds
8.11 may be used for purchases of materials,
8.12 supplies, and equipment for the project and
8.13 are available from July 1, 2019, to July 30,
8.14 2021. The commissioner of employment and
8.15 economic development shall forgive 25
8.16 percent of the loan each year after the second
8.17 year during a five-year period if the mill has
8.18 retained at least 200 full-time equivalent
8.19 employees and has satisfied other performance
8.20 goals and contractual obligations as required
8.21 under Minnesota Statutes, section 116J.8731.

8.22 (q) \$1,000,000 each year is for the Minnesota
8.23 emerging entrepreneur loan program under
8.24 Minnesota Statutes, section 116M.18. Funds
8.25 available under this paragraph are for transfer
8.26 into the emerging entrepreneur program
8.27 special revenue fund account created under
8.28 Minnesota Statutes, chapter 116M, and are
8.29 available until expended. Of this amount, up
8.30 to four percent is for administration and
8.31 monitoring of the program.

8.32 (r) \$163,000 each year is for the Minnesota
8.33 Film and TV Board. The appropriation in each
8.34 year is available only upon receipt by the
8.35 board of \$1 in matching contributions of

9.1 money or in-kind contributions from nonstate
9.2 sources for every \$3 provided by this
9.3 appropriation, except that each year up to
9.4 \$50,000 is available on July 1 even if the
9.5 required matching contribution has not been
9.6 received by that date.

9.7 (s) \$12,000 each year is for a grant to the
9.8 Upper Minnesota Film Office.

9.9 (t) \$500,000 each year is from the general fund
9.10 for a grant to the Minnesota Film and TV
9.11 Board for the film production jobs program
9.12 under Minnesota Statutes, section 116U.26.

9.13 This appropriation is available until June 30,
9.14 2023.

9.15 (u) \$4,195,000 each year is for the Minnesota
9.16 job skills partnership program under
9.17 Minnesota Statutes, sections 116L.01 to
9.18 116L.17. If the appropriation for either year
9.19 is insufficient, the appropriation for the other
9.20 year is available. This appropriation is
9.21 available until expended.

9.22 (v) \$1,350,000 each year is from the
9.23 workforce development fund for jobs training
9.24 grants under Minnesota Statutes, section
9.25 116L.42.

9.26 (w) \$350,000 each year is from the workforce
9.27 development fund for metropolitan job training
9.28 grants under Minnesota Statutes, section
9.29 116L.43.

9.30 (x) For appropriations under paragraphs (a)
9.31 and (l), where the commissioner has discretion
9.32 to allocate funds between listed programs and
9.33 grantees, by January 15 in 2021 and 2023, the
9.34 commissioner must report to the chairs and

10.1 ranking minority members of the committees
 10.2 of the house of representatives and the senate
 10.3 with jurisdiction over economic development.
 10.4 This report must include:
 10.5 (1) the process by which funds were allocated,
 10.6 including any criteria considered;
 10.7 (2) the programs and grantees which were
 10.8 funded and the amounts of funding; and
 10.9 (3) information on program or grant outcomes
 10.10 achieved by the funding.

10.11 **Subd. 3. Workforce Development** 50,351,000 31,577,000

	<u>Appropriations by Fund</u>	
10.13 <u>General</u>	<u>26,164,000</u>	<u>7,591,000</u>
10.14 <u>Workforce</u>		
10.15 <u>Development</u>	<u>24,187,000</u>	<u>23,986,000</u>

10.16 (a) \$250,000 each year is for pilot programs
 10.17 in the workforce service areas to combine
 10.18 career and higher education advising.
 10.19 (b) \$500,000 each year is for rural career
 10.20 counseling coordinator positions in the
 10.21 workforce service areas and for the purposes
 10.22 specified in Minnesota Statutes, section
 10.23 116L.667.
 10.24 (c) \$750,000 each year is for the women and
 10.25 high-wage, high-demand, nontraditional jobs
 10.26 grant program under Minnesota Statutes,
 10.27 section 116L.99. Of this amount, up to five
 10.28 percent is for administration and monitoring
 10.29 of the program.
 10.30 (d) \$700,000 the first year is for a grant to the
 10.31 Washburn Center for Children to train and
 10.32 hire additional children's mental health
 10.33 treatment staff. Of this amount, \$200,000 is
 10.34 for the pathways program to create fellowships

11.1 for professionals of color in children's mental
11.2 health treatment. This appropriation is
11.3 available until June 30, 2023.

11.4 (e)(1) \$300,000 the first year is for a grant to
11.5 the Regional Center for Entrepreneurial
11.6 Facilitation hosted by a county or higher
11.7 education institution. Funds available under
11.8 this paragraph must be used to provide
11.9 entrepreneur and small business development
11.10 direct professional business assistance services
11.11 in the following counties in Minnesota: Blue
11.12 Earth, Brown, Faribault, Le Sueur, Martin,
11.13 Nicollet, Sibley, Watonwan, and Waseca. For
11.14 the purposes of this paragraph, "direct
11.15 professional business assistance services" must
11.16 include but is not limited to payment of
11.17 overhead costs, pre-venture assistance for
11.18 individuals considering starting a business,
11.19 and services for underserved populations,
11.20 agricultural businesses, and students. This
11.21 appropriation is not available until the
11.22 commissioner determines that an equal amount
11.23 is committed from nonstate sources. This
11.24 appropriation is available until June 30, 2021.

11.25 (2) Grant recipients shall report to the
11.26 commissioner by February 1, 2021, and
11.27 include information on the number of
11.28 customers served in each county; the number
11.29 of businesses started, stabilized, or expanded;
11.30 the number of jobs created and retained; and
11.31 business success rates in each county. By April
11.32 1, 2021, the commissioner shall report the
11.33 information submitted by grant recipients to
11.34 the chairs and ranking minority members of
11.35 the standing committees of the house of

- 12.1 representatives and senate having jurisdiction
12.2 over economic development issues.
- 12.3 (f) \$20,000 in the first year is for preparing
12.4 the inventory of workforce development
12.5 programs under Minnesota Statutes, section
12.6 116L.35.
- 12.7 (g) \$1,500,000 each year is for a grant to
12.8 Summit Academy OIC to expand its
12.9 contextualized GED and employment
12.10 placement program and STEM program. This
12.11 is a onetime appropriation.
- 12.12 (h) \$485,000 the first year is for a grant to
12.13 Lifetrack, a St. Paul nonprofit organization,
12.14 for building maintenance. This appropriation
12.15 is available until June 30, 2023.
- 12.16 (i) \$1,000,000 each year is for a grant to
12.17 Youthprise to give grants through a
12.18 competitive process to community
12.19 organizations to provide economic
12.20 development services designed to enhance
12.21 long-term economic self-sufficiency in
12.22 communities with concentrated East African
12.23 populations. Such communities include but
12.24 are not limited to Faribault, Rochester, St.
12.25 Cloud, Moorhead, and Willmar. To the extent
12.26 possible, Youthprise must make at least 50
12.27 percent of these grants to organizations serving
12.28 communities located outside the seven-county
12.29 metropolitan area, as defined in Minnesota
12.30 Statutes, section 473.121, subdivision 2. This
12.31 is a onetime appropriation and is available
12.32 until June 30, 2022.
- 12.33 (j) \$500,000 each year is for a grant to the
12.34 YWCA of Minneapolis to provide

- 13.1 economically challenged individuals the jobs
13.2 skills training, career counseling, and job
13.3 placement assistance necessary to secure a
13.4 child development associate credential and to
13.5 have a career path in early childhood
13.6 education. This is a onetime appropriation.
- 13.7 (k) \$250,000 each year is for a grant to YWCA
13.8 St. Paul to provide job training services and
13.9 workforce development programs and
13.10 services, including job skills training and
13.11 counseling. This is a onetime appropriation.
- 13.12 (l) \$17,159,000 the first year and \$91,000 the
13.13 second year are for:
- 13.14 (1) distribution to existing nonprofit and state
13.15 displaced homemaker programs under
13.16 Minnesota Statutes, section 116L.96;
- 13.17 (2) the special education employment pilot
13.18 project;
- 13.19 (3) a grant to Fathers Rise Together to study
13.20 the creation of a Duluth-Iron Range African
13.21 heritage hub;
- 13.22 (4) a grant to Hennepin County for the Cedar
13.23 Riverside Partnership;
- 13.24 (5) a grant to Goodwill-Easter Seals Minnesota
13.25 and its partners for the FATHER Project;
- 13.26 (6) competitive grants to eligible nonprofit
13.27 minority business development organizations
13.28 for statewide business development and
13.29 assistance services to minority-owned
13.30 businesses, including the creation of revolving
13.31 loan funds and operating support for the
13.32 organizations providing the services;

- 14.1 (7) a grant to Lifetrack for job training and
14.2 employment preparation for at-risk adults;
- 14.3 (8) the pathways to prosperity grant program
14.4 under Minnesota Statutes, section 116L.25;
- 14.5 (9) a grant to Better Futures Minnesota to
14.6 provide job skills training to individuals who
14.7 have been released from incarceration for a
14.8 felony-level offense and are no more than 12
14.9 months from the date of release;
- 14.10 (10) a grant to the Women's Foundation of
14.11 Minnesota to create and administer a statewide
14.12 internship program for young women ages 17
14.13 to 24 who are American Indian, Asian, Black,
14.14 or Hispanic, that connects participants with
14.15 internships and subsidizes intern wages; and
- 14.16 (11) a grant to the Minnesota Alliance With
14.17 Youth to supplement funding for the
14.18 AmeriCorps Promise Fellows program.
- 14.19 The commissioner has discretion to allocate
14.20 this appropriation among the listed programs
14.21 and grantees, including awarding zero funds
14.22 to a listed program or grantee. The
14.23 commissioner has discretion to stipulate
14.24 reasonable terms for individual programs and
14.25 grants. Of these amounts, up to four percent
14.26 is for administration and monitoring of the
14.27 funded programs. This is a onetime
14.28 appropriation and funds are available until
14.29 June 30, 2021.
- 14.30 (m) \$100,000 the first year is from the
14.31 workforce development fund for a grant to the
14.32 Cook County Higher Education Board to
14.33 provide educational programming and
14.34 academic support services to remote regions

- 15.1 in northeastern Minnesota. This appropriation
15.2 is in addition to other funds previously
15.3 appropriated to the board.
- 15.4 (n) \$500,000 each year is from the workforce
15.5 development fund for Propel Nonprofits,
15.6 formerly known as the Nonprofits Assistance
15.7 Fund, to make grants for infrastructure support
15.8 to small nonprofit organizations that serve
15.9 historically underserved cultural communities.
- 15.10 (o) \$1,000,000 each year is from the
15.11 workforce development fund for a grant to the
15.12 American Indian Opportunities and
15.13 Industrialization Center, in collaboration with
15.14 the Northwest Indian Community
15.15 Development Center, to reduce academic
15.16 disparities for American Indian students and
15.17 adults. This is a onetime appropriation. The
15.18 grant funds may be used to provide:
- 15.19 (1) student tutoring and testing support
15.20 services;
- 15.21 (2) training and employment placement in
15.22 information technology;
- 15.23 (3) training and employment placement within
15.24 trades;
- 15.25 (4) assistance in obtaining a GED;
- 15.26 (5) remedial training leading to enrollment
15.27 and to sustain enrollment in a postsecondary
15.28 higher education institution;
- 15.29 (6) real-time work experience in information
15.30 technology fields and in the trades;
- 15.31 (7) contextualized adult basic education;

16.1 (8) career and educational counseling for
16.2 clients with significant and multiple barriers;
16.3 and;
16.4 (9) reentry services and counseling for adults
16.5 and youth.

16.6 After notification to the chairs and minority
16.7 leads of the legislative committees with
16.8 jurisdiction over jobs and economic
16.9 development, the commissioner may transfer
16.10 this appropriation to the commissioner of
16.11 education.

16.12 (p) \$350,000 each year is from the workforce
16.13 development fund for a grant to the
16.14 International Institute of Minnesota. Grant
16.15 funds must be used for workforce training for
16.16 New Americans in industries in need of trained
16.17 workforce. This is a onetime appropriation.

16.18 (q) \$100,000 the first year is from the
16.19 workforce development fund for preparing a
16.20 plan to address barriers to employment for
16.21 persons with mental illness.

16.22 (r) \$1,000,000 each year is from the workforce
16.23 development fund for a grant to EMERGE
16.24 Community Development, in collaboration
16.25 with community partners, for services
16.26 targeting Minnesota communities with the
16.27 highest concentrations of African and
16.28 African-American joblessness, based on the
16.29 most recent census tract data, to provide
16.30 employment readiness training, credentialed
16.31 training placement, job placement and
16.32 retention services, supportive services for
16.33 hard-to-employ individuals, and a general
16.34 education development fast track and adult

- 17.1 diploma program. This is a onetime
17.2 appropriation.
- 17.3 (s) \$1,000,000 each year is from the workforce
17.4 development fund for a grant to the
17.5 Minneapolis Foundation for a strategic
17.6 intervention program designed to target and
17.7 connect program participants to meaningful,
17.8 sustainable living-wage employment. This is
17.9 a onetime appropriation.
- 17.10 (t) \$1,000,000 each year from the workforce
17.11 development fund is for a grant to the
17.12 Construction Careers Foundation for the
17.13 construction career pathway initiative to
17.14 provide year-round educational and
17.15 experiential learning opportunities for teens
17.16 and young adults under the age of 21 that lead
17.17 to careers in the construction industry. This is
17.18 a onetime appropriation. Grant funds must be
17.19 used to:
- 17.20 (1) increase construction industry exposure
17.21 activities for middle school and high school
17.22 youth, parents, and counselors to reach a more
17.23 diverse demographic and broader statewide
17.24 audience. This requirement includes, but is
17.25 not limited to, an expansion of programs to
17.26 provide experience in different crafts to youth
17.27 and young adults throughout the state;
- 17.28 (2) increase the number of high schools in
17.29 Minnesota offering construction classes during
17.30 the academic year that utilize a multicraft
17.31 curriculum;
- 17.32 (3) increase the number of summer internship
17.33 opportunities;

18.1 (4) enhance activities to support graduating
18.2 seniors in their efforts to obtain employment
18.3 in the construction industry;
18.4 (5) increase the number of young adults
18.5 employed in the construction industry and
18.6 ensure that they reflect Minnesota's diverse
18.7 workforce; and
18.8 (6) enhance an industrywide marketing
18.9 campaign targeted to youth and young adults
18.10 about the depth and breadth of careers within
18.11 the construction industry.
18.12 Programs and services supported by grant
18.13 funds must give priority to individuals and
18.14 groups that are economically disadvantaged
18.15 or historically underrepresented in the
18.16 construction industry, including but not limited
18.17 to women, veterans, and members of minority
18.18 and immigrant groups.
18.19 (u) \$1,000,000 each year is from the
18.20 workforce development fund for a grant to
18.21 Latino Communities United in Service
18.22 (CLUES) to expand culturally tailored
18.23 programs that address employment and
18.24 education skill gaps for working parents and
18.25 underserved youth by providing new job skills
18.26 training to stimulate higher wages for
18.27 low-income people, family support systems
18.28 designed to reduce intergenerational poverty,
18.29 and youth programming to promote
18.30 educational advancement and career pathways.
18.31 At least 50 percent of this amount must be
18.32 used for programming targeted at greater
18.33 Minnesota. This is a onetime appropriation.

19.1 (v) \$800,000 each year is from the workforce
19.2 development fund for performance grants
19.3 under Minnesota Statutes, section 116J.8747,
19.4 to Twin Cities R!SE to provide training to
19.5 hard-to-train individuals. This is a onetime
19.6 appropriation and funds are available until
19.7 June 30, 2022.

19.8 (w) \$5,939,000 the first year and \$5,938,000
19.9 the second year are from the workforce
19.10 development fund for:

19.11 (1) a grant to Minnesota Diversified Industries,
19.12 Inc., to provide progressive development and
19.13 employment opportunities for persons with
19.14 disabilities;

19.15 (2) the getting to work grant program under
19.16 Minnesota Statutes, section 116J.545;

19.17 (3) a grant to the Minnesota High Tech
19.18 Association to support SciTechsperience;

19.19 (4) the Opportunities Industrialization Center
19.20 programs;

19.21 (5) rural career counseling coordinator
19.22 positions in the workforce service areas and
19.23 for the purposes specified in Minnesota
19.24 Statutes, section 116L.667;

19.25 (6) the pathways to prosperity grant program
19.26 under Minnesota Statutes, section 116L.25;

19.27 (7) a grant to Bridges to Healthcare to provide
19.28 career education, wraparound support services,
19.29 and job skills training in high-demand health
19.30 care fields to low-income parents, nonnative
19.31 speakers of English, and other hard-to-train
19.32 individuals;

20.1 (8) a grant to Avivo to provide low-income
20.2 individuals with career education and job skills
20.3 training that are fully integrated with chemical
20.4 and mental health services;

20.5 (9) a grant to Better Futures Minnesota to
20.6 provide job skills training to individuals who
20.7 have been released from incarceration for a
20.8 felony-level offense and are no more than 12
20.9 months from the date of release; and

20.10 (10) a grant to Advocating Change Together
20.11 to address barriers to employment for people
20.12 with disabilities and provide skills training.

20.13 The commissioner has discretion to allocate
20.14 this appropriation among the listed programs
20.15 and grantees, including awarding zero funds
20.16 to a listed program or grantee. The
20.17 commissioner has discretion to stipulate
20.18 reasonable terms for individual programs and
20.19 grants. Of these amounts, up to four percent
20.20 is for administration and monitoring of the
20.21 funded programs. This is a onetime
20.22 appropriation and funds are available until
20.23 June 30, 2022.

20.24 (x) \$500,000 each year is from the workforce
20.25 development fund for competitive grants to
20.26 organizations providing services to relieve
20.27 economic disparities in the Southeast Asian
20.28 community through workforce recruitment,
20.29 development, job creation, assistance of
20.30 smaller organizations to increase capacity, and
20.31 outreach. Of this amount, up to five percent
20.32 is for administration and monitoring of the
20.33 program.

- 21.1 (y) \$1,000,000 each year is from the
21.2 workforce development fund for a grant to the
21.3 Hmong American Partnership, in collaboration
21.4 with community partners, for services
21.5 targeting Minnesota communities with the
21.6 highest concentrations of Southeast Asian
21.7 joblessness, based on the most recent census
21.8 tract data, to provide employment readiness
21.9 training, credentialed training placement, job
21.10 placement and retention services, supportive
21.11 services for hard-to-employ individuals, and
21.12 a general education development fast track
21.13 and adult diploma program. This is a onetime
21.14 appropriation.
- 21.15 (z) \$1,000,000 each year is for a competitive
21.16 grant program to provide grants to
21.17 organizations that provide support services for
21.18 individuals, such as job training, employment
21.19 preparation, internships, job assistance to
21.20 parents, financial literacy, academic and
21.21 behavioral interventions for low-performing
21.22 students, and youth intervention. Grants made
21.23 under this section must focus on low-income
21.24 communities, young adults from families with
21.25 a history of intergenerational poverty, and
21.26 communities of color. Of this amount, up to
21.27 four percent is for administration and
21.28 monitoring of the program.
- 21.29 (aa) \$1,000,000 each year is for a grant to
21.30 Ujamaa Place for job training, employment
21.31 preparation, internships, education, training
21.32 in vocational trades, housing, and
21.33 organizational capacity building. This is a
21.34 onetime appropriation.

22.1 (bb) \$750,000 each year is from the general
22.2 fund and \$4,848,000 each year is from the
22.3 workforce development fund for the
22.4 youth-at-work competitive grant program
22.5 under Minnesota Statutes, section 116L.562.
22.6 Of this amount, up to five percent is for
22.7 administration and monitoring of the youth
22.8 workforce development competitive grant
22.9 program. All grant awards shall be for two
22.10 consecutive years. Grants shall be awarded in
22.11 the first year. This is a onetime appropriation.

22.12 (cc) \$5,050,000 each year is from the
22.13 workforce development fund for:

22.14 (1) the youthbuild program under Minnesota
22.15 Statutes, sections 116L.361 to 116L.366;

22.16 (2) the Minnesota youth program under
22.17 Minnesota Statutes, sections 116L.56 and
22.18 116L.561;

22.19 (3) a grant to Big Brothers, Big Sisters of the
22.20 Greater Twin Cities for workforce readiness,
22.21 employment exploration, and skills
22.22 development for youth ages 12 to 21;

22.23 (4) a grant to the Minnesota Alliance of Boys
22.24 and Girls Clubs to administer a statewide
22.25 project of youth job skills and career
22.26 development;

22.27 (5) a grant to the Minneapolis Park and
22.28 Recreation Board for its youth workforce
22.29 employment program Learn to Earn/Teen
22.30 Teamworks;

22.31 (6) a grant to Youthprise for Opportunity
22.32 Reboot, a statewide initiative to address the
22.33 economic challenges of disconnected youth;

23.1 (7) a grant to Heartland Girls' Ranch for the
 23.2 Hearts for Freedom program; and
 23.3 (8) a grant to FIRST in Upper Midwest to
 23.4 support competitive robotics teams.
 23.5 The commissioner has discretion to allocate
 23.6 these appropriations among the listed
 23.7 programs and grantees, including awarding
 23.8 zero funds to a listed program or grantee. The
 23.9 commissioner has discretion to stipulate
 23.10 reasonable terms for individual programs and
 23.11 grants. Of these amounts, up to four percent
 23.12 is for administration and monitoring of the
 23.13 funded programs. This is a onetime
 23.14 appropriation and funds are available until
 23.15 June 30, 2021.
 23.16 (dd) For appropriations under paragraphs (l),
 23.17 (w), and (cc), where the commissioner has
 23.18 discretion to allocate funds between listed
 23.19 programs and grantees, by January 15 in 2021
 23.20 and 2023, the commissioner must report to the
 23.21 chairs and ranking minority members of the
 23.22 committees of the house of representatives
 23.23 and the senate with jurisdiction over workforce
 23.24 development. This report must include:
 23.25 (1) the process by which funds were allocated,
 23.26 including any criteria considered;
 23.27 (2) the programs and grantees which were
 23.28 funded and the amounts of funding; and
 23.29 (3) information on program or grant outcomes
 23.30 achieved by the funding.
 23.31 **Subd. 4. General Support Services**

4,726,000

4,726,000

24.1	<u>Appropriations by Fund</u>		
24.2	<u>General Fund</u>	<u>4,671,000</u>	<u>4,671,000</u>
24.3	<u>Workforce</u>		
24.4	<u>Development</u>	<u>55,000</u>	<u>55,000</u>
24.5	<u>(a) \$250,000 each year is for the publication,</u>		
24.6	<u>dissemination, and use of labor market</u>		
24.7	<u>information under Minnesota Statutes, section</u>		
24.8	<u>116J.401.</u>		
24.9	<u>(b) \$1,269,000 each year is for transfer to the</u>		
24.10	<u>Minnesota Housing Finance Agency for</u>		
24.11	<u>operating the Olmstead Compliance Office.</u>		
24.12	<u>(c) \$500,000 each year is for the</u>		
24.13	<u>capacity-building grant program to assist</u>		
24.14	<u>nonprofit organizations offering or seeking to</u>		
24.15	<u>offer workforce development and economic</u>		
24.16	<u>development programming.</u>		
24.17	<u>Subd. 5. Minnesota Trade Office</u>	<u>2,292,000</u>	<u>2,292,000</u>
24.18	<u>(a) \$300,000 each year is for the STEP grants</u>		
24.19	<u>in Minnesota Statutes, section 116J.979.</u>		
24.20	<u>(b) \$180,000 each year is for the Invest</u>		
24.21	<u>Minnesota marketing initiative in Minnesota</u>		
24.22	<u>Statutes, section 116J.9781.</u>		
24.23	<u>(c) \$270,000 each year is for the Minnesota</u>		
24.24	<u>Trade Offices under Minnesota Statutes,</u>		
24.25	<u>section 116J.978.</u>		
24.26	<u>(d) \$50,000 each year is for the Trade Policy</u>		
24.27	<u>Advisory Council under Minnesota Statutes,</u>		
24.28	<u>section 116J.9661.</u>		
24.29	<u>Subd. 6. Vocational Rehabilitation</u>	<u>37,941,000</u>	<u>37,941,000</u>
24.30	<u>Appropriations by Fund</u>		
24.31	<u>General</u>	<u>30,111,000</u>	<u>30,111,000</u>
24.32	<u>Workforce</u>		
24.33	<u>Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

25.1 (a) \$14,800,000 each year is for the state's
 25.2 vocational rehabilitation program under
 25.3 Minnesota Statutes, chapter 268A.

25.4 (b) \$8,995,000 each year from the general fund
 25.5 and \$6,830,000 each year from the workforce
 25.6 development fund is for extended employment
 25.7 services for persons with severe disabilities
 25.8 under Minnesota Statutes, section 268A.15.

25.9 Of the general fund amount appropriated,
 25.10 \$2,000,000 each year is for rate increases to
 25.11 providers of extended employment services
 25.12 for persons with severe disabilities under
 25.13 Minnesota Statutes, section 268A.15.

25.14 (c) \$2,555,000 each year is for grants to
 25.15 programs that provide employment support
 25.16 services to persons with mental illness under
 25.17 Minnesota Statutes, sections 268A.13 and
 25.18 268A.14.

25.19 (d) \$3,761,000 each year is for grants to
 25.20 centers for independent living under
 25.21 Minnesota Statutes, section 268A.11. Of these
 25.22 amounts, at least \$100,000 each year must be
 25.23 used for providing services to veterans.

25.24 (e) \$1,000,000 each year is from the workforce
 25.25 development fund for grants under Minnesota
 25.26 Statutes, section 268A.16, for employment
 25.27 services for persons, including transition-age
 25.28 youth, who are deaf, deafblind, or
 25.29 hard-of-hearing. If the amount in the first year
 25.30 is insufficient, the amount in the second year
 25.31 is available in the first year.

25.32 **Subd. 7. Services for the Blind** 6,425,000 6,425,000

25.33 Of this amount, \$500,000 each year is for
 25.34 senior citizens who are becoming blind. At

26.1 least one-half of the funds for this purpose
 26.2 must be used to provide training services for
 26.3 seniors who are becoming blind. Training
 26.4 services must provide independent living skills
 26.5 to seniors who are becoming blind to allow
 26.6 them to continue to live independently in their
 26.7 homes.

26.8 **Subd. 8. Paid Family and Medical Leave** 10,549,000 21,975,000

26.9 (a) \$10,549,000 the first year and \$21,442,000
 26.10 the second year are for the purposes of
 26.11 Minnesota Statutes, chapter 268B.
 26.12 Unexpended funds appropriated in the first
 26.13 year are available in the second year. In fiscal
 26.14 year 2022, the base amount is \$14,596,000;
 26.15 in fiscal year 2023, the base amount is
 26.16 \$13,681,000; in fiscal year 2024, the base
 26.17 amount is \$11,520,000; and in fiscal year 2025
 26.18 and beyond, the base amount is \$0.

26.19 (b) \$533,000 the second year is for the purpose
 26.20 of outreach, education, and technical
 26.21 assistance for employees and employers
 26.22 regarding Minnesota Statutes, chapter 268B.
 26.23 Of the amount appropriated, at least one-half
 26.24 must be used for grants to community-based
 26.25 groups providing outreach, education, and
 26.26 technical assistance for employees, employers,
 26.27 and self-employed individuals regarding
 26.28 Minnesota Statutes, chapter 268B. This
 26.29 outreach must include efforts to notify
 26.30 self-employed individuals of their ability to
 26.31 elect coverage under Minnesota Statutes,
 26.32 section 268B.11, and provide them with
 26.33 technical assistance in doing so. This is a
 26.34 onetime appropriation.

27.1 **Subd. 9. Dairy Assistance, Investment, Relief**
 27.2 **Initiative (DAIRI)** 10,000,000 -0-

27.3 \$10,000,000 the first year is for transfer to the
 27.4 commissioner of agriculture to award need
 27.5 based grants to Minnesota dairy producers
 27.6 who milk herds of no more than 750 cows for
 27.7 buy-in to the federal Dairy Margin Coverage
 27.8 Program. The commissioner of agriculture
 27.9 must develop eligibility criteria in consultation
 27.10 with the chairs and ranking minority members
 27.11 of the legislative committees with jurisdiction
 27.12 over agriculture finance.

27.13 **Sec. 3. DEPARTMENT OF LABOR AND**
 27.14 **INDUSTRY**

27.15 **Subdivision 1. Total Appropriation** \$ 36,680,000 \$ 35,067,000

27.16 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
27.17 <u>General</u>	<u>9,056,000</u>	<u>10,445,000</u>
27.18 <u>Workers'</u>		
27.19 <u>Compensation</u>	<u>25,088,000</u>	<u>22,088,000</u>
27.20 <u>Workforce</u>		
27.21 <u>Development</u>	<u>2,534,000</u>	<u>2,534,000</u>

27.22 The amounts that may be spent for each
 27.23 purpose are specified in the following
 27.24 subdivisions.

27.25 **Subd. 2. General Support** 8,039,000 8,339,000

27.26 Appropriations by Fund

27.27 <u>General</u>	<u>1,250,000</u>	<u>1,550,000</u>
27.28 <u>Workers'</u>		
27.29 <u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>
27.30 <u>Workforce</u>		
27.31 <u>Development Fund</u>	<u>750,000</u>	<u>750,000</u>

27.32 (a) Except as provided in paragraphs (b) and
 27.33 (c), this appropriation is from the workers'
 27.34 compensation fund.

28.1 (b) \$1,250,000 the first year and \$1,550,000
 28.2 the second year are from the general fund for
 28.3 system upgrades. This is a onetime
 28.4 appropriation and funds are available until
 28.5 June 30, 2023. This appropriation includes
 28.6 funds for information technology project
 28.7 services and support subject to Minnesota
 28.8 Statutes, section 16E.0466. Any ongoing
 28.9 information technology costs must be
 28.10 incorporated into the service level agreement
 28.11 and must be paid to the Office of MN.IT
 28.12 Services by the commissioner of labor and
 28.13 industry under the rates and mechanism
 28.14 specified in that agreement.

28.15 (c) \$750,000 each year is from the workforce
 28.16 development fund to administer the youth
 28.17 skills training program and make grant awards
 28.18 under Minnesota Statutes, section 175.46.

28.19 **Subd. 3. Labor Standards and Apprenticeship** 9,590,000 11,429,000

28.20	<u>Appropriations by Fund</u>		
28.21	<u>General</u>	<u>7,806,000</u>	<u>8,895,000</u>
28.22	<u>Workforce</u>		
28.23	<u>Development</u>	<u>1,784,000</u>	<u>1,784,000</u>

28.24 (a) \$2,046,000 each year is for wage theft
 28.25 prevention.

28.26 (b) \$3,866,000 the first year and \$4,072,000
 28.27 the second year are for enforcement and other
 28.28 duties regarding earned sick and safe time
 28.29 under Minnesota Statutes, section 181.9445
 28.30 and chapter 177. In fiscal year 2022, the base
 28.31 amount is \$2,874,000 and in fiscal year 2023
 28.32 and beyond, the base amount is \$2,873,000.

28.33 (c) \$214,000 the first year and \$377,000 the
 28.34 second year are for the purpose of outreach,
 28.35 education, and technical assistance for

29.1 employees, employers, and self-employed
29.2 individuals regarding Minnesota Statutes,
29.3 chapter 268B. This outreach must include
29.4 efforts to notify self-employed individuals of
29.5 their ability to elect coverage under Minnesota
29.6 Statutes, section 268B.11, and provide them
29.7 with technical assistance in doing so.
29.8 Unexpended amounts appropriated the first
29.9 year are available in the second year. This is
29.10 a onetime appropriation.
29.11 (d) \$382,000 the first year and \$1,101,000 the
29.12 second year are for enforcement duties and
29.13 related administration under Minnesota
29.14 Statutes, chapter 268B. This is a onetime
29.15 appropriation.
29.16 (e) \$151,000 each year is from the workforce
29.17 development fund for prevailing wage
29.18 enforcement.
29.19 (f) \$1,133,000 each year is from the workforce
29.20 development fund for the apprenticeship
29.21 program under Minnesota Statutes, chapter
29.22 178.
29.23 (g) \$100,000 each year is from the workforce
29.24 development fund for labor education and
29.25 advancement program grants under Minnesota
29.26 Statutes, section 178.11, to expand and
29.27 promote registered apprenticeship training for
29.28 minorities and women.
29.29 (h) \$400,000 each year is from the workforce
29.30 development fund for grants to the
29.31 Construction Careers Foundation for the
29.32 Helmets to Hardhats Minnesota initiative.
29.33 Grant funds must be used to recruit, retain,
29.34 assist, and support National Guard, reserve,

30.1 and active duty military members' and
 30.2 veterans' participation into apprenticeship
 30.3 programs registered with the Department of
 30.4 Labor and Industry and connect them with
 30.5 career training and employment in the building
 30.6 and construction industry. The recruitment,
 30.7 selection, employment, and training must be
 30.8 without discrimination due to race, color,
 30.9 creed, religion, national origin, sex, sexual
 30.10 orientation, marital status, physical or mental
 30.11 disability, receipt of public assistance, or age.

30.12 (i) In fiscal years 2020 and 2021 the
 30.13 commissioner of labor and industry shall
 30.14 utilize funds in the contractor recovery fund
 30.15 for a statewide consumer awareness campaign
 30.16 highlighting the importance of hiring licensed
 30.17 contractors as well as the consequences of
 30.18 hiring unlicensed contractors.

30.19 <u>Subd. 4. Workers' Compensation</u>	<u>14,882,000</u>	<u>11,882,000</u>
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30.20 \$3,000,000 the first year is from the workers'
 30.21 compensation fund for workers' compensation
 30.22 system upgrades. This amount is available
 30.23 until June 30, 2023. This is a onetime
 30.24 appropriation.

30.25 This appropriation includes funds for
 30.26 information technology project services and
 30.27 support subject to the provisions of Minnesota
 30.28 Statutes, section 16E.0466. Any ongoing
 30.29 information technology costs must be
 30.30 incorporated into the service level agreement
 30.31 and must be paid to the Office of MN.IT
 30.32 Services by the commissioner of labor and
 30.33 industry under the rates and mechanism
 30.34 specified in that agreement.

31.1	<u>Subd. 5. Workplace Safety</u>		<u>4,167,000</u>	<u>4,167,000</u>
31.2	<u>This appropriation is from the workers'</u>			
31.3	<u>compensation fund.</u>			
31.4	<u>Sec. 4. WORKERS' COMPENSATION COURT</u>			
31.5	<u>OF APPEALS</u>	\$	<u>2,222,000</u>	<u>2,283,000</u>
31.6	<u>This appropriation is from the workers'</u>			
31.7	<u>compensation fund.</u>			
31.8	<u>Sec. 5. BUREAU OF MEDIATION SERVICES</u>	\$	<u>3,076,000</u>	<u>3,076,000</u>
31.9	<u>(a) \$560,000 each year is for purposes of the</u>			
31.10	<u>Public Employment Relations Board under</u>			
31.11	<u>Minnesota Statutes, section 179A.041.</u>			
31.12	<u>(b) \$68,000 each year is from the general fund</u>			
31.13	<u>for grants to area labor management</u>			
31.14	<u>committees. Grants may be awarded for a</u>			
31.15	<u>12-month period beginning July 1 each year.</u>			
31.16	<u>Any unencumbered balance remaining at the</u>			
31.17	<u>end of the first year does not cancel but is</u>			
31.18	<u>available for the second year.</u>			
31.19	<u>(c) \$394,000 each year is for the Office of</u>			
31.20	<u>Collaboration and Dispute Resolution under</u>			
31.21	<u>Minnesota Statutes, section 179.90. Of this</u>			
31.22	<u>amount, \$160,000 each year is for grants under</u>			
31.23	<u>Minnesota Statutes, section 179.91.</u>			
31.24	<u>Sec. 6. DEPARTMENT OF COMMERCE</u>			
31.25	<u>Subdivision 1. Total Appropriation</u>	\$	<u>25,873,000</u>	<u>25,345,000</u>
31.26	<u>Appropriations by Fund</u>			
31.27	<u>General</u>		<u>23,055,000</u>	<u>22,526,000</u>
31.28	<u>Special Revenue</u>		<u>2,060,000</u>	<u>2,060,000</u>
31.29	<u>Workers'</u>			
31.30	<u>Compensation</u>		<u>758,000</u>	<u>759,000</u>
31.31	<u>The amounts that may be spent for each</u>			
31.32	<u>purpose are specified in the following</u>			
31.33	<u>subdivisions.</u>			

32.1	<u>Subd. 2. Financial Institutions</u>	<u>1,131,000</u>	<u>1,136,000</u>
32.2	<u>(a) \$400,000 each year is for a grant to Prepare</u>		
32.3	<u>and Prosper to develop, market, evaluate, and</u>		
32.4	<u>distribute a financial services inclusion</u>		
32.5	<u>program that (1) assists low-income and</u>		
32.6	<u>financially underserved populations to build</u>		
32.7	<u>savings and strengthen credit, and (2) provides</u>		
32.8	<u>services to assist low-income and financially</u>		
32.9	<u>underserved populations to become more</u>		
32.10	<u>financially stable and secure. Money</u>		
32.11	<u>remaining after the first year is available for</u>		
32.12	<u>the second year.</u>		
32.13	<u>(b) \$100,000 each year is for a grant to Exodus</u>		
32.14	<u>Lending to assist individuals in reaching</u>		
32.15	<u>financial stability and resolving payday loans.</u>		
32.16	<u>This is a onetime appropriation and funds are</u>		
32.17	<u>available until June 30, 2022.</u>		
32.18	<u>(c) \$200,000 each year is to administer the</u>		
32.19	<u>requirements of Minnesota Statutes, chapter</u>		
32.20	<u>58B. This is a onetime appropriation.</u>		
32.21	<u>Subd. 3. Administrative Services</u>	<u>9,645,000</u>	<u>8,955,000</u>
32.22	<u>(a) \$384,000 each year is for additional</u>		
32.23	<u>compliance efforts with unclaimed property.</u>		
32.24	<u>The commissioner may issue contracts for</u>		
32.25	<u>these services.</u>		
32.26	<u>(b) \$100,000 each year is for the support of</u>		
32.27	<u>broadband development.</u>		
32.28	<u>(c) \$33,000 each year is for rulemaking and</u>		
32.29	<u>administration under Minnesota Statutes,</u>		
32.30	<u>section 80A.461.</u>		
32.31	<u>(d) \$960,000 the first year is to pay the award</u>		
32.32	<u>in the SafeLite Group, Inc., litigation.</u>		
32.33	<u>Subd. 4. Telecommunications</u>	<u>3,097,000</u>	<u>3,107,000</u>

33.1	<u>Appropriations by Fund</u>		
33.2	<u>General</u>	<u>1,037,000</u>	<u>1,047,000</u>
33.3	<u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>

33.4 \$2,060,000 each year is from the
 33.5 telecommunication access Minnesota fund
 33.6 account in the special revenue fund for the
 33.7 following transfers. This appropriation is
 33.8 added to the department's base:

33.9 (1) \$1,620,000 each year is to the
 33.10 commissioner of human services to
 33.11 supplement the ongoing operational expenses
 33.12 of the Commission of the Deaf, DeafBlind and
 33.13 Hard of Hearing;

33.14 (2) \$290,000 each year is to the chief
 33.15 information officer for the purpose of
 33.16 coordinating technology accessibility and
 33.17 usability;

33.18 (3) \$100,000 each year is to the Legislative
 33.19 Coordinating Commission for captioning of
 33.20 legislative coverage. This transfer is subject
 33.21 to Minnesota Statutes, section 16A.281; and

33.22 (4) \$50,000 each year is to the Office of
 33.23 MN.IT Services for a consolidated access fund
 33.24 to provide grants or services to other state
 33.25 agencies related to accessibility of their
 33.26 web-based services.

33.27	<u>Subd. 5. Enforcement</u>	<u>6,417,000</u>	<u>6,507,000</u>
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33.28	<u>Appropriations by Fund</u>		
33.29	<u>General</u>	<u>6,217,000</u>	<u>6,307,000</u>
33.30	<u>Workers'</u>		
33.31	<u>Compensation</u>	<u>200,000</u>	<u>200,000</u>

33.32 (a) \$279,000 each year is for health care
 33.33 enforcement.

34.1 (b) \$250,000 each year is for a statewide
 34.2 education and outreach campaign to protect
 34.3 seniors, meaning those 60 years of age or
 34.4 older, vulnerable adults, as defined in
 34.5 Minnesota Statutes, section 626.5572,
 34.6 subdivision 21, and their caregivers from
 34.7 financial fraud and exploitation. The education
 34.8 and outreach campaign must include but is not
 34.9 limited to the dissemination of information
 34.10 through television, print, or other media,
 34.11 training and outreach to senior living facilities,
 34.12 and the creation of a senior fraud toolkit. This
 34.13 is a onetime appropriation.

34.14 **Subd. 6. Insurance** 5,583,000 5,640,000

34.15 Appropriations by Fund

34.16 General 5,025,000 5,081,000

34.17 Workers'
 34.18 Compensation 558,000 559,000

34.19 (a) \$642,000 each year is for health insurance
 34.20 rate review staffing.

34.21 (b) \$412,000 each year is for actuarial work
 34.22 to prepare for implementation of
 34.23 principle-based reserves.

34.24 **Sec. 7. MINNESOTA MANAGEMENT AND**
 34.25 **BUDGET** \$ 51,000 \$ 106,000

34.26 (a) \$29,000 the first year and \$13,000 the
 34.27 second year are for implementation and costs
 34.28 associated with paid family and medical leave
 34.29 under Minnesota Statutes, chapter 268B.

34.30 (b) \$22,000 the first year and \$93,000 the
 34.31 second year are for costs associated with
 34.32 earned sick and safe time under Minnesota
 34.33 Statutes, section 181.9445.

34.34 **Sec. 8. SUPREME COURT** \$ -0- \$ 15,000

36.1 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
36.2 authorized representative in person or by certified mail at the employer's place of business.
36.3 An employer who wishes to contest the order must file written notice of objection to the
36.4 order with the commissioner within 15 calendar days after being served with the order. A
36.5 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
36.6 If, within 15 calendar days after being served with the order, the employer fails to file a
36.7 written notice of objection with the commissioner, the order becomes a final order of the
36.8 commissioner.

36.9 Sec. 3. Minnesota Statutes 2018, section 181.032, is amended to read:

36.10 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER.**

36.11 (a) At the end of each pay period, the employer shall provide each employee an earnings
36.12 statement, either in writing or by electronic means, covering that pay period. An employer
36.13 who chooses to provide an earnings statement by electronic means must provide employee
36.14 access to an employer-owned computer during an employee's regular working hours to
36.15 review and print earnings statements, and must make statements available for review or
36.16 printing for a period of at least 12 months.

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

36.19 (1) the name of the employee;

36.20 (2) the hourly rate of pay (if applicable);

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

36.22 (4) the total amount of gross pay earned by the employee during that period;

36.23 (5) a list of deductions made from the employee's pay;

36.24 (6) any amount deducted by the employer under section 268B.12, subdivision 2, and
36.25 the amount paid by the employer based on the employee's wages under section 268B.12,
36.26 subdivision 1;

36.27 ~~(6)~~ (7) the net amount of pay after all deductions are made;

36.28 ~~(7)~~ (8) the date on which the pay period ends; and

36.29 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
36.30 from the legal name.

37.1 (c) An employer must provide earnings statements to an employee in writing, rather
37.2 than by electronic means, if the employer has received at least 24 hours notice from an
37.3 employee that the employee would like to receive earnings statements in written form. Once
37.4 an employer has received notice from an employee that the employee would like to receive
37.5 earnings statements in written form, the employer must comply with that request on an
37.6 ongoing basis.

37.7 Sec. 4. Minnesota Statutes 2018, section 268.19, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

37.31 (9) the Department of Human Services and the Office of Inspector General and its agents
37.32 within the Department of Human Services, including county fraud investigators, for

38.1 investigations related to recipient or provider fraud and employees of providers when the
38.2 provider is suspected of committing public assistance fraud;

38.3 (10) local and state welfare agencies for monitoring the eligibility of the data subject
38.4 for assistance programs, or for any employment or training program administered by those
38.5 agencies, whether alone, in combination with another welfare agency, or in conjunction
38.6 with the department or to monitor and evaluate the statewide Minnesota family investment
38.7 program by providing data on recipients and former recipients of food stamps or food
38.8 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under
38.9 chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under
38.10 chapter 256D;

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

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

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

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

38.21 (15) the Department of Corrections for the purposes of case planning and internal research
38.22 for preprobation, probation, and postprobation employment tracking of offenders sentenced
38.23 to probation and preconfinement and postconfinement employment tracking of committed
38.24 offenders;

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

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

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

38.32 (b) Data on individuals and employers that are collected, maintained, or used by the
38.33 department in an investigation under section 268.182 are confidential as to data on individuals

39.1 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
39.2 and 13, and must not be disclosed except under statute or district court order or to a party
39.3 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

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

39.7 Sec. 5. **[268B.01] DEFINITIONS.**

39.8 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section
39.9 have the meanings given them.

39.10 Subd. 2. **Account.** "Account" means the family and medical benefit insurance account
39.11 in the special revenue fund in the state treasury under section 268B.02.

39.12 Subd. 3. **Applicant.** "Applicant" means an individual applying for leave with benefits
39.13 under this chapter.

39.14 Subd. 4. **Applicant's average weekly wage.** "Applicant's average weekly wage" means
39.15 an amount equal to the applicant's high quarter wage credits divided by 13.

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

39.19 Subd. 6. **Benefit year.** "Benefit year" means a period of 52 consecutive calendar weeks
39.20 beginning on the first day of a leave approved for benefits under this chapter.

39.21 Subd. 7. **Bonding.** "Bonding" means time spent by an applicant who is a biological,
39.22 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the
39.23 child's birth, adoption, or placement.

39.24 Subd. 8. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period
39.25 corresponding to a single calendar date.

39.26 Subd. 9. **Calendar week.** "Calendar week" means a period of seven consecutive calendar
39.27 days.

39.28 Subd. 10. **Commissioner.** "Commissioner" means the commissioner of employment
39.29 and economic development, unless otherwise indicated by context.

39.30 Subd. 11. **Continuing treatment.** A serious health condition involving continuing
39.31 treatment by a health care provider includes any one or more of the following:

40.1 (1) a period of incapacity of more than three consecutive, full calendar days, and any
40.2 subsequent treatment or period of incapacity relating to the same condition, that also involves:

40.3 (i) treatment two or more times within 30 calendar days of the first day of incapacity,
40.4 unless extenuating circumstances exist, by a health care provider; or

40.5 (ii) treatment by a health care provider on at least one occasion that results in a regimen
40.6 of continuing treatment under the supervision of the health care provider;

40.7 (2) any period of incapacity or treatment for such incapacity due to a chronic serious
40.8 health condition. A chronic serious health condition is one that:

40.9 (i) requires periodic visits, defined as at least twice per year, for treatment for the
40.10 incapacity by a health care provider;

40.11 (ii) continues over an extended period of time, including recurring episodes of a single
40.12 underlying condition; and

40.13 (iii) may cause episodic rather than a continuing period of incapacity;

40.14 (3) a period of incapacity that is long-term due to a condition for which treatment may
40.15 not be effective, with the employee or family member under the supervision of, but not
40.16 necessarily receiving active treatment by a health care provider; and

40.17 (4) any period of absence to receive multiple treatments by a health care provider,
40.18 including any period of recovery therefrom, for:

40.19 (i) restorative surgery after an accident or other injury; or

40.20 (ii) a condition that would likely result in a period of incapacity of more than seven
40.21 consecutive, calendar days in the absence of medical intervention or treatment, such as
40.22 cancer, severe arthritis, or kidney disease.

40.23 Subd. 12. **Covered employment.** "Covered employment" has the meaning given in
40.24 section 268.035, subdivision 12.

40.25 Subd. 13. **Day.** "Day" means an eight-hour period.

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

40.28 Subd. 15. **Employee.** "Employee" means an individual for whom premiums are paid on
40.29 wages under this chapter.

40.30 Subd. 16. **Employer.** "Employer" means a person or entity, other than an employee,
40.31 required to pay premiums under this chapter, except that a self-employed individual who

41.1 has elected and been approved for coverage under section 268B.11 is not considered an
41.2 employer with regard to the self-employed individual's own coverage and benefits.

41.3 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
41.4 means a self-employed individual's average net earnings from self-employment in the two
41.5 most recent taxable years. For a self-employed individual who had net earnings from
41.6 self-employment in only one of the years, the individual's estimated self-employment income
41.7 equals the individual's net earnings from self-employment in the year in which the individual
41.8 had net earnings from self-employment.

41.9 Subd. 18. **Family benefit program.** "Family benefit program" means the program
41.10 administered under this chapter for the collection of premiums and payment of benefits
41.11 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

41.12 Subd. 19. **Family care.** "Family care" means an applicant caring for a family member
41.13 with a serious health condition or caring for a family member who is a covered service
41.14 member.

41.15 Subd. 20. **Family member.** (a) "Family member" means an employee's child, adult
41.16 child, spouse, sibling, parent, parent-in-law, grandchild, grandparent, stepparent, member
41.17 of the employee's household, or an individual described in paragraph (e).

41.18 (b) For the purposes of this chapter, a child includes a stepchild, biological, adopted, or
41.19 foster child of the employee.

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

41.22 (d) For the purposes of this chapter, an individual is a member of the employee's
41.23 household if the individual has resided at the same address as the employee for at least one
41.24 year as of the first day of a leave under this chapter.

41.25 (e) For the purposes of this chapter, an individual with a serious health condition is
41.26 deemed a family member of the employee if (1) a health care provider certifies in writing
41.27 that the individual requires care relating to the serious health condition, and (2) the employee
41.28 and the care recipient certify in writing that the employee will be providing the required
41.29 care.

41.30 Subd. 21. **Health care provider.** "Health care provider" means an individual who is
41.31 licensed, certified, or otherwise authorized under law to practice in the individual's scope
41.32 of practice as a physician, osteopath, physician assistant, chiropractor, advanced practice
41.33 registered nurse, licensed psychologist, licensed independent clinical social worker, or

42.1 dentist. "Chiropractor" means only a chiropractor who provides manual manipulation of
42.2 the spine to correct a subluxation demonstrated to exist by an x-ray.

42.3 Subd. 22. **High quarter.** "High quarter" has the meaning given in section 268.035,
42.4 subdivision 19.

42.5 Subd. 23. **Independent contractor.** (a) If there is an existing specific test or definition
42.6 for independent contractor in Minnesota statute or rule applicable to an occupation or sector
42.7 as of the date of enactment of this chapter, that test or definition will apply to that occupation
42.8 or sector for purposes of this chapter. If there is not an existing test or definition as described,
42.9 the definition for independent contractor shall be as provided in this subdivision.

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

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

42.15 (2) the individual:

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

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

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

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

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

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

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

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

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

43.3 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,
43.4 subdivision 6, is an independent contractor of an insurance company, as defined in section
43.5 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

43.6 Subd. 24. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
43.7 or residential medical care facility, including any period of incapacity defined under
43.8 subdivision 33, paragraph (b), or any subsequent treatment in connection with such inpatient
43.9 care.

43.10 Subd. 25. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
43.11 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

43.12 Subd. 26. **Medical benefit program.** "Medical benefit program" means the program
43.13 administered under this chapter for the collection of premiums and payment of benefits
43.14 related to an applicant's serious health condition or pregnancy.

43.15 Subd. 27. **Net earnings from self-employment.** "Net earnings from self-employment"
43.16 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
43.17 290.01, subdivision 31.

43.18 Subd. 28. **Noncovered employment.** "Noncovered employment" has the meaning given
43.19 in section 268.035, subdivision 20.

43.20 Subd. 29. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy,
43.21 or recovery from childbirth, still birth, miscarriage, or related health conditions.

43.22 Subd. 30. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
43.23 a military member's active duty service or notice of an impending call or order to active
43.24 duty in the United States armed forces, including providing for the care or other needs of
43.25 the family member's child or other dependent, making financial or legal arrangements for
43.26 the family member, attending counseling, attending military events or ceremonies, spending
43.27 time with the family member during a rest and recuperation leave or following return from
43.28 deployment, or making arrangements following the death of the military member.

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

44.1 Subd. 31. **Safety leave.** "Safety leave" means leave from work because of domestic
44.2 abuse, sexual assault, or stalking of the employee or employee's family member, provided
44.3 the leave is to:

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

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

44.7 (3) obtain psychological or other counseling;

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

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

44.12 Subd. 32. **Self-employed individual.** "Self-employed individual" means a resident of
44.13 the state who, in one of the two taxable years preceding the current calendar year, derived
44.14 at least \$10,000 in net earnings from self-employment from an entity other than an S
44.15 corporation for the performance of services in this state.

44.16 Subd. 33. **Self-employment premium base.** "Self-employment premium base" means
44.17 the lesser of:

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

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

44.22 Subd. 34. **Self-employment wages.** "Self-employment wages" means the amount of
44.23 wages that a self-employed individual earned in the calendar year from an entity from which
44.24 the individual also received net earnings from self-employment.

44.25 Subd. 35. **Serious health condition.** (a) "Serious health condition" means an illness,
44.26 injury, impairment, or physical or mental condition that involves inpatient care as defined
44.27 in subdivision 24 or continuing treatment by a health care provider as defined in subdivision
44.28 11.

44.29 (b) "Incapacity" means inability to work, attend school, or perform other regular daily
44.30 activities due to the serious health condition, treatment therefore, or recovery therefrom.

44.31 (c) Treatment includes but is not limited to examinations to determine if a serious health
44.32 condition exists and evaluations of the condition. Treatment does not include routine physical

45.1 examinations, eye examinations, or dental examinations. A regimen of continuing treatment
45.2 includes, for example, a course of prescription medication or therapy requiring special
45.3 equipment to resolve or alleviate the health condition.

45.4 Subd. 36. **State's average weekly wage.** "State's average weekly wage" means the
45.5 weekly wage calculated under section 268.035, subdivision 23.

45.6 Subd. 37. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
45.7 subdivision 9.

45.8 Subd. 38. **Wage credits.** "Wage credits" has the meaning given in section 268.035,
45.9 subdivision 27.

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

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

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

45.18 Subd. 3. **Rulemaking.** The commissioner may adopt rules to implement the provisions
45.19 of this chapter.

45.20 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
45.21 account is created in the special revenue fund in the state treasury. Money in this account
45.22 is appropriated to the commissioner to pay benefits under and to administer this chapter,
45.23 including outreach required under section 268B.15.

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

45.26 Sec. 7. **[268B.03] ELIGIBILITY.**

45.27 Subdivision 1. **Applicant.** An applicant who has a serious health condition, has a
45.28 qualifying exigency, is taking safety leave, is providing family care, is bonding, or is pregnant
45.29 or recovering from pregnancy, and who satisfies the conditions of this section is eligible to
45.30 receive benefits subject to the provisions of this chapter.

46.1 Subd. 2. **Wage credits.** An applicant must have sufficient wage credits from an employer
46.2 or employers as defined in section 268B.01, subdivision 16, to establish a benefit account
46.3 under section 268.07, subdivision 2.

46.4 Subd. 3. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
46.5 benefits must be or have been based on a single event of at least seven calendar days' duration
46.6 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
46.7 leave, or the applicant's serious health condition. The days need not be consecutive.

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

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

46.12 Subd. 4. **Ineligible.** (a) An applicant is not eligible for benefits for any portion of a day
46.13 for which the applicant worked for pay.

46.14 (b) An applicant is not eligible for benefits for any day for which the applicant received
46.15 benefits under chapter 176 or 268.

46.16 Subd. 5. **Certification.** An applicant for benefits under this chapter must fulfill the
46.17 certification requirements under section 268B.04, subdivision 2.

46.18 Subd. 6. **Records release.** An individual whose medical records are necessary to
46.19 determine eligibility for benefits under this chapter must sign and date a legally effective
46.20 waiver authorizing release of medical or other records, to the limited extent necessary to
46.21 administer or enforce this chapter, to the department and the Department of Labor and
46.22 Industry.

46.23 Subd. 7. **Self-employed individual applicant.** To fulfill the requirements of this section,
46.24 a self-employed individual or independent contractor who has elected and been approved
46.25 for coverage under section 268B.011 must fulfill only the requirements of subdivisions 3,
46.26 4, 5, and 6.

46.27 Sec. 8. **[268B.04] APPLICATIONS.**

46.28 Subdivision 1. **Process; deadline.** Applicants must file a benefit claim pursuant to rules
46.29 promulgated by the commissioner within 90 calendar days of the related qualifying event.
46.30 If a claim is filed more than 90 calendar days after the start of leave, the covered individual
46.31 may receive reduced benefits. All claims shall include a certification supporting a request
46.32 for leave under this chapter. The commissioner must establish good cause exemptions from

47.1 the certification requirement deadline in the event that a serious health condition of the
47.2 applicant prevents the applicant from providing the required certification within the 90
47.3 calendar days.

47.4 Subd. 2. **Certification.** (a) Certification for an applicant taking leave related to the
47.5 applicant's serious health condition shall be sufficient if the certification states the date on
47.6 which the serious health condition began, the probable duration of the condition, and the
47.7 appropriate medical facts within the knowledge of the health care provider as required by
47.8 the commissioner.

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

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

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

47.22 (e) Certification for an applicant taking bonding leave because of the placement of a
47.23 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
47.24 a document issued by the health care provider of the child, an adoption or foster care agency
47.25 involved in the placement, or by other individuals as determined by the commissioner that
47.26 confirms the placement and the date of placement. To the extent that the status of an applicant
47.27 as an adoptive or foster parent changes while an application for benefits is pending, or while
47.28 the covered individual is receiving benefits, the applicant must notify the department of
47.29 such change in status in writing.

47.30 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
47.31 sufficient if the certification includes:

47.32 (1) a copy of the family member's active-duty orders;

47.33 (2) other documentation issued by the United States armed forces; or

48.1 (3) other documentation permitted by the commissioner.

48.2 (g) Certification for an applicant taking safety leave is sufficient if the certification
48.3 includes a court record or documentation signed by a volunteer or employee of a victim's
48.4 services organization, an attorney, a police officer, or an antiviolence counselor. The
48.5 commissioner must not require disclosure of details relating to an applicant's or applicant's
48.6 family member's domestic abuse, sexual assault, or stalking.

48.7 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health
48.8 care provider with knowledge of the qualifying event associated with the leave.

48.9 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious
48.10 health condition of an applicant or applicant's family member, the certification under this
48.11 subdivision must include an explanation of how such leave would be medically beneficial
48.12 to the individual with the serious health condition.

48.13 **Sec. 9. [268B.05] DETERMINATION OF APPLICATION.**

48.14 Upon the filing of a complete application for benefits, the commissioner shall examine
48.15 the application and on the basis of facts found by the commissioner and records maintained
48.16 by the department, the applicant shall be determined to be eligible or ineligible within two
48.17 weeks. If the application is determined to be valid, the commissioner shall promptly notify
48.18 the applicant and any other interested party as to the week when benefits commence, the
48.19 weekly benefit amount payable, and the maximum duration of those benefits. If the
48.20 application is determined to be invalid, the commissioner shall notify the applicant and any
48.21 other interested party of that determination and the reasons for it. If the processing of the
48.22 application is delayed for any reason, the commissioner shall notify the applicant, in writing,
48.23 within two weeks of the date the application for benefits is filed of the reason for the delay.
48.24 Unless the applicant or any other interested party, within 30 calendar days, requests a hearing
48.25 before a benefit judge, the determination is final. For good cause shown, the 30-day period
48.26 may be extended. At any time within one year from the date of a monetary determination,
48.27 the commissioner, upon request of the applicant or on the commissioner's own initiative,
48.28 may reconsider the determination if it is found that an error in computation or identity has
48.29 occurred in connection with the determination or that additional wages pertinent to the
48.30 applicant's status have become available, or if that determination has been made as a result
48.31 of a nondisclosure or misrepresentation of a material fact.

49.1 Sec. 10. **[268B.06] EMPLOYER NOTIFICATION.**

49.2 (a) Upon a determination under section 268B.05 that an applicant is entitled to benefits,
49.3 the commissioner must promptly send a notification to each current employer of the applicant,
49.4 if any, in accordance with paragraph (b).

49.5 (b) The notification under paragraph (a) must include, at a minimum:

49.6 (1) the name of the applicant;

49.7 (2) that the applicant has applied for and received benefits;

49.8 (3) the week the benefits commence;

49.9 (4) the weekly benefit amount payable;

49.10 (5) the maximum duration of benefits; and

49.11 (6) descriptions of the employer's right to participate in a hearing under section 268B.05,
49.12 and appeal process under section 268B.07.

49.13 Sec. 11. **[268B.07] APPEAL PROCESS.**

49.14 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

49.15 (b) Upon a timely appeal to a determination having been filed or upon a referral for
49.16 direct hearing, the chief benefit judge must set a time and date for a de novo due-process
49.17 hearing and send notice to an applicant and an employer, by mail or electronic transmission,
49.18 not less than ten calendar days before the date of the hearing.

49.19 (c) The commissioner may adopt rules on procedures for hearings. The rules need not
49.20 conform to common law or statutory rules of evidence and other technical rules of procedure.

49.21 (d) The chief benefit judge has discretion regarding the method by which the hearing is
49.22 conducted.

49.23 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
49.24 the benefit judge must serve by mail or electronic transmission to all parties, the decision,
49.25 reasons for the decision, and written findings of fact.

49.26 (b) Decisions of a benefit judge are not precedential.

49.27 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
49.28 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
49.29 asking the judge to reconsider that decision.

50.1 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for
50.2 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

50.3 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
50.4 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
50.5 are supervisors, or benefit judges.

50.6 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
50.7 transfer to another benefit judge any proceedings pending before another benefit judge.

50.8 Sec. 12. **[268B.08] BENEFITS.**

50.9 Subdivision 1. **Weekly benefit amount.** (a) Subject to the maximum weekly benefit
50.10 amount, an applicant's weekly benefit is calculated by adding the amounts obtained by
50.11 applying the following percentage to an applicant's average weekly wage:

50.12 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
50.13 plus

50.14 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
50.15 not 100 percent; plus

50.16 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

50.17 (b) The state's average weekly wage is the average wage as calculated under section
50.18 268.035, subdivision 23, at the time a benefit amount is first determined.

50.19 (c) Notwithstanding any other provision in this section, weekly benefits must not exceed
50.20 the maximum weekly benefit amount applicable at the time benefit payments commence.

50.21 Subd. 2. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
50.22 must be paid weekly.

50.23 Subd. 3. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a
50.24 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter
50.25 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits
50.26 under this chapter for bonding, safety leave, or family care.

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

50.29 Subd. 4. **Minimum period for which benefits payable.** Except for a claim for benefits
50.30 for bonding leave, any claim for benefits must be based on a single-qualifying event of at
50.31 least seven calendar days. Benefits may be paid for a minimum increment of one day. The

51.1 minimum increment of one day may consist of multiple, nonconsecutive portions of a day
51.2 totaling eight hours.

51.3 Subd. 5. **Withholding of federal tax.** If the Internal Revenue Service determines that
51.4 benefits are subject to federal income tax, and an applicant elects to have federal income
51.5 tax deducted and withheld from the applicant's benefits, the commissioner must deduct and
51.6 withhold the amount specified in the Internal Revenue Code in a manner consistent with
51.7 state law.

51.8 Sec. 13. **[268B.085] LEAVE.**

51.9 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee
51.10 has a right to leave from employment for any day, or portion of a day, for which the employee
51.11 would be eligible for benefits under this chapter, regardless of whether the employee actually
51.12 applied for benefits and regardless of whether the employee is covered under a private plan
51.13 or the public program under this chapter.

51.14 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must
51.15 provide the employer at least 30 days' advance notice before leave under this chapter is to
51.16 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately
51.17 when leave will be required to begin, a change in circumstances, or a medical emergency,
51.18 notice must be given as soon as practicable. Whether leave is to be continuous or is to be
51.19 taken intermittently or on a reduced schedule basis, notice need only be given one time, but
51.20 the employee must advise the employer as soon as practicable if dates of scheduled leave
51.21 change or are extended, or were initially unknown. In those cases where the employee is
51.22 required to provide at least 30 days' notice of foreseeable leave and does not do so, the
51.23 employee must explain the reasons why such notice was not practicable upon a request from
51.24 the employer for such information.

51.25 (b) "As soon as practicable" means as soon as both possible and practical, taking into
51.26 account all of the facts and circumstances in the individual case. When an employee becomes
51.27 aware of a need for leave under this chapter less than 30 days in advance, it should be
51.28 practicable for the employee to provide notice of the need for leave either the same day or
51.29 the next day, unless the need for leave is based on a medical emergency. In all cases,
51.30 however, the determination of when an employee could practicably provide notice must
51.31 take into account the individual facts and circumstances.

51.32 (c) An employee shall provide at least verbal notice sufficient to make the employer
51.33 aware that the employee needs leave allowed under this chapter and the anticipated timing
51.34 and duration of the leave. An employer may require an employee giving notice of leave to

52.1 include a certification for the leave as described in section 268B.04, subdivision 2. Such
52.2 certification, if required by an employer, is timely when the employee delivers it as soon
52.3 as practicable given the circumstances requiring the need for leave, and the required contents
52.4 of the certification.

52.5 (d) An employer may require an employee to comply with the employer's usual and
52.6 customary notice and procedural requirements for requesting leave, absent unusual
52.7 circumstances or other circumstances caused by the reason for the employee's need for
52.8 leave. Leave under this chapter must not be delayed or denied where an employer's usual
52.9 and customary notice or procedural requirements require notice to be given sooner than set
52.10 forth in this subdivision.

52.11 (e) If an employer has failed to provide notice to the employee as required under section
52.12 268B.22, paragraph (a), (b), or (e), the employee is not required to comply with the notice
52.13 requirements of this subdivision.

52.14 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
52.15 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or
52.16 placement of a foster child, except that, in the case where the child must remain in the
52.17 hospital longer than the mother, the leave must begin within 12 months after the child leaves
52.18 the hospital.

52.19 Subd. 4. **Intermittent or reduced leave schedule.** (a) Leave under this chapter, based
52.20 on a serious health condition, may be taken intermittently or on a reduced leave schedule
52.21 if such leave would be medically beneficial to the individual with the serious health condition.
52.22 For all other leaves under this chapter, leave may be taken intermittently or on a reduced
52.23 leave schedule. Intermittent leave is leave taken in separate blocks of time due to a single,
52.24 seven-day qualifying event. A reduced leave schedule is a leave schedule that reduces an
52.25 employee's usual number of working hours per workweek or hours per workday.

52.26 (b) Leave taken intermittently or on a reduced schedule basis counts toward the
52.27 maximums described in section 268B.08, subdivision 3.

52.28 Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

52.29 Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an
52.30 employee for requesting or obtaining benefits, or for exercising any other right under this
52.31 chapter.

52.32 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an
52.33 application for leave or benefits or the exercise of any other right under this chapter.

53.1 Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights
53.2 to benefits or any other right under this chapter is void.

53.3 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
53.4 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided
53.5 for the collection of debt. Any waiver of this subdivision is void.

53.6 Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to
53.7 benefits under this chapter, the employer must maintain coverage under any group insurance
53.8 policy, group subscriber contract, or health care plan for the employee and any dependents
53.9 as if the employee was not on leave, provided, however, that the employee must continue
53.10 to pay any employee share of the cost of such benefits.

53.11 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
53.12 an employee is entitled to be returned to the same position the employee held when leave
53.13 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
53.14 conditions of employment. An employee is entitled to such reinstatement even if the
53.15 employee has been replaced or the employee's position has been restructured to accommodate
53.16 the employee's absence.

53.17 (b)(1) An equivalent position is one that is virtually identical to the employee's former
53.18 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,
53.19 and status. It must involve the same or substantially similar duties and responsibilities,
53.20 which must entail substantially equivalent skill, effort, responsibility, and authority.

53.21 (2) If an employee is no longer qualified for the position because of the employee's
53.22 inability to attend a necessary course, renew a license, fly a minimum number of hours, or
53.23 the like, as a result of the leave, the employee must be given a reasonable opportunity to
53.24 fulfill those conditions upon return from leave.

53.25 (c)(1) An employee is entitled to any unconditional pay increases which may have
53.26 occurred during the leave period, such as cost of living increases. Pay increases conditioned
53.27 upon seniority, length of service, or work performed must be granted in accordance with
53.28 the employer's policy or practice with respect to other employees on an equivalent leave
53.29 status for a reason that does not qualify for leave under this chapter. An employee is entitled
53.30 to be restored to a position with the same or equivalent pay premiums, such as a shift
53.31 differential. If an employee departed from a position averaging ten hours of overtime, and
53.32 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
53.33 on return from leave under this chapter.

54.1 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
54.2 nondiscretionary, made to employees consistent with the provisions of clause (1). However,
54.3 if a bonus or other payment is based on the achievement of a specified goal such as hours
54.4 worked, products sold, or perfect attendance, and the employee has not met the goal due to
54.5 leave under this chapter, the payment may be denied, unless otherwise paid to employees
54.6 on an equivalent leave status for a reason that does not qualify for leave under this chapter.

54.7 (d) Benefits under this section include all benefits provided or made available to
54.8 employees by an employer, including group life insurance, health insurance, disability
54.9 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
54.10 such benefits are provided by a practice or written policy of an employer through an employee
54.11 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

54.12 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
54.13 the same manner and at the same levels as provided when the leave began, and subject to
54.14 any changes in benefit levels that may have taken place during the period of leave affecting
54.15 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
54.16 under this chapter, an employee cannot be required to requalify for any benefits the employee
54.17 enjoyed before leave began, including family or dependent coverages.

54.18 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
54.19 during a leave under this chapter. Benefits accrued at the time leave began, however, must
54.20 be available to an employee upon return from leave.

54.21 (3) With respect to pension and other retirement plans, leave under this chapter must
54.22 not be treated as or counted toward a break in service for purposes of vesting and eligibility
54.23 to participate. Also, if the plan requires an employee to be employed on a specific date in
54.24 order to be credited with a year of service for vesting, contributions, or participation purposes,
54.25 an employee on leave under this chapter must be treated as employed on that date. However,
54.26 periods of leave under this chapter need not be treated as credited service for purposes of
54.27 benefit accrual, vesting, and eligibility to participate.

54.28 (4) Employees on leave under this chapter must be treated as if they continued to work
54.29 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
54.30 to changes in benefit plans, except those which may be dependent upon seniority or accrual
54.31 during the leave period, immediately upon return from leave or to the same extent they
54.32 would have qualified if no leave had been taken.

54.33 (e) An equivalent position must have substantially similar duties, conditions,
54.34 responsibilities, privileges, and status as the employee's original position.

55.1 (1) The employee must be reinstated to the same or a geographically proximate worksite
55.2 from where the employee had previously been employed. If the employee's original worksite
55.3 has been closed, the employee is entitled to the same rights as if the employee had not been
55.4 on leave when the worksite closed.

55.5 (2) The employee is ordinarily entitled to return to the same shift or the same or an
55.6 equivalent work schedule.

55.7 (3) The employee must have the same or an equivalent opportunity for bonuses,
55.8 profit-sharing, and other similar discretionary and nondiscretionary payments.

55.9 (4) This chapter does not prohibit an employer from accommodating an employee's
55.10 request to be restored to a different shift, schedule, or position which better suits the
55.11 employee's personal needs on return from leave, or to offer a promotion to a better position.
55.12 However, an employee must not be induced by the employer to accept a different position
55.13 against the employee's wishes.

55.14 (f) The requirement that an employee be restored to the same or equivalent job with the
55.15 same or equivalent pay, benefits, and terms and conditions of employment does not extend
55.16 to de minimis, intangible, or unmeasurable aspects of the job.

55.17 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
55.18 greater right to reinstatement or to other benefits and conditions of employment than if the
55.19 employee had been continuously employed during the period of leave under this chapter.
55.20 An employer must be able to show that an employee would not otherwise have been
55.21 employed at the time reinstatement is requested in order to deny restoration to employment.

55.22 (1) If an employee is laid off during the course of taking a leave under this chapter and
55.23 employment is terminated, the employer's responsibility to continue the leave, maintain
55.24 group health plan benefits, and restore the employee cease at the time the employee is laid
55.25 off, provided the employer has no continuing obligations under a collective bargaining
55.26 agreement or otherwise. An employer would have the burden of proving that an employee
55.27 would have been laid off during the period of leave under this chapter and, therefore, would
55.28 not be entitled to restoration. Restoration to a job slated for layoff when the employee's
55.29 original position would not meet the requirements of an equivalent position.

55.30 (2) If a shift has been eliminated or overtime has been decreased, an employee would
55.31 not be entitled to return to work that shift or the original overtime hours upon restoration.
55.32 However, if a position on, for example, a night shift has been filled by another employee,
55.33 the employee is entitled to return to the same shift on which employed before taking leave
55.34 under this chapter.

56.1 (3) If an employee was hired for a specific term or only to perform work on a discrete
56.2 project, the employer has no obligation to restore the employee if the employment term or
56.3 project is over and the employer would not otherwise have continued to employ the employee.

56.4 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in
56.5 law or equity, an employer who violates the provisions of this section is liable to any
56.6 employee affected for:

56.7 (1) damages equal to the amount of:

56.8 (i) any wages, salary, employment benefits, or other compensation denied or lost to such
56.9 employee by reason of the violation, or, in a cases in which wages, salary, employment
56.10 benefits, or other compensation have not been denied or lost to the employee, any actual
56.11 monetary losses sustained by the employee as a direct result of the violation; and

56.12 (ii) reasonable interest on the amount described in item (i); and

56.13 (2) such equitable relief as may be appropriate, including employment, reinstatement,
56.14 and promotion.

56.15 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
56.16 maintained against any employer in any federal or state court of competent jurisdiction by
56.17 any one or more employees for and on behalf of:

56.18 (1) the employees; or

56.19 (2) the employees and other employees similarly situated.

56.20 (c) The court in an action under this section must, in addition to any judgment awarded
56.21 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,
56.22 and other costs of the action to be paid by the defendant.

56.23 (d) Nothing in this section shall be construed to allow an employee to recover damages
56.24 from an employer for the denial of benefits under this chapter by the department, unless the
56.25 employer unlawfully interfered with the application for benefits under subdivision 2.

56.26 **Sec. 15. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

56.27 Subdivision 1. Application for substitution. Employers may apply to the commissioner
56.28 for approval to meet their obligations under this chapter through the substitution of a private
56.29 plan that provides paid family, paid medical, or paid family and medical benefits. In order
56.30 to be approved as meeting an employer's obligations under this chapter, a private plan must
56.31 confer all of the same rights, protections, and benefits provided to employees under this
56.32 chapter, including but not limited to benefits under section 268B.08 and employment

57.1 protections under section 268B.09. An employee covered by a private plan under this section
57.2 retains all applicable rights and remedies under section 268B.09.

57.3 Subd. 2. **Private plan requirements; medical benefit program.** (a) The commissioner
57.4 must approve an application for private provision of the medical benefit program if the
57.5 commissioner determines:

57.6 (1) all of the employees of the employer are to be covered under the provisions of the
57.7 employer plan;

57.8 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
57.9 under this chapter;

57.10 (3) the weekly benefits payable under the private plan for any week are at least equal to
57.11 the weekly benefit amount payable under this chapter, taking into consideration any coverage
57.12 with respect to concurrent employment by another employer;

57.13 (4) the total number of weeks for which benefits are payable under the private plan is
57.14 at least equal to the total number of weeks for which benefits would have been payable
57.15 under this chapter;

57.16 (5) no greater amount is required to be paid by employees toward the cost of benefits
57.17 under the employer plan than by this chapter;

57.18 (6) wage replacement benefits are stated in the plan separately and distinctly from other
57.19 benefits;

57.20 (7) the private plan will provide benefits and leave for any serious health condition or
57.21 pregnancy for which benefits are payable, and leave provided, under this chapter;

57.22 (8) the private plan will impose no additional condition or restriction on the use of
57.23 medical benefits beyond those explicitly authorized by this chapter or regulations
57.24 promulgated pursuant to this chapter;

57.25 (9) the private plan will allow any employee covered under the private plan who is
57.26 eligible to receive medical benefits under this chapter to receive medical benefits under the
57.27 employer plan; and

57.28 (10) coverage will be continued under the private plan while an employee remains
57.29 employed by the employer.

57.30 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave
57.31 and benefit eligibility if the total dollar value of wage replacement benefits under the private

58.1 plan for an employee for any particular qualifying event meets or exceeds what the total
58.2 dollar value would be under the public family and medical benefit program.

58.3 Subd. 3. **Private plan requirements; family benefit program.** (a) The commissioner
58.4 must approve an application for private provision of the family benefit program if the
58.5 commissioner determines:

58.6 (1) all of the employees of the employer are to be covered under the provisions of the
58.7 employer plan;

58.8 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
58.9 under this chapter;

58.10 (3) the weekly benefits payable under the private plan for any week are at least equal to
58.11 the weekly benefit amount payable under this chapter, taking into consideration any coverage
58.12 with respect to concurrent employment by another employer;

58.13 (4) the total number of weeks for which benefits are payable under the private plan is
58.14 at least equal to the total number of weeks for which benefits would have been payable
58.15 under this chapter;

58.16 (5) no greater amount is required to be paid by employees toward the cost of benefits
58.17 under the employer plan than by this chapter;

58.18 (6) wage replacement benefits are stated in the plan separately and distinctly from other
58.19 benefits;

58.20 (7) the private plan will provide benefits and leave for any care for a family member
58.21 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
58.22 event for which benefits are payable, and leave provided, under this chapter;

58.23 (8) the private plan will impose no additional condition or restriction on the use of family
58.24 benefits beyond those explicitly authorized by this chapter or regulations promulgated
58.25 pursuant to this chapter;

58.26 (9) the private plan will allow any employee covered under the private plan who is
58.27 eligible to receive medical benefits under this chapter to receive medical benefits under the
58.28 employer plan; and

58.29 (10) coverage will be continued under the private plan while an employee remains
58.30 employed by the employer.

58.31 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave
58.32 and benefit eligibility if the total dollar value of wage replacement benefits under the private

59.1 plan for an employee for any particular qualifying event meets or exceeds what the total
59.2 dollar value would be under the public family and medical benefit program.

59.3 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an
59.4 employer from meeting the requirements of a private plan through a private insurance
59.5 product. If the employer plan involves a private insurance product, that insurance product
59.6 must conform to any applicable law or rule.

59.7 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved
59.8 private plan will not be required to pay premiums established under section 268B.12. An
59.9 employer with an approved private plan will be responsible for a private plan approval and
59.10 oversight fee equal to \$250 for employers with fewer than 50 employees, \$500 for employers
59.11 with 50 to 499 employees, and \$1,000 for employers with 500 or more employees. The
59.12 employer must pay this fee (1) upon initial application for private plan approval and (2) any
59.13 time the employer applies to amend the private plan. The commissioner will review and
59.14 report on the adequacy of this fee to cover private plan administrative costs annually
59.15 beginning in 2020 as part of the annual report established in section 268B.21.

59.16 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period
59.17 of at least one year and, thereafter, continuously unless the commissioner finds that the
59.18 employer has given notice of withdrawal from the plan in a manner specified by the
59.19 commissioner in this section or rule. The plan may be withdrawn by the employer within
59.20 30 days of the effective date of any law increasing the benefit amounts or within 30 days
59.21 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
59.22 amended to conform to provide the increased benefit amount or change in the rate of the
59.23 employee's premium on the date of the increase or change.

59.24 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's
59.25 private plan to the commissioner, in a manner specified by the commissioner.

59.26 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an
59.27 approved private plan if a leave under this chapter occurs after the employment relationship
59.28 with the private plan employer ends, or if the commissioner revokes the approval of the
59.29 private plan.

59.30 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
59.31 immediately entitled to benefits under this chapter to the same extent as though there had
59.32 been no approval of the private plan.

60.1 Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan
60.2 must provide a notice prepared by or approved by the commissioner regarding the private
60.3 plan consistent with the provisions of section 268B.22.

60.4 Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private
60.5 plan adjusting the provisions thereof, if the commissioner determines:

60.6 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

60.7 (2) that notice of the amendment has been delivered to all affected employees at least
60.8 ten days before the submission of the amendment.

60.9 (b) Any amendments approved under this subdivision are effective on the date of the
60.10 commissioner's approval, unless the commissioner and the employer agree on a later date.

60.11 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires
60.12 the employer organization, trade, or business, or substantially all the assets thereof, or a
60.13 distinct and severable portion of the organization, trade, or business, and continues its
60.14 operation without substantial reduction of personnel resulting from the acquisition, must
60.15 continue the approved private plan and must not withdraw the plan without a specific request
60.16 for withdrawal in a manner and at a time specified by the commissioner. A successor may
60.17 terminate a private plan with notice to the commissioner and within 90 days from the date
60.18 of the acquisition.

60.19 Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may
60.20 terminate any private plan if the commissioner determines the employer:

60.21 (1) failed to pay benefits;

60.22 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
60.23 chapter;

60.24 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;
60.25 or

60.26 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

60.27 (b) The commissioner must give notice of the intention to terminate a plan to the employer
60.28 at least ten days before taking any final action. The notice must state the effective date and
60.29 the reason for the termination.

60.30 (c) The employer may, within ten days from mailing or personal service of the notice,
60.31 file an appeal to the commissioner in the time, manner, method, and procedure provided by
60.32 the commissioner under subdivision 7.

61.1 (d) The payment of benefits must not be delayed during an employer's appeal of the
61.2 revocation of approval of a private plan.

61.3 (e) If the commissioner revokes approval of an employer's private plan, that employer
61.4 is ineligible to apply for approval of another private plan for a period of three years, beginning
61.5 on the date of revocation.

61.6 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary
61.7 penalties against an employer with an approved private plan found to have violated this
61.8 chapter:

61.9 (1) \$1,000 for the first violation; and

61.10 (2) \$2,000 for the second, and each successive violation.

61.11 (b) The commissioner must waive collection of any penalty if the employer corrects the
61.12 violation within 30 days of receiving a notice of the violation and the notice is for a first
61.13 violation.

61.14 (c) The commissioner may waive collection of any penalty if the commissioner determines
61.15 the violation to be an inadvertent error by the employer.

61.16 (d) Monetary penalties collected under this section shall be deposited in the account.

61.17 (e) Assessment of penalties under this subdivision may be appealed as provided by the
61.18 commissioner under subdivision 7.

61.19 Subd. 14. **Reports, information, and records.** Employers with an approved private
61.20 plan must maintain all reports, information, and records as relating to the private plan and
61.21 claims for a period of six years from creation and provide to the commissioner upon request.

61.22 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans
61.23 approved under this section both before and after the plans are approved.

61.24 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
61.25 **ELECTION OF COVERAGE.**

61.26 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
61.27 contractor may file with the commissioner by electronic transmission in a format prescribed
61.28 by the commissioner an application to be entitled to benefits under this chapter for a period
61.29 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
61.30 by United States mail or electronic transmission, the individual is entitled to benefits under
61.31 this chapter beginning the calendar quarter after the date of approval or beginning in a later
61.32 calendar quarter if requested by the self-employed individual or independent contractor.

62.1 The individual ceases to be entitled to benefits as of the first day of January of any calendar
62.2 year only if, at least 30 calendar days before the first day of January, the individual has filed
62.3 with the commissioner by electronic transmission in a format prescribed by the commissioner
62.4 a notice to that effect.

62.5 (b) The commissioner may terminate any application approved under this section with
62.6 30 calendar days' notice sent by United States mail or electronic transmission if the
62.7 self-employed individual is delinquent on any premiums due under this chapter an election
62.8 agreement. If an approved application is terminated in this manner during the first 104
62.9 consecutive calendar weeks of election, the self-employed individual remains obligated to
62.10 pay the premium under subdivision 3 for the remainder of that 104-week period.

62.11 Subd. 2. **Application** A self-employed individual who applies for coverage under this
62.12 section must provide the commissioner with (1) the amount of the individual's net earnings
62.13 from self-employment, if any, from the two most recent taxable years and all tax documents
62.14 necessary to prove the accuracy of the amounts reported and (2) any other documentation
62.15 the commissioner requires. A self-employed individual who is covered under this chapter
62.16 must annually provide the commissioner with the amount of the individual's net earnings
62.17 from self-employment within 30 days of filing a federal income tax return.

62.18 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
62.19 this chapter must annually pay a premium equal to one-half the percentage in section
62.20 268B.12, subdivision 4, clause (1), times the lesser of:

62.21 (1) the individual's self-employment premium base; or

62.22 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
62.23 Insurance tax.

62.24 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual
62.25 who has applied to and been approved for coverage by the commissioner under this section
62.26 is entitled to benefits on the same basis as an employee under this chapter, except that a
62.27 self-employed individual's weekly benefit amount under section 268B.08, subdivision 1,
62.28 must calculated as a percentage of the self-employed individual's self-employment premium
62.29 base, rather than wages.

62.30 Sec. 17. **[268B.12] PREMIUMS.**

62.31 Subdivision 1. **Employer.** (a) Each person or entity required, or who elected, to register
62.32 for a tax account under sections 268.042, 268.045, and 268.046 must pay a premium on the

63.1 wages paid to employees in covered employment for each calendar year. The premium must
63.2 be paid on all wages up to the maximum specified by this section.

63.3 (b) Each person or entity required, or who elected, to register for a reimbursable account
63.4 under sections 268.042, 268.045, and 268.046 must pay a premium on the wages paid to
63.5 employees in covered employment in the same amount and manner as provided by paragraph
63.6 (a).

63.7 Subd. 2. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
63.8 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
63.9 of annual premiums paid under this section from employee wages. Such deductions for any
63.10 given employee must be in equal proportion to the premiums paid based on the wages of
63.11 that employee, and all employees of an employer must be subject to the same percentage
63.12 deduction. Deductions under this section must not cause an employee's wage, after the
63.13 deduction, to fall below the rate required to be paid to the worker by law, including any
63.14 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or
63.15 other legal authority, whichever rate of pay is greater.

63.16 Subd. 3. **Wages and payments subject to premium.** (a) The maximum wages subject
63.17 to premium in a calendar year is equal to the maximum earnings in that year subject to the
63.18 FICA Old-Age, Survivors, and Disability Insurance tax.

63.19 (b) The maximum payment amount subject to premium in a calendar year, under
63.20 subdivision 1, paragraph (c), is equal to the maximum earnings in that year subject to the
63.21 FICA Old-Age, Survivors, and Disability Insurance tax.

63.22 Subd. 4. **Annual premium rates.** The employer premium rates for the calendar year
63.23 beginning January 1, 2021, shall be as follows:

63.24 (1) for employers participating in both family and medical benefit programs, 0.6 percent;

63.25 (2) for an employer participating in only the medical benefit program and with an
63.26 approved private plan for the family benefit program, 0.486 percent; and

63.27 (3) for an employer participating in only the family benefit program and with an approved
63.28 private plan for the medical benefit program, 0.114 percent.

63.29 Subd. 5. **Premium rate adjustments.** (a) Each calendar year following the calendar
63.30 year beginning January 1, 2023, the commissioner must adjust the annual premium rates
63.31 using the formula in paragraph (b).

63.32 (b) To calculate the employer rates for a calendar year, the commissioner must:

64.1 (1) multiply 1.45 times the amount disbursed from the account for the 52-week period
64.2 ending September 30 of the prior year;

64.3 (2) subtract the amount in the account on that September 30 from the resulting figure;

64.4 (3) divide the resulting figure by twice the total wages in covered employment of
64.5 employees of employers without approved private plans under section 268B.10 for either
64.6 the family or medical benefit program. For employers with an approved private plan for
64.7 either the medical benefit program or the family benefit program, but not both, count only
64.8 the proportion of wages in covered employment associated with the program for which the
64.9 employer does not have an approved private plan; and

64.10 (4) round the resulting figure down to the nearest one-hundredth of one percent.

64.11 (c) The commissioner must apportion the premium rate between the family and medical
64.12 benefit programs based on the relative proportion of expenditures for each program during
64.13 the preceding year.

64.14 Subd. 6. **Deposit of premiums.** All premiums collected under this section must be
64.15 deposited into the account.

64.16 Subd. 7. **Nonpayment of premiums by employer.** The failure of an employer to pay
64.17 premiums does not impact the right of an employee to benefits, or any other right, under
64.18 this chapter.

64.19 Sec. 18. **[268B.13] COLLECTION OF PREMIUMS.**

64.20 Subdivision 1. **Amount computed presumed correct.** Any amount due from an
64.21 employer, as computed by the commissioner, is presumed to be correctly determined and
64.22 assessed, and the burden is upon the employer to show any error. A statement by the
64.23 commissioner of the amount due is admissible in evidence in any court or administrative
64.24 proceeding and is prima facie evidence of the facts in the statement.

64.25 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be
64.26 applied in the following order:

64.27 (1) premiums due under this chapter; then

64.28 (2) interest on past due premiums; then

64.29 (3) penalties, late fees, administrative service fees, and costs.

64.30 (b) Paragraph (a) is the priority used for all payments received from an employer,
64.31 regardless of how the employer may designate the payment to be applied, except when:

65.1 (1) there is an outstanding lien and the employer designates that the payment made
65.2 should be applied to satisfy the lien;

65.3 (2) a court or administrative order directs that the payment be applied to a specific
65.4 obligation;

65.5 (3) a preexisting payment plan provides for the application of payment; or

65.6 (4) the commissioner agrees to apply the payment to a different priority.

65.7 Subd. 3. **Costs.** (a) Any employer that fails to pay any amount when due under this
65.8 chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral
65.9 to any public or private collection agency, or litigation costs, including attorney fees, incurred
65.10 in the collection of the amounts due.

65.11 (b) If any tendered payment of any amount due is not honored when presented to a
65.12 financial institution for payment, any costs assessed to the department by the financial
65.13 institution and a fee of \$25 must be assessed to the person.

65.14 (c) Costs and fees collected under this subdivision are credited to the account.

65.15 Subd. 4. **Interest on amounts past due.** If any amounts due from an employer under
65.16 this chapter, except late fees, are not received on the date due, the unpaid balance bears
65.17 interest at the rate of one percent per month or any part of a month. Interest collected under
65.18 this subdivision is payable to the account.

65.19 Subd. 5. **Interest on judgments.** Regardless of section 549.09, if judgment is entered
65.20 upon any past due amounts from an employer under this chapter, the unpaid judgment bears
65.21 interest at the rate specified in subdivision 4 until the date of payment.

65.22 Subd. 6. **Credit adjustments; refunds.** (a) If an employer makes an application for a
65.23 credit adjustment of any amount paid under this chapter within four years of the date that
65.24 the payment was due, in a manner and format prescribed by the commissioner, and the
65.25 commissioner determines that the payment or any portion thereof was erroneous, the
65.26 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
65.27 be used, the commissioner must refund, without interest, the amount erroneously paid. The
65.28 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
65.29 under this subdivision.

65.30 (b) Any refund returned to the commissioner is considered unclaimed property under
65.31 chapter 345.

66.1 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
66.2 must be sent to the employer by United States mail or electronic transmission. The
66.3 determination of denial is final unless an employer files an appeal within 20 calendar days
66.4 after receipt of the determination.

66.5 (d) If an employer receives a credit adjustment or refund under this section, the employer
66.6 must determine the amount of any overpayment attributable to a deduction from employee
66.7 wages under section 268B.12, subdivision 2, and return any amount erroneously deducted
66.8 to each affected employee.

66.9 Subd. 7. **Priorities under legal dissolutions or distributions.** In the event of any
66.10 distribution of an employer's assets according to an order of any court, including any
66.11 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
66.12 proceeding, premiums then or thereafter due must be paid in full before all other claims
66.13 except claims for wages of not more than \$1,000 per former employee that are earned within
66.14 six months of the commencement of the proceedings. In the event of an employer's
66.15 adjudication in bankruptcy under federal law, premiums then or thereafter due are entitled
66.16 to the priority provided in that law for taxes due.

66.17 **Sec. 19. [268B.14] ADMINISTRATIVE COSTS.**

66.18 From July 1, 2021, through December 31, 2021, the commissioner may spend up to
66.19 seven percent of premiums collected under section 268B.13 for administration of this chapter.
66.20 Beginning January 1, 2022, and each calendar year thereafter, the commissioner may spend
66.21 up to seven percent of projected benefit payments for that calendar year for the administration
66.22 of this chapter. The department may enter into interagency agreements with the Department
66.23 of Labor and Industry, including agreements to transfer funds, subject to the limit in this
66.24 section, for the Department of Labor and Industry to fulfill its enforcement authority of this
66.25 chapter.

66.26 **Sec. 20. [268B.15] PUBLIC OUTREACH.**

66.27 Beginning in fiscal year 2022, the commissioner must use at least 0.5 percent of revenue
66.28 collected under this chapter for the purpose of outreach, education, and technical assistance
66.29 for employees, employers, and self-employed individuals eligible to elect coverage under
66.30 section 268B.11. The department may enter into interagency agreements with the Department
66.31 of Labor and Industry, including agreements to transfer funds, subject to the limit in section
66.32 268B.14, to accomplish the requirements of this section. At least one-half of the amount
66.33 spent under this section must be used for grants to community-based groups.

67.1 Sec. 21. **[268B.16] APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT**
67.2 **OF FACTS; PENALTY.**

67.3 (a) Any applicant who knowingly makes a false statement or representation, knowingly
67.4 fails to disclose a material fact, or makes a false statement or representation without a
67.5 good-faith belief as to the correctness of the statement or representation in order to obtain
67.6 or in an attempt to obtain benefits may be assessed, in addition to any other penalties, an
67.7 administrative penalty of ineligibility of benefits for 13 to 104 weeks.

67.8 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must
67.9 be sent to the applicant by United States mail or electronic transmission. The determination
67.10 is final unless an appeal is filed within 30 calendar days after receipt of the determination.

67.11 Sec. 22. **[268B.17] EMPLOYER MISCONDUCT; PENALTY.**

67.12 (a) The commissioner must penalize an employer if that employer or any employee,
67.13 officer, or agent of that employer is in collusion with any applicant for the purpose of
67.14 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
67.15 of benefits determined to be overpaid, whichever is greater.

67.16 (b) The commissioner must penalize an employer if that employer or any employee,
67.17 officer, or agent of that employer:

67.18 (1) made a false statement or representation knowing it to be false;

67.19 (2) made a false statement or representation without a good-faith belief as to the
67.20 correctness of the statement or representation; or

67.21 (3) knowingly failed to disclose a material fact.

67.22 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
67.23 employer's action:

67.24 (1) the amount of any overpaid benefits to an applicant;

67.25 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;
67.26 or

67.27 (3) the amount of any payment required from the employer under this chapter that was
67.28 not paid.

67.29 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
67.30 penalty and credited to the account.

68.1 (e) The determination of penalty is final unless the employer files an appeal within 30
68.2 calendar days after the sending of the determination of penalty to the employer by United
68.3 States mail or electronic transmission.

68.4 Sec. 23. **[268B.18] RECORDS; AUDITS.**

68.5 (a) Each employer must keep true and accurate records on individuals performing services
68.6 for the employer, containing the information the commissioner may require under this
68.7 chapter. The records must be kept for a period of not less than four years in addition to the
68.8 current calendar year.

68.9 (b) For the purpose of administering this chapter, the commissioner has the power to
68.10 investigate, audit, examine, or cause to be supplied or copied, any books, correspondence,
68.11 papers, records, or memoranda that are the property of, or in the possession of, an employer
68.12 or any other person at any reasonable time and as often as may be necessary.

68.13 (c) An employer or other person that refuses to allow an audit of its records by the
68.14 department or that fails to make all necessary records available for audit in the state upon
68.15 request of the commissioner may be assessed an administrative penalty of \$500. The penalty
68.16 collected is credited to the account.

68.17 Sec. 24. **[268B.19] SUBPOENAS; OATHS.**

68.18 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,
68.19 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
68.20 individuals and the production of documents and other personal property necessary in
68.21 connection with the administration of this chapter.

68.22 (b) Individuals subpoenaed, other than applicants or officers and employees of an
68.23 employer that is the subject of the inquiry, must be paid witness fees the same as witness
68.24 fees in civil actions in district court. The fees need not be paid in advance.

68.25 (c) The subpoena is enforceable through the district court in Ramsey County.

68.26 Sec. 25. **[268B.20] CONCILIATION SERVICES.**

68.27 The Department of Labor and Industry may offer conciliation services to employers and
68.28 employees to resolve disputes concerning alleged violations of employment protections
68.29 identified in section 268B.09.

69.1 Sec. 26. [268B.21] ANNUAL REPORTS.

69.2 (a) Annually, beginning on or before December 1, 2021, the commissioner must report
69.3 to the Department of Management and Budget and the house of representatives and senate
69.4 committee chairs with jurisdiction over this chapter on program administrative expenditures
69.5 and revenue collection for the prior fiscal year, including but not limited to:

69.6 (1) total revenue raised through premium collection;

69.7 (2) the number of self-employed individuals or independent contractors electing coverage
69.8 under section 268B.11 and amount of associated revenue;

69.9 (3) the number of covered business entities paying premiums under this chapter and
69.10 associated revenue;

69.11 (4) administrative expenditures including transfers to other state agencies expended in
69.12 the administration of the chapter;

69.13 (5) summary of contracted services expended in the administration of this chapter;

69.14 (6) grant amounts and recipients under section 268B.15;

69.15 (7) an accounting of required outreach expenditures;

69.16 (8) summary of private plan approvals including the number of employers and employees
69.17 covered under private plans; and

69.18 (9) adequacy and use of the private plan approval and oversight fee.

69.19 (b) Annually, beginning on or before December 1, 2022, the commissioner must publish
69.20 a publicly available report providing the following information for the previous fiscal year:

69.21 (1) total eligible claims;

69.22 (2) the number and percentage of claims attributable to each category of benefit;

69.23 (3) claimant demographics by age, gender, average weekly wage, occupation, and the
69.24 type of leave taken;

69.25 (4) the percentage of claims denied and the reasons therefor, including, but not limited
69.26 to insufficient information and ineligibility and the reason therefor;

69.27 (5) average weekly benefit amount paid for all claims and by category of benefit;

69.28 (6) changes in the benefits paid compared to previous fiscal years;

69.29 (7) processing times for initial claims processing, initial determinations, and final
69.30 decisions;

70.1 (8) average duration for cases completed; and

70.2 (9) the number of cases remaining open at the close of such year.

70.3 **Sec. 27. [268B.22] NOTICE REQUIREMENTS.**

70.4 (a) Each employer must post in a conspicuous place on each of its premises a workplace
70.5 notice prepared or approved by the commissioner providing notice of benefits available
70.6 under this chapter. The required workplace notice must be in English and each language
70.7 other than English which is the primary language of five or more employees or independent
70.8 contractors of that workplace, if such notice is available from the department.

70.9 (b) Each employer must issue to each employee not more than 30 days from the beginning
70.10 date of the employee's employment, or 30 days before premium collection begins, which
70.11 ever is later, the following written information provided or approved by the department in
70.12 the primary language of the employee:

70.13 (1) an explanation of the availability of family and medical leave benefits provided under
70.14 this chapter, including rights to reinstatement and continuation of health insurance;

70.15 (2) the amount of premium deductions made by the employer under this chapter;

70.16 (3) the employer's premium amount and obligations under this chapter;

70.17 (4) the name and mailing address of the employer;

70.18 (5) the identification number assigned to the employer by the department;

70.19 (6) instructions on how to file a claim for family and medical leave benefits;

70.20 (7) the mailing address, e-mail address, and telephone number of the department; and

70.21 (8) any other information required by the department.

70.22 Delivery is made when an employee provides written acknowledgment of receipt of the
70.23 information, or signs a statement indicating the employee's refusal to sign such
70.24 acknowledgment.

70.25 (c) Each employer shall provide to each independent contractor with whom it contracts,
70.26 at the time such contract is made or, for existing contracts, within 30 days of the effective
70.27 date of this section, the following written information provided or approved by the department
70.28 in the self-employed individual's primary language:

70.29 (1) the address and telephone number of the department; and

70.30 (2) any other information required by the department.

71.1 (d) An employer that fails to comply with this subsection may be issued, for a first
71.2 violation, a civil penalty of \$50 per employee and per independent contractor with whom
71.3 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee
71.4 or self-employed individual with whom it has contracted. The employer shall have the
71.5 burden of demonstrating compliance with this section.

71.6 (e) Employer notice to an employee under this section may be provided in paper or
71.7 electronic format. For notice provided in electronic format only, the employer must provide
71.8 employee access to an employer-owner computer during an employee's regular working
71.9 hours to review and print required notices.

71.10 **Sec. 28. [268B.23] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

71.11 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this
71.12 chapter to run concurrently with leave taken for the same purpose under section 181.941
71.13 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,
71.14 as amended.

71.15 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

71.16 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
71.17 or personal time before or while taking leave under this chapter;

71.18 (2) prohibit an employer from providing additional benefits, including, but not limited
71.19 to, covering the portion of earnings not provided under this chapter during periods of leave
71.20 covered under this chapter; or

71.21 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
71.22 with respect to leave benefits and related procedures and employee protections that meet
71.23 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
71.24 this chapter.

71.25 **Sec. 29. [268B.24] SMALL BUSINESS ASSISTANCE GRANTS.**

71.26 (a) Employers with 50 or fewer employees may apply to the department for grants under
71.27 this section.

71.28 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
71.29 temporary worker to replace an employee on family or medical leave for a period of seven
71.30 days or more.

72.1 (c) For an employee's family or medical leave, the commissioner may approve a grant
72.2 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the
72.3 employee's leave.

72.4 (d) To be eligible for consideration for a grant under this section, the employer must
72.5 provide the department written documentation showing the temporary worker hired or
72.6 significant wage-related costs incurred are due to an employee's use of leave under this
72.7 chapter.

72.8 (e) The grants under this section may be funded from the account.

72.9 (f) For the purposes of this section, the commissioner shall average the number of
72.10 employees reported by an employer over the last four completed calendar quarters to
72.11 determine the size of the employer.

72.12 (g) An employer who has an approved private plan is not eligible to receive a grant under
72.13 this section.

72.14 (h) The commissioner may award grants under this section only up to a maximum of
72.15 \$5,000,000 per calendar year.

72.16 **Sec. 30. EFFECTIVE DATES.**

72.17 (a) Benefits under Minnesota Statutes, chapter 268B, shall not be applied for or paid
72.18 until January 1, 2022, and thereafter.

72.19 (b) Sections 1, 2, 4, 5, and 6 are effective July 1, 2019.

72.20 (c) Section 15 is effective July 1, 2020.

72.21 (d) Sections 3, 17, 18, 22, 23, 24, and 26 are effective January 1, 2021.

72.22 (e) Sections 19 and 20 are effective July 1, 2021.

72.23 (f) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 21, 25, 27, 28, and 29 are effective January
72.24 1, 2022.

73.1

ARTICLE 3

73.2

FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS

73.3 Section 1. Minnesota Statutes 2018, section 256J.561, is amended by adding a subdivision
73.4 to read:

73.5 Subd. 4. Parents receiving family and medical leave benefits. A parent who meets
73.6 the criteria under subdivision 2 and who receives benefits under chapter 268B is not required
73.7 to participate in employment services.

73.8 Sec. 2. Minnesota Statutes 2018, section 256J.95, subdivision 3, is amended to read:

73.9 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of
73.10 family units listed in clauses (1) to (8), all family units who apply for cash benefits and who
73.11 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must
73.12 participate in the diversionary work program. Family units or individuals that are not eligible
73.13 for the diversionary work program include:

73.14 (1) child only cases;

73.15 (2) single-parent family units that include a child under 12 months of age. A parent is
73.16 eligible for this exception once in a parent's lifetime;

73.17 (3) family units with a minor parent without a high school diploma or its equivalent;

73.18 (4) family units with an 18- or 19-year-old caregiver without a high school diploma or
73.19 its equivalent who chooses to have an employment plan with an education option;

73.20 (5) family units with a caregiver who received DWP benefits within the 12 months prior
73.21 to the month the family applied for DWP, except as provided in paragraph (c);

73.22 (6) family units with a caregiver who received MFIP within the 12 months prior to the
73.23 month the family applied for DWP;

73.24 (7) family units with a caregiver who received 60 or more months of TANF assistance;
73.25 ~~and~~

73.26 (8) family units with a caregiver who is disqualified from the work participation cash
73.27 benefit program, DWP, or MFIP due to fraud; and

73.28 (9) single-parent family units where a parent is receiving family and medical leave
73.29 benefits under chapter 268B.

74.1 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria
74.2 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a
74.3 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

74.4 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant
74.5 leaves the program for any reason and reapplies during the four-month period, the county
74.6 must redetermine eligibility for DWP.

74.7 Sec. 3. Minnesota Statutes 2018, section 256J.95, subdivision 11, is amended to read:

74.8 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
74.9 who meet the criteria in paragraph (d), are required to participate in DWP employment
74.10 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
74.11 at a minimum, meet the requirements in section 256J.55, subdivision 1.

74.12 (b) A caregiver who is a member of a two-parent family that is required to participate
74.13 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed
74.14 to develop an employment plan under section 256J.521, subdivision 2, that may contain
74.15 alternate activities and reduced hours.

74.16 (c) A participant who is a victim of family violence shall be allowed to develop an
74.17 employment plan under section 256J.521, subdivision 3. A claim of family violence must
74.18 be documented by the applicant or participant by providing a sworn statement which is
74.19 supported by collateral documentation in section 256J.545, paragraph (b).

74.20 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
74.21 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~
74.22 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
74.23 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
74.24 ~~(a), clause (5).~~ if that parent:

74.25 (1) receives family and medical leave benefits under chapter 268B; or

74.26 (2) has a natural born child under 12 months of age until the child reaches 12 months
74.27 of age unless the family unit has already used the exclusion under section 256J.561,
74.28 subdivision 3, or the previously allowed child under age one exemption under section
74.29 256J.56, paragraph (a), clause (5).

74.30 (e) The provision in paragraph (d) ends the first full month after the child reaches 12
74.31 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent
74.32 household, only one parent shall be allowed to use this category.

75.1 (f) The participant and job counselor must meet in the month after the month the child
75.2 reaches 12 months of age to revise the participant's employment plan. The employment plan
75.3 for a family unit that has a child under 12 months of age that has already used the exclusion
75.4 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

75.5 Sec. 4. Minnesota Statutes 2018, section 256P.01, subdivision 3, is amended to read:

75.6 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through
75.7 the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment
75.8 activities, net profit from self-employment activities, payments made by an employer for
75.9 regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits
75.10 paid under chapter 268B, payments from training programs at a rate at or greater than the
75.11 state's minimum wage, royalties, honoraria, or other profit from activity that results from
75.12 the client's work, service, effort, or labor. The income must be in return for, or as a result
75.13 of, legal activity.

75.14 Sec. 5. **EFFECTIVE DATES.**

75.15 Sections 1 to 4 are effective January 1, 2022.

75.16 ARTICLE 4

75.17 ECONOMIC DEVELOPMENT POLICY

75.18 Section 1. **[116J.545] GETTING TO WORK GRANT PROGRAM.**

75.19 Subdivision 1. **Creation.** The commissioner of employment and economic development
75.20 shall make grants to nonprofit organizations to establish and operate programs under this
75.21 section that provide, repair, or maintain motor vehicles to assist eligible individuals in
75.22 obtaining or maintaining employment. All grants shall be for two years.

75.23 Subd. 2. **Qualified grantee.** A grantee must:

75.24 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

75.25 (2) at the time of application, offer or have the demonstrated capacity to offer a motor
75.26 vehicle program that provides the services required under subdivision 3.

75.27 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
75.28 services:

75.29 (1) provision of new or used motor vehicles by gift, sale, or lease;

75.30 (2) motor vehicle repair and maintenance services; or

76.1 (3) motor vehicle loans.

76.2 (b) In addition to the requirements of paragraph (a), a program must offer one or more
76.3 of the following services:

76.4 (1) financial literacy education;

76.5 (2) education on budgeting for vehicle ownership;

76.6 (3) car maintenance and repair instruction;

76.7 (4) credit counseling; or

76.8 (5) job training related to motor vehicle maintenance and repair.

76.9 Subd. 4. **Application.** An application for a grant must be on a form provided by the
76.10 commissioner and on a schedule set by the commissioner. An application must, in addition
76.11 to any other information required by the commissioner, include the following:

76.12 (1) a detailed description of all services to be offered;

76.13 (2) the area to be served;

76.14 (3) the estimated number of program participants to be served by the grant; and

76.15 (4) a plan for leveraging resources from partners that may include but are not limited

76.16 to:

76.17 (i) automobile dealers;

76.18 (ii) automobile parts dealers;

76.19 (iii) independent local mechanics and automobile repair facilities;

76.20 (iv) banks and credit unions;

76.21 (v) employers;

76.22 (vi) employment and training agencies;

76.23 (vii) insurance companies and agents;

76.24 (viii) local workforce centers; and

76.25 (ix) educational institutions including vocational institutions and jobs or skills training
76.26 programs.

76.27 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person
76.28 must:

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

77.1 (2) be at least 18 years of age;

77.2 (3) have a valid driver's license;

77.3 (4) provide the grantee with proof of motor vehicle insurance; and

77.4 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
77.5 or maintain employment.

77.6 (b) This subdivision does not preclude a grantee from imposing additional requirements
77.7 consistent with paragraph (a) for the receipt of program services.

77.8 Subd. 6. **Report to legislature.** By February 15, 2021, and each January 15 in an
77.9 odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the
77.10 house of representatives and senate committees with jurisdiction over workforce and
77.11 economic development on program outcomes. At a minimum, the report must include:

77.12 (1) the total number of program participants;

77.13 (2) the number of program participants who received each of the following:

77.14 (i) provision of a motor vehicle;

77.15 (ii) motor vehicle repair services; and

77.16 (iii) motor vehicle loans;

77.17 (3) the number of program participants who report that they or their children were able
77.18 to increase their participation in community activities such as after-school programs, other
77.19 youth programs, church or civic groups, or library services as a result of participation in the
77.20 program; and

77.21 (4) an analysis of the impact of the getting to work grant program on the employment
77.22 rate and wages of program participants.

77.23 Sec. 2. Minnesota Statutes 2018, section 116J.8731, subdivision 5, is amended to read:

77.24 Subd. 5. **Grant limits.** A Minnesota investment fund grant may not be approved for an
77.25 amount in excess of \$1,000,000, except that a grant of up to \$2,000,000 is allowable for
77.26 projects that have at least \$25,000,000 in capital investment and 150 new employees. This
77.27 limit covers all money paid to complete the same project, whether paid to one or more grant
77.28 recipients and whether paid in one or more fiscal years. A local community or recognized
77.29 Indian tribal government may retain 40 percent, but not more than \$100,000, of a Minnesota
77.30 investment fund grant when it is repaid to the local community or recognized Indian tribal
77.31 government by the person or entity to which it was loaned by the local community or Indian

78.1 tribal government. Money repaid to the state must be credited to a Minnesota investment
78.2 revolving loan account in the state treasury. Funds in the account are appropriated to the
78.3 commissioner and must be used in the same manner as are funds appropriated to the
78.4 Minnesota investment fund. Funds repaid to the state through existing Minnesota investment
78.5 fund agreements must be credited to the Minnesota investment revolving loan account
78.6 effective July 1, 2005. A grant or loan may not be made to a person or entity for the operation
78.7 or expansion of a casino or a store which is used solely or principally for retail sales. Persons
78.8 or entities receiving grants or loans must pay each employee total compensation, including
78.9 benefits not mandated by law, that on an annualized basis is equal to at least ~~110~~ 125 percent
78.10 of the federal poverty level for a family of four.

78.11 Sec. 3. Minnesota Statutes 2018, section 116J.8748, subdivision 4, is amended to read:

78.12 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
78.13 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)
78.14 and (c) when the business has achieved its job creation and capital investment goals noted
78.15 in its agreement under subdivision 3.

78.16 (b) A qualified Minnesota job creation fund business may be certified eligible for the
78.17 benefits in this paragraph for up to five years for projects located in the metropolitan area
78.18 as defined in section 200.02, subdivision 24, and seven years for projects located outside
78.19 the metropolitan area, as determined by the commissioner when considering the best interests
78.20 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
78.21 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
78.22 outside the metropolitan area may be for up to seven years in length. The eligibility for the
78.23 following benefits begins the date the commissioner certifies the business as a qualified
78.24 Minnesota job creation fund business under this subdivision:

78.25 (1) up to five percent rebate for projects located in the metropolitan area as defined in
78.26 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
78.27 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
78.28 total rebate for a project not to exceed \$500,000;

78.29 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
78.30 in subdivision 6 with the total award not to exceed \$500,000;

78.31 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
78.32 are allowable for projects that have at least \$25,000,000 in capital investment and 200 new
78.33 employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75
78.34 new employees for projects located outside the metropolitan area;

79.1 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
79.2 at least \$25,000,000 in capital investment and 200 retained employees for projects located
79.3 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
79.4 projects located outside the metropolitan area; and

79.5 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
79.6 include the installation and purchases of machinery and equipment. These expenditures are
79.7 not eligible for the capital investment rebate provided under subdivision 5.

79.8 (c) The job creation award may be provided in multiple years as long as the qualified
79.9 Minnesota job creation fund business continues to meet the job creation goals provided for
79.10 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
79.11 as provided under paragraph (b), clauses (3) and (4).

79.12 (d) No rebates or award may be provided until the Minnesota job creation fund business
79.13 or a third party constructing or managing the project has at least \$500,000 in capital
79.14 investment in the project and at least ten full-time jobs have been created and maintained
79.15 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
79.16 remain for at least one year. The agreement may require additional performance outcomes
79.17 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
79.18 maintained, but still above the minimum under this subdivision, the capital investment
79.19 award shall be reduced on a proportionate basis.

79.20 (e) The forms needed to be submitted to document performance by the Minnesota job
79.21 creation fund business must be in the form and be made under the procedures specified by
79.22 the commissioner. The forms shall include documentation and certification by the business
79.23 that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66,
79.24 and other provisions as specified by the commissioner.

79.25 (f) Minnesota job creation fund businesses must pay each new full-time employee added
79.26 pursuant to the agreement total compensation, including benefits not mandated by law, that
79.27 on an annualized basis is equal to at least ~~110~~ 125 percent of the federal poverty level for
79.28 a family of four.

79.29 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
79.30 capital investment expenditures within six months following designation as a Minnesota
79.31 job creation fund business to ensure that the capital investment goal in the agreement under
79.32 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
79.33 for benefits under the submitted application and will need to work with the local government
79.34 unit to resubmit a new application and request to be a Minnesota job creation fund business.

80.1 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
80.2 be considered a default of the business subsidy agreement.

80.3 Sec. 4. Minnesota Statutes 2018, section 116J.8748, subdivision 6, is amended to read:

80.4 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
80.5 eligible for an annual award for each new job created and maintained by the business using
80.6 the following schedule: \$1,000 for each job position paying annual wages at least ~~\$26,000~~
80.7 \$32,188 but less than \$35,000 no more than \$37,707; \$2,000 for each job position paying
80.8 ~~at least \$35,000~~ more than \$37,707 but less than \$45,000 no more than \$47,965; and \$3,000
80.9 for each job position paying ~~at least \$45,000~~ more than \$47,965; and as noted in the goals
80.10 under the agreement provided under subdivision 1. These awards are increased by \$1,000
80.11 if the business is located outside the metropolitan area as defined in section 200.02,
80.12 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
80.13 women, or persons with a disability.

80.14 (b) The job creation award schedule must be adjusted annually using the percentage
80.15 increase in the federal poverty level for a family of four.

80.16 (c) Minnesota job creation fund businesses seeking an award credit provided under
80.17 subdivision 4 must submit forms and applications to the Department of Employment and
80.18 Economic Development as prescribed by the commissioner.

80.19 Sec. 5. **[116L.25] PATHWAYS TO PROSPERITY GRANT PROGRAM.**

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

80.22 (b) "Career pathway" means a career-readiness program, connected to a specific industry
80.23 sector, that combines basic skills training, education, and support services and results in
80.24 either industry-specific training or an employer-recognized credential.

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

80.26 (d) "Pathways to prosperity grant program" or "grant program" means the competitive
80.27 grant program created in this section.

80.28 Subd. 2. **Establishment.** The commissioner shall establish a pathways to prosperity
80.29 grant program to award grants to organizations to train adults facing the greatest employment
80.30 disparities and to assist them in finding employment in high-demand occupations with
80.31 long-term employment opportunities.

81.1 Subd. 3. **Grant process.** (a) The commissioner shall award grants to organizations
81.2 through a competitive grant process.

81.3 (b) The commissioner shall develop grant-making criteria for the grant program. These
81.4 criteria shall include guidelines for multiple types of career pathways. These criteria shall
81.5 also consider a program's alignment with the labor market in the community where the
81.6 program operates and, where applicable, a program's previous grant performance. At least
81.7 once every biennium, the commissioner shall consult with workforce development service
81.8 providers on program criteria and administration.

81.9 (c) All reporting requirements for grant recipients shall be outlined in plain language in
81.10 both the request for proposal and the grant contract.

81.11 (d) The commissioner shall provide applicants with technical assistance with
81.12 understanding application procedures and program guidelines.

81.13 **Sec. 6. [116L.35] INVENTORY OF WORKFORCE DEVELOPMENT PROGRAMS.**

81.14 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the
81.15 commissioner of employment and economic development must submit a report to the chairs
81.16 of the legislative committees with jurisdiction over workforce development that provides
81.17 an inventory of all workforce development programs either provided by or overseen by any
81.18 branch of the state of Minnesota.

81.19 (b) Programs related to workforce development that must be included in the report
81.20 include those that:

81.21 (1) are federally funded or state funded;

81.22 (2) provide assistance to either businesses or individuals; or

81.23 (3) support internships, apprenticeships, career and technical education, or any form of
81.24 employment training.

81.25 (c) For each workforce development program, the report must include, at a minimum,
81.26 the following information:

81.27 (1) details of program costs;

81.28 (2) the number of staff, both within the department and any outside organization;

81.29 (3) the number of program participants;

81.30 (4) a short description of what each program does;

81.31 (5) to the extent practical, quantifiable measures of program success;

- 82.1 (6) any data necessary to describe the work of the program;
82.2 (7) any data necessary to describe or evaluate the success of the program; and
82.3 (8) a plan for how the program can best measure its success in a manner useful and
82.4 understandable to those responsible for funding the program in the future.

82.5 **Sec. 7. [116L.43] METROPOLITAN JOB TRAINING GRANTS.**

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

82.8 (b) "Agreement" means the agreement between an employer and the commissioner for
82.9 a project.

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

82.11 (d) "Disability" has the meaning given under United States Code, title 42, chapter 126.

82.12 (e) "Employee" means the individual employed in a new job.

82.13 (f) "Employer" means the individual, corporation, partnership, limited liability company,
82.14 or association providing new jobs and entering into an agreement.

82.15 (g) "New job" means a job:

82.16 (1) that is provided by a new or expanding business in the manufacturing or technology
82.17 industry;

82.18 (2) that is located within the metropolitan area, as defined under section 473.121,
82.19 subdivision 2;

82.20 (3) that provides at least 32 hours of work per week for a minimum of nine months per
82.21 year and is permanent with no planned termination date;

82.22 (4) that is certified by the commissioner as qualifying under the program before the first
82.23 employee is hired to fill the job; and

82.24 (5) for which an employee hired was not:

82.25 (i) formerly employed by the employer in the state; or

82.26 (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

82.27 (h) "Program" means the project or projects established under this section.

82.28 (i) "Program costs" means all necessary and incidental costs of providing program
82.29 services, except that program costs are increased by \$1,000 per employee for an individual

83.1 with a disability. The term does not include the cost of purchasing equipment to be owned
83.2 or used by the training or educational institution or service.

83.3 (j) "Program services" means training and education specifically directed to new jobs
83.4 that are determined to be appropriate by the commissioner, including in-house training;
83.5 services provided by institutions of higher education and federal, state, or local agencies;
83.6 or private training or educational services. Administrative services and assessment and
83.7 testing costs are included.

83.8 (k) "Project" means a training arrangement that is the subject of an agreement entered
83.9 into between the commissioner and an employer to provide program services.

83.10 Subd. 2. **Service provision.** Upon request, the commissioner shall provide or coordinate
83.11 the provision of program services under this section to a business eligible for grants under
83.12 subdivision 8. The commissioner shall specify the form of and required information to be
83.13 provided with applications for projects to be funded with grants under this section.

83.14 Subd. 3. **Agreements; required terms.** (a) The commissioner may enter into an
83.15 agreement to establish a project with an employer that:

83.16 (1) identifies program costs to be paid from sources under the program;

83.17 (2) identifies program costs to be paid by the employer;

83.18 (3) provides that on-the-job training costs for employees may not exceed 50 percent of
83.19 the annual gross wages and salaries of the new jobs in the first full year after execution of
83.20 the agreement up to a maximum of \$10,000 per eligible employee;

83.21 (4) provides that each employee must be paid wages at least equal to the median hourly
83.22 wage for the county in which the job is located, as reported in the most recently available
83.23 data from the United States Bureau of the Census, plus benefits, by the earlier of the end
83.24 of the training period or 18 months of employment under the project; and

83.25 (5) provides that job training will be provided and the length of time of training.

83.26 (b) Before entering into a final agreement, the commissioner shall:

83.27 (1) determine that sufficient funds for the project are available under subdivision 8; and

83.28 (2) investigate the applicability of other training programs and determine whether the
83.29 job skills partnership grant program is a more suitable source of funding for the training
83.30 and whether the training can be completed in a timely manner that meets the needs of the
83.31 business.

84.1 The investigation under clause (2) must be completed within 15 days or as soon as reasonably
84.2 possible after the employer has provided the commissioner with all the requested information.

84.3 Subd. 4. **Grant funds sufficient.** The commissioner must not enter into an agreement
84.4 under subdivision 3 unless the commissioner determines that sufficient funds are available.

84.5 Subd. 5. **Grant limit.** The maximum grant amount for a project is \$400,000.

84.6 Subd. 6. **Allocation.** The commissioner shall allocate grant funds under subdivision 8
84.7 to project applications based on a first-come, first-served basis, determined on the basis of
84.8 the commissioner's receipt of a complete application for the project, including the provision
84.9 of all of the required information. The agreement must specify the amount of grant funds
84.10 available to the employer for each year covered by the agreement.

84.11 Subd. 7. **Application fee.** The commissioner may charge each employer an application
84.12 fee to cover part or all of the administrative and legal costs incurred, not to exceed \$500
84.13 per employer. The fee is deemed approved under section 16A.1283. The fee is deposited
84.14 in the metropolitan jobs training account in the special revenue fund and amounts in the
84.15 account are appropriated to the commissioner for the costs of administering the program.
84.16 The commissioner shall refund the fee to the employer if the application is denied because
84.17 program funding is unavailable.

84.18 Subd. 8. **Grants; recovery of program costs.** Amounts paid by employers for program
84.19 costs are repaid by a metropolitan job training grant equal to the lesser of the following:

84.20 (1) the amount of program costs specified in the agreement for the project; or

84.21 (2) the amount of program costs paid by the employer for new employees under a project.

84.22 Subd. 9. **Reports.** (a) By February 1, 2022, and each February 1 thereafter, the
84.23 commissioner shall report to the governor and the legislature on the program. The report
84.24 must include at least:

84.25 (1) the amount of grants issued under the program;

84.26 (2) the number of individuals receiving training under the program, including the number
84.27 of new hires who are individuals with disabilities;

84.28 (3) the number of new hires attributable to the program, including the number of new
84.29 hires who are individuals with disabilities;

84.30 (4) an analysis of the effectiveness of the grant in encouraging employment; and

84.31 (5) any other information the commissioner determines appropriate.

85.1 (b) The report to the legislature must be distributed as provided in section 3.195.

85.2 Sec. 8. [116L.9761] MINNESOTA CALL CENTER JOBS ACT.

85.3 Sections 116L.9762 to 116L.9766 shall be known as the "Minnesota Call Center Jobs
85.4 Act."

85.5 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

85.6 Sec. 9. [116L.9762] DEFINITIONS.

85.7 Subdivision 1. **Application.** For the purposes of sections 116L.9762 to 116L.9766, the
85.8 terms defined in this section have the meanings given them.

85.9 Subd. 2. **Agency.** "Agency" means a state department under section 15.01.

85.10 Subd. 3. **Business entity.** "Business entity" means any organization, corporation, trust,
85.11 partnership, sole proprietorship, unincorporated association, or venture established to make
85.12 a profit, in whole or in part, by purposefully availing itself of the privilege of conducting
85.13 commerce in Minnesota.

85.14 Subd. 4. **Call center.** "Call center" means a facility or other operation with employees
85.15 who receive incoming telephone calls, e-mail, or other electronic communications for the
85.16 purpose of providing customer assistance or other service.

85.17 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of employment and
85.18 economic development.

85.19 Subd. 6. **Employer.** "Employer" means a business enterprise that employs, for the
85.20 purpose of customer service or back-office operations:

85.21 (1) 50 or more employees, excluding part-time employees; or

85.22 (2) 50 or more employees who, in the aggregate, work at least 1,500 hours per week,
85.23 exclusive of hours of overtime.

85.24 Subd. 7. **Part-time employee.** "Part-time employee" means an employee who is employed
85.25 for an average of fewer than 20 hours per week or who has been employed for fewer than
85.26 six of the 12 months preceding the date on which notice is required under section 116L.9763.

85.27 Subd. 8. **Relocating; relocation.** "Relocating" or "relocation" means the closure of a
85.28 call center, the cessation of operations of a call center, or one or more facilities or operating
85.29 units within a call center comprising at least 30 percent of the call center's or operating unit's

86.1 total volume when measured against the previous 12-month average call volume of operations
86.2 or substantially similar operations, to a location outside of the United States.

86.3 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

86.4 Sec. 10. **[116L.9763] CALL CENTER RELOCATIONS.**

86.5 (a) An employer must notify the commissioner if it intends to relocate from Minnesota
86.6 to a foreign country either of the following:

86.7 (1) a call center; or

86.8 (2) one or more facilities or operating units within a call center that comprise at least 30
86.9 percent of the call center's or operating unit's total volume when measured against the
86.10 previous 12-month average call volume of operations or substantially similar operations.

86.11 (b) The notification required under paragraph (a) must be given at least 120 days before
86.12 the relocation is to occur.

86.13 (c) An employer that violates paragraph (a) is subject to a civil penalty not to exceed
86.14 \$10,000 for each day of the violation, except that the commissioner may reduce the amount
86.15 for just cause shown.

86.16 (d) The commissioner shall compile a semiannual list of all employers that relocate a
86.17 call center, or one or more facilities or operating units within a call center comprising at
86.18 least 30 percent of the call center's total volume of operations, from the United States to a
86.19 foreign country, and distribute the list to all agencies.

86.20 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

86.21 Sec. 11. **[116L.9764] GRANTS; LOANS; SUBSIDIES.**

86.22 (a) Except as provided in paragraph (b) and notwithstanding any other provision of law,
86.23 an employer that appears on the list prepared under section 116L.9763 shall be ineligible
86.24 for any direct or indirect state grants or state guaranteed loans for five years after the date
86.25 the employer is placed on the list.

86.26 (b) Except as provided in paragraph (c) and notwithstanding any other provision of law,
86.27 an employer that appears on the list prepared under section 116L.9763 shall remit to the
86.28 commissioner of management and budget the unamortized value of any grants, guaranteed
86.29 loans, tax benefits, or other governmental support it has previously received.

86.30 (c) The commissioner of management and budget, in consultation with the commissioner
86.31 of the agency providing or administering the public subsidy, may waive the ineligibility

87.1 requirement under paragraph (a) if the employer applying for the loan or grant demonstrates
 87.2 that not having the loan or grant would threaten national security, result in substantial job
 87.3 loss in Minnesota, or harm the environment.

87.4 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

87.5 **Sec. 12. [116L.9765] PROCUREMENT.**

87.6 The commissioner of each agency shall ensure that all state business related call center
 87.7 and customer service work be performed by state contractors or their agents or subcontractors
 87.8 entirely within Minnesota. State contractors who currently perform work outside Minnesota
 87.9 shall have two years following the effective date of this act to comply with this section.
 87.10 Any new call center or customer service employees hired by the contractor during the
 87.11 compliance period under this section must be employed in Minnesota.

87.12 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

87.13 **Sec. 13. [116L.9766] EMPLOYEE BENEFITS.**

87.14 Nothing in sections 116L.9762 to 116L.9766 shall be construed to permit the withholding
 87.15 or denial of payments, compensation, or benefits under any other state law, including state
 87.16 unemployment compensation, disability payments, or worker retraining or readjustment
 87.17 funds, to employees of employers that relocate to a foreign country.

87.18 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

87.19 **Sec. 14. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:**

87.20	Subd. 3. Workforce Development	\$	31,498,000	\$	30,231,000
87.21	Appropriations by Fund				
87.22	General	\$6,239,000		\$5,889,000	
87.23	Workforce				
87.24	Development	\$25,259,000		\$24,342,000	

87.25 (a) \$500,000 each year is for the
 87.26 youth-at-work competitive grant program
 87.27 under Minnesota Statutes, section 116L.562.
 87.28 Of this amount, up to five percent is for
 87.29 administration and monitoring of the youth
 87.30 workforce development competitive grant
 87.31 program. All grant awards shall be for two

88.1 consecutive years. Grants shall be awarded in
88.2 the first year. In fiscal year 2020 and beyond,
88.3 the base amount is \$750,000.

88.4 (b) \$250,000 each year is for pilot programs
88.5 in the workforce service areas to combine
88.6 career and higher education advising.

88.7 (c) \$500,000 each year is for rural career
88.8 counseling coordinator positions in the
88.9 workforce service areas and for the purposes
88.10 specified in Minnesota Statutes, section
88.11 116L.667. The commissioner of employment
88.12 and economic development, in consultation
88.13 with local workforce investment boards and
88.14 local elected officials in each of the service
88.15 areas receiving funds, shall develop a method
88.16 of distributing funds to provide equitable
88.17 services across workforce service areas.

88.18 (d) \$1,000,000 each year is for a grant to the
88.19 Construction Careers Foundation for the
88.20 construction career pathway initiative to
88.21 provide year-round educational and
88.22 experiential learning opportunities for teens
88.23 and young adults under the age of 21 that lead
88.24 to careers in the construction industry. This is
88.25 a onetime appropriation. Grant funds must be
88.26 used to:

88.27 (1) increase construction industry exposure
88.28 activities for middle school and high school
88.29 youth, parents, and counselors to reach a more
88.30 diverse demographic and broader statewide
88.31 audience. This requirement includes, but is
88.32 not limited to, an expansion of programs to
88.33 provide experience in different crafts to youth
88.34 and young adults throughout the state;

89.1 (2) increase the number of high schools in
89.2 Minnesota offering construction classes during
89.3 the academic year that utilize a multicraft
89.4 curriculum;

89.5 (3) increase the number of summer internship
89.6 opportunities;

89.7 (4) enhance activities to support graduating
89.8 seniors in their efforts to obtain employment
89.9 in the construction industry;

89.10 (5) increase the number of young adults
89.11 employed in the construction industry and
89.12 ensure that they reflect Minnesota's diverse
89.13 workforce; and

89.14 (6) enhance an industrywide marketing
89.15 campaign targeted to youth and young adults
89.16 about the depth and breadth of careers within
89.17 the construction industry.

89.18 Programs and services supported by grant
89.19 funds must give priority to individuals and
89.20 groups that are economically disadvantaged
89.21 or historically underrepresented in the
89.22 construction industry, including but not limited
89.23 to women, veterans, and members of minority
89.24 and immigrant groups.

89.25 (e) \$1,539,000 each year from the general fund
89.26 and \$4,604,000 each year from the workforce
89.27 development fund are for the Pathways to
89.28 Prosperity adult workforce development
89.29 competitive grant program. Of this amount,
89.30 up to four percent is for administration and
89.31 monitoring of the program. When awarding
89.32 grants under this paragraph, the commissioner
89.33 of employment and economic development
89.34 may give preference to any previous grantee

90.1 with demonstrated success in job training and
90.2 placement for hard-to-train individuals. In
90.3 fiscal year 2020 and beyond, the general fund
90.4 base amount for this program is \$4,039,000.

90.5 (f) \$750,000 each year is for a competitive
90.6 grant program to provide grants to
90.7 organizations that provide support services for
90.8 individuals, such as job training, employment
90.9 preparation, internships, job assistance to
90.10 fathers, financial literacy, academic and
90.11 behavioral interventions for low-performing
90.12 students, and youth intervention. Grants made
90.13 under this section must focus on low-income
90.14 communities, young adults from families with
90.15 a history of intergenerational poverty, and
90.16 communities of color. Of this amount, up to
90.17 four percent is for administration and
90.18 monitoring of the program. In fiscal year 2020
90.19 and beyond, the base amount is \$1,000,000.

90.20 (g) \$500,000 each year is for the women and
90.21 high-wage, high-demand, nontraditional jobs
90.22 grant program under Minnesota Statutes,
90.23 section 116L.99. Of this amount, up to five
90.24 percent is for administration and monitoring
90.25 of the program. In fiscal year 2020 and
90.26 beyond, the base amount is \$750,000.

90.27 (h) \$500,000 each year is for a competitive
90.28 grant program for grants to organizations
90.29 providing services to relieve economic
90.30 disparities in the Southeast Asian community
90.31 through workforce recruitment, development,
90.32 job creation, assistance of smaller
90.33 organizations to increase capacity, and
90.34 outreach. Of this amount, up to five percent
90.35 is for administration and monitoring of the

91.1 program. In fiscal year 2020 and beyond, the
91.2 base amount is \$1,000,000.

91.3 (i) \$250,000 each year is for a grant to the
91.4 American Indian Opportunities and
91.5 Industrialization Center, in collaboration with
91.6 the Northwest Indian Community
91.7 Development Center, to reduce academic
91.8 disparities for American Indian students and
91.9 adults. This is a onetime appropriation. The
91.10 grant funds may be used to provide:

91.11 (1) student tutoring and testing support
91.12 services;

91.13 (2) training in information technology;

91.14 (3) assistance in obtaining a GED;

91.15 (4) remedial training leading to enrollment in
91.16 a postsecondary higher education institution;

91.17 (5) real-time work experience in information
91.18 technology fields; and

91.19 (6) contextualized adult basic education.

91.20 After notification to the legislature, the
91.21 commissioner may transfer this appropriation
91.22 to the commissioner of education.

91.23 (j) \$100,000 each year is for the getting to
91.24 work grant program. This is a onetime
91.25 appropriation and is available until June 30,
91.26 2021.

91.27 (k) \$525,000 each year is from the workforce
91.28 development fund for a grant to the YWCA
91.29 of Minneapolis to provide economically
91.30 challenged individuals the job skills training,
91.31 career counseling, and job placement
91.32 assistance necessary to secure a child
91.33 development associate credential and to have

- 92.1 a career path in early childhood education.
- 92.2 This is a onetime appropriation.
- 92.3 (l) \$1,350,000 each year is from the workforce
- 92.4 development fund for a grant to the Minnesota
- 92.5 High Tech Association to support
- 92.6 SciTechsperience, a program that supports
- 92.7 science, technology, engineering, and math
- 92.8 (STEM) internship opportunities for two- and
- 92.9 four-year college students and graduate
- 92.10 students in their field of study. The internship
- 92.11 opportunities must match students with paid
- 92.12 internships within STEM disciplines at small,
- 92.13 for-profit companies located in Minnesota,
- 92.14 having fewer than 250 employees worldwide.
- 92.15 At least 300 students must be matched in the
- 92.16 first year and at least 350 students must be
- 92.17 matched in the second year. No more than 15
- 92.18 percent of the hires may be graduate students.
- 92.19 Selected hiring companies shall receive from
- 92.20 the grant 50 percent of the wages paid to the
- 92.21 intern, capped at \$2,500 per intern. The
- 92.22 program must work toward increasing the
- 92.23 participation of women or other underserved
- 92.24 populations. This is a onetime appropriation.
- 92.25 (m) \$450,000 each year is from the workforce
- 92.26 development fund for grants to Minnesota
- 92.27 Diversified Industries, Inc. to provide
- 92.28 progressive development and employment
- 92.29 opportunities for people with disabilities. This
- 92.30 is a onetime appropriation.
- 92.31 (n) \$500,000 each year is from the workforce
- 92.32 development fund for a grant to Resource, Inc.
- 92.33 to provide low-income individuals career
- 92.34 education and job skills training that are fully

- 93.1 integrated with chemical and mental health
93.2 services. This is a onetime appropriation.
- 93.3 (o) \$750,000 each year is from the workforce
93.4 development fund for a grant to the Minnesota
93.5 Alliance of Boys and Girls Clubs to administer
93.6 a statewide project of youth job skills and
93.7 career development. This project, which may
93.8 have career guidance components including
93.9 health and life skills, is designed to encourage,
93.10 train, and assist youth in early access to
93.11 education and job-seeking skills, work-based
93.12 learning experience including career pathways
93.13 in STEM learning, career exploration and
93.14 matching, and first job placement through
93.15 local community partnerships and on-site job
93.16 opportunities. This grant requires a 25 percent
93.17 match from nonstate resources. This is a
93.18 onetime appropriation.
- 93.19 (p) \$215,000 each year is from the workforce
93.20 development fund for grants to Big Brothers,
93.21 Big Sisters of the Greater Twin Cities for
93.22 workforce readiness, employment exploration,
93.23 and skills development for youth ages 12 to
93.24 21. The grant must serve youth in the Twin
93.25 Cities, Central Minnesota, and Southern
93.26 Minnesota Big Brothers, Big Sisters chapters.
93.27 This is a onetime appropriation.
- 93.28 (q) \$250,000 each year is from the workforce
93.29 development fund for a grant to YWCA St.
93.30 Paul to provide job training services and
93.31 workforce development programs and
93.32 services, including job skills training and
93.33 counseling. This is a onetime appropriation.
- 93.34 (r) \$1,000,000 each year is from the workforce
93.35 development fund for a grant to EMERGE

94.1 Community Development, in collaboration
94.2 with community partners, for services
94.3 targeting Minnesota communities with the
94.4 highest concentrations of African and
94.5 African-American joblessness, based on the
94.6 most recent census tract data, to provide
94.7 employment readiness training, credentialed
94.8 training placement, job placement and
94.9 retention services, supportive services for
94.10 hard-to-employ individuals, and a general
94.11 education development fast track and adult
94.12 diploma program. This is a onetime
94.13 appropriation.

94.14 (s) \$1,000,000 each year is from the workforce
94.15 development fund for a grant to the
94.16 Minneapolis Foundation for a strategic
94.17 intervention program designed to target and
94.18 connect program participants to meaningful,
94.19 sustainable living-wage employment. This is
94.20 a onetime appropriation.

94.21 (t) \$750,000 each year is from the workforce
94.22 development fund for a grant to Latino
94.23 Communities United in Service (CLUES) to
94.24 expand culturally tailored programs that
94.25 address employment and education skill gaps
94.26 for working parents and underserved youth by
94.27 providing new job skills training to stimulate
94.28 higher wages for low-income people, family
94.29 support systems designed to reduce
94.30 intergenerational poverty, and youth
94.31 programming to promote educational
94.32 advancement and career pathways. At least
94.33 50 percent of this amount must be used for
94.34 programming targeted at greater Minnesota.
94.35 This is a onetime appropriation.

95.1 (u) \$600,000 each year is from the workforce
95.2 development fund for a grant to Ujamaa Place
95.3 for job training, employment preparation,
95.4 internships, education, training in the
95.5 construction trades, housing, and
95.6 organizational capacity building. This is a
95.7 onetime appropriation.

95.8 (v) \$1,297,000 in the first year and \$800,000
95.9 in the second year are from the workforce
95.10 development fund for performance grants
95.11 under Minnesota Statutes, section 116J.8747,
95.12 to Twin Cities R!SE to provide training to
95.13 hard-to-train individuals. Of the amounts
95.14 appropriated, \$497,000 in fiscal year 2018 is
95.15 for a grant to Twin Cities R!SE, in
95.16 collaboration with Metro Transit and Hennepin
95.17 Technical College for the Metro Transit
95.18 technician training program. This is a onetime
95.19 appropriation and funds are available until
95.20 June 30, 2020.

95.21 (w) \$230,000 in fiscal year 2018 is from the
95.22 workforce development fund for a grant to the
95.23 Bois Forte Tribal Employment Rights Office
95.24 (TERO) for an American Indian workforce
95.25 development training pilot project. This is a
95.26 onetime appropriation and is available until
95.27 June 30, 2019. Funds appropriated the first
95.28 year are available for use in the second year
95.29 of the biennium.

95.30 (x) \$40,000 in fiscal year 2018 is from the
95.31 workforce development fund for a grant to the
95.32 Cook County Higher Education Board to
95.33 provide educational programming and
95.34 academic support services to remote regions
95.35 in northeastern Minnesota. This appropriation

96.1 is in addition to other funds previously
96.2 appropriated to the board.

96.3 (y) \$250,000 each year is from the workforce
96.4 development fund for a grant to Bridges to
96.5 Healthcare to provide career education,
96.6 wraparound support services, and job skills
96.7 training in high-demand health care fields to
96.8 low-income parents, nonnative speakers of
96.9 English, and other hard-to-train individuals,
96.10 helping families build secure pathways out of
96.11 poverty while also addressing worker
96.12 shortages in one of Minnesota's most
96.13 innovative industries. Funds may be used for
96.14 program expenses, including, but not limited
96.15 to, hiring instructors and navigators; space
96.16 rental; and supportive services to help
96.17 participants attend classes, including assistance
96.18 with course fees, child care, transportation,
96.19 and safe and stable housing. In addition, up to
96.20 five percent of grant funds may be used for
96.21 Bridges to Healthcare's administrative costs.
96.22 This is a onetime appropriation and is
96.23 available until June 30, 2020.

96.24 (z) \$500,000 each year is from the workforce
96.25 development fund for a grant to the Nonprofits
96.26 Assistance Fund to provide capacity-building
96.27 grants to small, culturally specific
96.28 organizations that primarily serve historically
96.29 underserved cultural communities. Grants may
96.30 only be awarded to nonprofit organizations
96.31 that have an annual organizational budget of
96.32 less than \$500,000 and are culturally specific
96.33 organizations that primarily serve historically
96.34 underserved cultural communities. Grant funds
96.35 awarded must be used for:

97.1 (1) organizational infrastructure improvement,
97.2 including developing database management
97.3 systems and financial systems, or other
97.4 administrative needs that increase the
97.5 organization's ability to access new funding
97.6 sources;

97.7 (2) organizational workforce development,
97.8 including hiring culturally competent staff,
97.9 training and skills development, and other
97.10 methods of increasing staff capacity; or

97.11 (3) creation or expansion of partnerships with
97.12 existing organizations that have specialized
97.13 expertise in order to increase the capacity of
97.14 the grantee organization to improve services
97.15 for the community. Of this amount, up to five
97.16 percent may be used by the Nonprofits
97.17 Assistance Fund for administration costs and
97.18 providing technical assistance to potential
97.19 grantees. This is a onetime appropriation.

97.20 (aa) \$4,050,000 each year is from the
97.21 workforce development fund for the
97.22 Minnesota youth program under Minnesota
97.23 Statutes, sections 116L.56 and 116L.561.

97.24 (bb) \$1,000,000 each year is from the
97.25 workforce development fund for the
97.26 youthbuild program under Minnesota Statutes,
97.27 sections 116L.361 to 116L.366.

97.28 (cc) \$3,348,000 each year is from the
97.29 workforce development fund for the "Youth
97.30 at Work" youth workforce development
97.31 competitive grant program. Of this amount,
97.32 up to five percent is for administration and
97.33 monitoring of the youth workforce
97.34 development competitive grant program. All

98.1 grant awards shall be for two consecutive
98.2 years. Grants shall be awarded in the first year.

98.3 (dd) \$500,000 each year is from the workforce
98.4 development fund for the Opportunities
98.5 Industrialization Center programs.

98.6 (ee) \$750,000 each year is from the workforce
98.7 development fund for a grant to Summit
98.8 Academy OIC to expand its contextualized
98.9 GED and employment placement program.
98.10 This is a onetime appropriation.

98.11 (ff) \$500,000 each year is from the workforce
98.12 development fund for a grant to
98.13 Goodwill-Easter Seals Minnesota and its
98.14 partners. The grant shall be used to continue
98.15 the FATHER Project in Rochester, Park
98.16 Rapids, St. Cloud, Minneapolis, and the
98.17 surrounding areas to assist fathers in
98.18 overcoming barriers that prevent fathers from
98.19 supporting their children economically and
98.20 emotionally. This is a onetime appropriation.

98.21 (gg) \$150,000 each year is from the workforce
98.22 development fund for displaced homemaker
98.23 programs under Minnesota Statutes, section
98.24 116L.96. The commissioner shall distribute
98.25 the funds to existing nonprofit and state
98.26 displaced homemaker programs. This is a
98.27 onetime appropriation.

98.28 (hh)(1) \$150,000 in fiscal year 2018 is from
98.29 the workforce development fund for a grant
98.30 to Anoka County to develop and implement
98.31 a pilot program to increase competitive
98.32 employment opportunities for transition-age
98.33 youth ages 18 to 21.

99.1 (2) The competitive employment for
99.2 transition-age youth pilot program shall
99.3 include career guidance components, including
99.4 health and life skills, to encourage, train, and
99.5 assist transition-age youth in job-seeking
99.6 skills, workplace orientation, and job site
99.7 knowledge.

99.8 (3) In operating the pilot program, Anoka
99.9 County shall collaborate with schools,
99.10 disability providers, jobs and training
99.11 organizations, vocational rehabilitation
99.12 providers, and employers to build upon
99.13 opportunities and services, to prepare
99.14 transition-age youth for competitive
99.15 employment, and to enhance employer
99.16 connections that lead to employment for the
99.17 individuals served.

99.18 (4) Grant funds may be used to create an
99.19 on-the-job training incentive to encourage
99.20 employers to hire and train qualifying
99.21 individuals. A participating employer may
99.22 receive up to 50 percent of the wages paid to
99.23 the employee as a cost reimbursement for
99.24 on-the-job training provided.

99.25 (ii) \$500,000 each year is from the workforce
99.26 development fund for rural career counseling
99.27 coordinator positions in the workforce service
99.28 areas and for the purposes specified in
99.29 Minnesota Statutes, section 116L.667. The
99.30 commissioner of employment and economic
99.31 development, in consultation with local
99.32 workforce investment boards and local elected
99.33 officials in each of the service areas receiving
99.34 funds, shall develop a method of distributing

100.1 funds to provide equitable services across
100.2 workforce service areas.

100.3 (jj) In calendar year 2017, the public utility
100.4 subject to Minnesota Statutes, section
100.5 116C.779, must withhold \$1,000,000 from the
100.6 funds required to fulfill its financial
100.7 commitments under Minnesota Statutes,
100.8 section 116C.779, subdivision 1, and pay such
100.9 amounts to the commissioner of employment
100.10 and economic development for deposit in the
100.11 Minnesota 21st century fund under Minnesota
100.12 Statutes, section 116J.423.

100.13 (kk) \$350,000 in fiscal year 2018 is for a grant
100.14 to AccessAbility Incorporated to provide job
100.15 skills training to individuals who have been
100.16 released from incarceration for a felony-level
100.17 offense and are no more than 12 months from
100.18 the date of release. AccessAbility Incorporated
100.19 shall annually report to the commissioner on
100.20 how the money was spent and the results
100.21 achieved. The report must include, at a
100.22 minimum, information and data about the
100.23 number of participants; participant
100.24 homelessness, employment, recidivism, and
100.25 child support compliance; and training
100.26 provided to program participants.

100.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

100.28 Sec. 15. **PLAN TO ADDRESS BARRIERS TO EMPLOYMENT.**

100.29 The commissioner of employment and economic development must consult with the
100.30 commissioners of health and human services and stakeholders in order to identify the barriers
100.31 that people with mental illness face in obtaining employment and all current programs that
100.32 assist people with mental illness in obtaining employment. Stakeholders shall include people
100.33 with mental illness and their families, mental health advocates, mental health providers,
100.34 and employers. The commissioner of employment and economic development shall submit

101.1 a detailed plan to the legislative committees with jurisdiction over employment and human
101.2 services before February 1, 2020, identifying the barriers to employment and making
101.3 recommendations on how to best improve the employment rate among people with mental
101.4 illness.

101.5 Sec. 16. **INNOVATIONS IN SPECIAL EDUCATION EMPLOYMENT (ISEE)**
101.6 **PILOT PROJECT.**

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

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

101.10 (c) "Eligible provider" means an organization currently eligible to provide services
101.11 through the extended employment program under Minnesota Statutes, section 268A.15.

101.12 (d) "Eligible student" means:

101.13 (1) a student receiving special instruction under Minnesota Statutes, section 125A.03,
101.14 who has completed at least three years of high school; or

101.15 (2) an individual under the age of 25 who has graduated from secondary school after
101.16 receiving special instruction under Minnesota Statutes, section 125A.03, but has not had
101.17 competitive wage employment in an integrated community setting.

101.18 (e) "Pilot" means the innovations in special education employment (ISEE) pilot project
101.19 established under this section.

101.20 Subd. 2. **Establishment.** The commissioner shall establish an innovations in special
101.21 education employment (ISEE) pilot project designed to transition special education graduates
101.22 into competitive wage employment in integrated community settings.

101.23 Subd. 3. **Services.** Eligible providers wishing to participate in the pilot must notify the
101.24 commissioner, on a form designated by the commissioner, of the intent to provide an eligible
101.25 student with one of the following services:

101.26 (1) comprehensive job preparation training that must provide an eligible student with at
101.27 least 20 hours in a classroom setting, resume preparation, and assistance in establishing a
101.28 bank account;

101.29 (2) job shadowing experiences where eligible students can observe at least 30 hours of
101.30 workplace activity for a job similar to one the eligible student might be hired for. Eligible
101.31 providers shall facilitate transportation to and from the workplace for the eligible student;
101.32 and

102.1 (3) employment placement services to match eligible students with appropriate
102.2 employment paying at least the minimum wage in an integrated community setting. Eligible
102.3 providers shall support such placements with training for the employer and the eligible
102.4 student, both before and after hiring, to foster success.

102.5 Subd. 4. **Payments.** Eligible providers may apply to the commissioner, on a form
102.6 designated by the commissioner, for the following payments for performance:

102.7 (1) \$1,000 for each eligible student certified to have completed the services under
102.8 subdivision 3, clause (1);

102.9 (2) \$1,000 for each eligible student certified to have completed the services under
102.10 subdivision 3, clause (2); and

102.11 (3) \$3,000 for each eligible student certified to have completed 90 days of employment
102.12 after receiving the services under subdivision 3, clause (3).

102.13 Subd. 5. **Forms.** By October 1, 2019, the commissioner must make available the forms
102.14 necessary for eligible providers to participate in the pilot. These must include:

102.15 (1) a form to notify the commissioner of the intent to provide an eligible student with a
102.16 service under subdivision 3; and

102.17 (2) a form to certify to the commissioner that an eligible student from clause (1) was
102.18 provided the service under subdivision 3, and to apply for payment for performance of that
102.19 service under subdivision 4.

102.20 Sec. 17. **MINNESOTA INNOVATION COLLABORATIVE.**

102.21 Subdivision 1. **Establishment.** The Minnesota Innovation Collaborative is established
102.22 within the Business and Community Development Division of the Department of
102.23 Employment and Economic Development to encourage and support the development of
102.24 new private sector technologies and support the science and technology policies under
102.25 Minnesota Statutes, section 3.222. The Minnesota Innovation Collaborative must provide
102.26 entrepreneurs and emerging technology-based companies business development assistance
102.27 and financial assistance to spur growth.

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

102.30 (b) "Advisory board" means the board established under subdivision 11.

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

- 103.1 (d) "Department" means the Department of Employment and Economic Development.
- 103.2 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
103.3 entity and secures resources directed to its growth while bearing the risk of loss.
- 103.4 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
103.5 area as defined in section 473.121, subdivision 2.
- 103.6 (g) "High technology" includes aerospace, agricultural processing, renewable energy,
103.7 energy efficiency and conservation, environmental engineering, food technology, cellulosic
103.8 ethanol, information technology, materials science technology, nanotechnology,
103.9 telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,
103.10 biologicals, chemistry, veterinary science, and similar fields.
- 103.11 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
103.12 136A.28, subdivision 6.
- 103.13 (i) "Minority group member" means a United States citizen who is Asian, Pacific Islander,
103.14 Black, Hispanic, or Native American.
- 103.15 (j) "Minority-owned business" means a business for which one or more minority group
103.16 members:
- 103.17 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
103.18 own at least 51 percent of the stock; and
- 103.19 (2) manage the business and control the daily business operations.
- 103.20 (k) "Research and development" means any activity that is:
- 103.21 (1) a systematic, intensive study directed toward greater knowledge or understanding
103.22 of the subject studies;
- 103.23 (2) a systematic study directed specifically toward applying new knowledge to meet a
103.24 recognized need; or
- 103.25 (3) a systematic application of knowledge toward the production of useful materials,
103.26 devices, systems and methods, including design, development and improvement of prototypes
103.27 and new processes to meet specific requirements.
- 103.28 (l) "Start-up" means a business entity that has been in operation for less than ten years,
103.29 has operations in Minnesota, and is in the development stage defined as devoting substantially
103.30 all of its efforts to establishing a new business and either of the following conditions exists:
- 103.31 (1) planned principal operations have not commenced; or

104.1 (2) planned principal operations have commenced, but have generated less than
104.2 \$1,000,000 in revenue.

104.3 (m) "Technology-related assistance" means the application and utilization of
104.4 technological-information and technologies to assist in the development and production of
104.5 new technology-related products or services or to increase the productivity or otherwise
104.6 enhance the production or delivery of existing products or services.

104.7 (n) "Trade association" means a nonprofit membership organization organized to promote
104.8 businesses and business conditions and having an election under Internal Revenue Code
104.9 section 501(c)(3) or 501(c)(6).

104.10 (o) "Women" means persons of the female gender.

104.11 (p) "Women-owned business" means a business for which one or more women:

104.12 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
104.13 own at least 51 percent of the stock; and

104.14 (2) manage the business and control the daily business operations.

104.15 Subd. 3. Duties. The Minnesota Innovation Collaborative shall:

104.16 (1) support innovation and initiatives designed to accelerate the growth of high-technology
104.17 start-ups in Minnesota;

104.18 (2) offer classes and instructional sessions on how to start a high-tech and innovative
104.19 start-up;

104.20 (3) promote activities for entrepreneurs and investors regarding the state's growing
104.21 innovation economy;

104.22 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

104.23 (5) conduct outreach and education on innovation activities and related financial programs
104.24 available from the department and other organizations, particularly for underserved
104.25 communities;

104.26 (6) interact and collaborate with statewide partners including but not limited to businesses,
104.27 nonprofits, trade associations, and higher education institutions;

104.28 (7) administer an advisory board to assist with direction, grant application review,
104.29 program evaluation, report development, and partnerships;

105.1 (8) commission research in partnership with the University of Minnesota and Minnesota
105.2 State Colleges and Universities to study innovation and its impacts on the state's economy
105.3 with emphasis on the state's labor market;

105.4 (9) accept grant applications under subdivisions 5 and 6 and work with the advisory
105.5 board to evaluate the applications and provide funding recommendations to the commissioner;
105.6 and

105.7 (10) perform other duties at the commissioner's discretion.

105.8 Subd. 4. **Administration.** (a) The department shall employ an executive director in the
105.9 unclassified service. The executive director shall:

105.10 (1) hire no more than two staff;

105.11 (2) assist the commissioner and the advisory board in performing the duties of the
105.12 Minnesota Innovation Collaborative; and

105.13 (3) comply with all state and federal program requirements, and all state and federal
105.14 securities and tax laws and regulations.

105.15 (b) To the extent possible, the space that the Minnesota Innovation Collaborative shall
105.16 occupy and lease must be a private coworking facility that includes office space for staff
105.17 and space for community engagement for training entrepreneurs. The space leased under
105.18 this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
105.19 subdivision 6.

105.20 (c) Except for grants under subdivision 7, the Minnesota Innovation Collaborative must
105.21 accept grant applications under this section and provide funding recommendations to the
105.22 commissioner, who shall distribute grants based in part on the recommendations.

105.23 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
105.24 and procedures for innovation grants.

105.25 (b) Upon receiving recommendations from the Minnesota Innovation Collaborative
105.26 under subdivision 4, paragraph (c), the department is responsible for evaluating all
105.27 applications using evaluation criteria developed by the Minnesota Innovation Collaborative,
105.28 the advisory board, and the commissioner. Priority shall be given if the applicant is:

105.29 (1) a business or entrepreneur located in greater Minnesota; or

105.30 (2) a business owner or entrepreneur who is a woman or minority group member.

106.1 (c) The department staff, and not the Minnesota Innovation Collaborative staff, is
106.2 responsible for awarding funding, disbursing funds, and monitoring grantee performance
106.3 for all grants awarded under this section.

106.4 (d) Grantees must provide matching funds by equal expenditures and grant payments
106.5 must be provided on a reimbursement basis after review of submitted receipts by the
106.6 department.

106.7 (e) Grant applications must be accepted on a regular periodic basis by the Minnesota
106.8 Innovation Collaborative and must be reviewed by the collaborative and the advisory board
106.9 before being submitted to the commissioner with their recommendations.

106.10 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
106.11 under this subdivision.

106.12 (b) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
106.13 entrepreneur for research and development expenses. Research and development expenditures
106.14 may be related but not limited to proof of concept activities, intellectual property protection,
106.15 prototype designs and production, and commercial feasibility. Expenditures funded under
106.16 this subdivision are not eligible for the research and development tax credit under Minnesota
106.17 Statutes, section 290.068. Each business or entrepreneur may receive only one grant under
106.18 this paragraph.

106.19 (c) The commissioner shall provide a grant of up to \$25,000 to an eligible start-up or
106.20 entrepreneur for direct business expenses including but not limited to rent, equipment
106.21 purchases, supplier invoices, and staffing. Taxes imposed by the federal, state, or local
106.22 government entities may be not be reimbursed under this paragraph. Each start-up or
106.23 entrepreneur may receive only one grant under this paragraph.

106.24 (d) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur
106.25 for health care, housing, or child care expenses for the entrepreneur, spouse, or children 26
106.26 years of age or younger. Each entrepreneur may receive only one grant under this paragraph.

106.27 (e) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
106.28 entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR)
106.29 program, has been awarded a Phase 2 award pursuant to the SBIR or Small Business
106.30 Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur
106.31 may receive only one grant under this paragraph. Grants under this paragraph are not subject
106.32 to the requirements of subdivision 2, paragraph (l), and are awarded without the review or
106.33 recommendation of the Minnesota Innovation Collaborative.

107.1 (f) The commissioner shall provide a grant of up to \$25,000 to provide financing to
107.2 start-ups to purchase technical assistance and services from public higher education
107.3 institutions and nonprofit entities to assist in the development or commercialization of
107.4 innovative new products or services.

107.5 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
107.6 education grants to institutions of higher education and other organizations to provide
107.7 educational programming to entrepreneurs and provide outreach to and collaboration with
107.8 businesses, federal and state agencies, institutions of higher education, trade associations,
107.9 and other organizations working to advance innovative, high technology businesses
107.10 throughout Minnesota.

107.11 (b) Applications for entrepreneur education grants under this subdivision must be
107.12 submitted to the commissioner and evaluated by department staff other than the Minnesota
107.13 Innovation Collaborative. The evaluation criteria must be developed by the Minnesota
107.14 Innovation Collaborative, the advisory board, and the commissioner with priority given to
107.15 an applicant who demonstrates activity assisting businesses or entrepreneurs residing in
107.16 greater Minnesota or who are women or minority group members.

107.17 (c) Department staff other than the Minnesota Innovation Collaborative staff is responsible
107.18 for awarding funding, disbursing funds, and monitoring grantee performance under this
107.19 subdivision.

107.20 (d) Grantees may use the grant funds to deliver the following services:

107.21 (1) development and delivery to high technology businesses of industry specific or
107.22 innovative product or process specific counseling on issues of business formation, market
107.23 structure, market research and strategies, securing first mover advantage or overcoming
107.24 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
107.25 counseling is to be delivered in a classroom setting or using distance media presentations;

107.26 (2) outreach and education to businesses and organizations on the small business
107.27 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
107.28 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
107.29 that support high technology business creation especially in underserved communities;

107.30 (3) collaboration with institutions of higher education, local organizations, federal and
107.31 state agencies, the Small Business Development Center, and the Small Business Assistance
107.32 Office to create and offer educational programming and ongoing counseling in greater
107.33 Minnesota that is consistent with those services offered in the metropolitan area; and

108.1 (4) events and meetings with other innovation-related organizations to inform
108.2 entrepreneurs and potential investors about Minnesota's growing information economy.

108.3 Subd. 8. **Report.** The Minnesota Innovation Collaborative shall report by February 1,
108.4 2020, and again on February 1, 2021, to the chairs and ranking minority members of the
108.5 committees of the house of representatives and senate having jurisdiction over economic
108.6 development policy and finance issues on the work completed, including awards made by
108.7 the department under this section.

108.8 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
108.9 advise the executive director regarding the activities of the Minnesota Innovation
108.10 Collaborative and to perform the recommendations described in this section.

108.11 (b) The advisory board shall consist of ten members and is governed by Minnesota
108.12 Statutes, section 15.059. A minimum of six members must be from the private sector
108.13 representing business and at least two members but no more than four members from
108.14 government and higher education. Appointees shall represent a range of interests, including
108.15 entrepreneurs, large businesses, industry organizations, investors, and both public and private
108.16 small business service providers.

108.17 (c) The advisory board shall select a chair from its private sector members. The executive
108.18 director shall provide administrative support to the committee.

108.19 **Sec. 18. CHILD CARE ECONOMIC DEVELOPMENT GRANT PROGRAM.**

108.20 Subdivision 1. **Establishment.** A grant program is established under the Department of
108.21 Employment and Economic Development to award grants to eligible local communities to
108.22 increase the availability of child care in order to reduce the child care shortage in the
108.23 community, and support increased workforce participation, business expansion and retention,
108.24 and new business location.

108.25 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
108.26 meanings given them:

108.27 (1) "commissioner" means the commissioner of employment and economic development;

108.28 (2) "child care" has the meaning given in section 119B.011;

108.29 (3) "political subdivision" means a county, statutory or home rule charter city, or school
108.30 district; and

108.31 (4) "Indian tribe" means one of the federally recognized Minnesota tribes listed in section
108.32 3.922, subdivision 1, clause (1).

109.1 Subd. 3. **Eligible expenditures.** The commissioner may make grants under this section
109.2 to implement solutions to reduce the child care shortage in the state including but not limited
109.3 to funding for child care business start-ups or expansions, training, facility modifications
109.4 or improvements required for licensing, and assistance with licensing and other regulatory
109.5 requirements.

109.6 Subd. 4. **Eligible applicants.** Eligible applicants for grants awarded under this section
109.7 include:

109.8 (1) a political subdivision;

109.9 (2) an Indian tribe;

109.10 (3) a Minnesota nonprofit organization organized under chapter 317 having experience
109.11 in one or more of the following: the operation of, planning for, financing of, advocacy for,
109.12 or advancement of the delivery of child care services in a defined service area spanning the
109.13 boundaries of one or more political subdivisions.

109.14 Subd. 5. **Application process.** (a) An eligible applicant must submit an application to
109.15 the commissioner on a form prescribed by the commissioner. The commissioner shall
109.16 develop procedures governing the application and grant award process. The commissioner
109.17 shall act as fiscal agent for the grant program and shall be responsible for receiving and
109.18 reviewing grant applications and awarding grants under this section.

109.19 (b) At least 30 days prior to the first day applications may be submitted each fiscal year,
109.20 the commissioner must publish on the department's website the specific criteria and any
109.21 quantitative weighting scheme or scoring system the commissioner will use to evaluate or
109.22 rank applications and award grants under subdivision 6.

109.23 Subd. 6. **Application contents.** An applicant for a grant under this section shall provide
109.24 the following information on the application:

109.25 (1) the service area of the project;

109.26 (2) the project budget;

109.27 (3) evidence of the child care shortage in the community in which the project is to be
109.28 located;

109.29 (4) the number of licensed child care slots that will be created as a result of the project;

109.30 (5) the number of families with children under age six that will have access to child care
109.31 as a result of the project;

109.32 (6) community employers and businesses that will benefit from the proposed project;

110.1 (7) evidence of community support for the project;

110.2 (8) the total cost of the project;

110.3 (9) sources of funding or in-kind contributions for the project that will supplement any
110.4 grant award; and

110.5 (10) any additional information requested by the commissioner.

110.6 Subd. 7. **Awarding grants.** (a) In evaluating applications and awarding grants, the
110.7 commissioner may give priority to applications that:

110.8 (1) are in areas that have a documented shortage of affordable quality child care;

110.9 (2) demonstrate programmatic or financial collaborations and partnering among private
110.10 sector employers, public and nonprofit organizations within geographic areas;

110.11 (3) serve areas of the state experiencing worker shortages, low prime age workforce
110.12 participation rates, or prime age worker population loss that is significantly greater than the
110.13 statewide average;

110.14 (4) provide evidence of strong support for the project from citizens, government,
110.15 businesses, and institutions in the community;

110.16 (5) leverage greater amounts of funding for the project from private and nonstate public
110.17 sources.

110.18 (b) The commissioner shall endeavor to award grants under this section to qualified
110.19 applicants in all regions of the state.

110.20 Subd. 8. **Limitation.** (a) No grant awarded under this section may fund more than 50
110.21 percent of the total cost of a project.

110.22 (b) Grants awarded to a single project under this section must not exceed \$100,000.

110.23 Sec. 19. **COMMUNITY PROSPERITY GRANT PROGRAM.**

110.24 Subdivision 1. **Establishment; purpose.** The community prosperity grant program is
110.25 established to provide grants to public or 501(c)(3) nonprofit entities to implement innovative
110.26 economic development projects that will support economic growth in their community.

110.27 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
110.28 meanings given them:

111.1 (1) "economic development" means activities, services, investments, and infrastructure
111.2 that support the economic success of individuals, businesses, and communities by facilitating
111.3 an economic environment that produces net new jobs;

111.4 (2) "innovative project" means the provision of a public service or good that was absent
111.5 in the community or of insufficient quantity or quality;

111.6 (3) "local governmental unit" means a county, city, town, special district, public higher
111.7 education institution, or other political subdivision or public corporation; and

111.8 (4) "community" means any geographic area defined by one or more census tracts.

111.9 Subd. 3. **Community prosperity grants.** The commissioner of employment and
111.10 economic development shall:

111.11 (1) develop and implement a community prosperity grant program that will provide
111.12 matching grants up to 85 percent of total project cost up to \$100,000 to implement innovative
111.13 economic development projects that will induce economic growth in their community;

111.14 (2) develop a request for proposals;

111.15 (3) review responses to requests for proposals and award grants under this section;

111.16 (4) establish a transparent and objective accountability process focused on outcomes
111.17 that grantees agree to achieve; and

111.18 (5) maintain data on outcomes reported by grantees.

111.19 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
111.20 section include:

111.21 (1) local government units; and

111.22 (2) nonprofit 501(c)(3) organizations that have established partnerships with one or more
111.23 local government units to implement economic development projects or activities.

111.24 Subd. 5. **Priority of proposals; grant awards.** The commissioner shall prioritize the
111.25 award of grants to proposals that demonstrate that the project:

111.26 (1) will serve communities with a population of 5,000 or less;

111.27 (2) will support community groups or neighborhood organizations within one of the 128
111.28 federally designated opportunity zones;

111.29 (3) will support the economic success of individuals, businesses, and communities by
111.30 facilitating an economic environment that produces net new jobs;

112.1 (4) will provide public services or goods that was absent in the community or of
112.2 insufficient quantity or quality;

112.3 (5) serves a defined geographic area; racial, ethnic, or minority community; or American
112.4 Indian community experiencing any the following: below state average wages, above state
112.5 average unemployment rate, or below state average labor force participation rate;

112.6 (6) will be sustainable or continue to have impact beyond the one-time funding from
112.7 this program;

112.8 (7) will be successfully implemented based on the qualifications of the lead organization;
112.9 and

112.10 (8) will serve two or more local government units.

112.11 Subd. 6. **Geographic distribution of grants.** The commissioner shall ensure that a
112.12 minimum of 50 percent of grants are awarded to communities outside the seven-county
112.13 metropolitan area.

112.14 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
112.15 the forms and according to the timelines established by the commissioner.

112.16 Sec. 20. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
112.17 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

112.18 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
112.19 statutory city, county, or town that has uncommitted money received from repayment of
112.20 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
112.21 percent of the balance of that money to the state general fund before June 30, 2020. Any
112.22 local entity that does so may then use the remaining 80 percent of the uncommitted money
112.23 as a general purpose aid for any lawful expenditure.

112.24 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that
112.25 exercises the option under paragraph (a) shall submit to the chairs and ranking minority
112.26 members of the legislative committees with jurisdiction over economic development policy
112.27 and finance an accounting and explanation of the use and distribution of the funds.

112.28 Sec. 21. **BIANNUAL REPORTS ON GRANTS.**

112.29 (a) By December 15, 2020, and by December 15 of each even-numbered year thereafter,
112.30 the commissioner of employment and economic development must submit a report to the
112.31 chairs of the legislative committees with jurisdiction over jobs and economic development

113.1 that provides information on all state-funded grants administered by the commissioner in
113.2 the prior biennium.

113.3 (b) For each grantee, the report must include, at a minimum, the following information:

113.4 (1) details of how grant funds were used;

113.5 (2) details of program costs, including the percentage spent on administration;

113.6 (3) details of any nonstate funds used for the program;

113.7 (4) the number of program participants;

113.8 (5) the per participant cost of the program;

113.9 (6) a history of any past state funding the program has received;

113.10 (7) a short description of what the program does;

113.11 (8) to the extent practical, quantifiable measures of program success; and

113.12 (9) information on the geographic locations of the clients served by the program.

113.13

ARTICLE 5

113.14

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113.15 Section 1. Minnesota Statutes 2018, section 16C.285, subdivision 3, is amended to read:

113.16 Subd. 3. **Minimum criteria.** "Responsible contractor" means a contractor that conforms
113.17 to the responsibility requirements in the solicitation document for its portion of the work
113.18 on the project and verifies that it meets the following minimum criteria:

113.19 (1) the contractor:

113.20 (i) is in compliance with workers' compensation and unemployment insurance
113.21 requirements;

113.22 (ii) is in compliance with Department of Revenue and Department of Employment and
113.23 Economic Development registration requirements if it has employees;

113.24 (iii) has a valid federal tax identification number or a valid Social Security number if
113.25 an individual; and

113.26 (iv) has filed a certificate of authority to transact business in Minnesota with the secretary
113.27 of state if a foreign corporation or cooperative;

113.28 (2) the contractor or related entity is in compliance with and, during the three-year period
113.29 before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44,

114.1 181.03, 181.101, 181.13, 181.14, or 181.722, and has not violated United States Code, title
114.2 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes
114.3 of this clause, a violation occurs when a contractor or related entity:

114.4 (i) repeatedly fails to pay statutorily required wages or penalties on one or more separate
114.5 projects for a total underpayment of \$25,000 or more within the three-year period, provided
114.6 that a failure to pay is "repeated" only if it involves two or more separate and distinct
114.7 occurrences of underpayment during the three-year period;

114.8 (ii) has been issued an order to comply by the commissioner of labor and industry that
114.9 has become final;

114.10 (iii) has been issued at least two determination letters within the three-year period by
114.11 the Department of Transportation finding an underpayment by the contractor or related
114.12 entity to its own employees;

114.13 (iv) has been found by the commissioner of labor and industry to have repeatedly or
114.14 willfully violated any of the sections referenced in this clause pursuant to section 177.27;

114.15 (v) has been issued a ruling or findings of underpayment by the administrator of the
114.16 Wage and Hour Division of the United States Department of Labor that have become final
114.17 or have been upheld by an administrative law judge or the Administrative Review Board;
114.18 ~~or~~

114.19 (vi) has been found liable for underpayment of wages or penalties or misrepresenting a
114.20 construction worker as an independent contractor in an action brought in a court having
114.21 jurisdiction; or

114.22 (vii) has been convicted of a violation of section 609.52, subdivision 2, clause (19).

114.23 Provided that, if the contractor or related entity contests a determination of underpayment
114.24 by the Department of Transportation in a contested case proceeding, a violation does not
114.25 occur until the contested case proceeding has concluded with a determination that the
114.26 contractor or related entity underpaid wages or penalties;

114.27 (3) the contractor or related entity is in compliance with and, during the three-year period
114.28 before submitting the verification, has not violated section 181.723 or chapter 326B. For
114.29 purposes of this clause, a violation occurs when a contractor or related entity has been issued
114.30 a final administrative or licensing order;

114.31 (4) the contractor or related entity has not, more than twice during the three-year period
114.32 before submitting the verification, had a certificate of compliance under section 363A.36
114.33 revoked or suspended based on the provisions of section 363A.36, with the revocation or

115.1 suspension becoming final because it was upheld by the Office of Administrative Hearings
115.2 or was not appealed to the office;

115.3 (5) the contractor or related entity has not received a final determination assessing a
115.4 monetary sanction from the Department of Administration or Transportation for failure to
115.5 meet targeted group business, disadvantaged business enterprise, or veteran-owned business
115.6 goals, due to a lack of good faith effort, more than once during the three-year period before
115.7 submitting the verification;

115.8 (6) the contractor or related entity is not currently suspended or debarred by the federal
115.9 government or the state of Minnesota or any of its departments, commissions, agencies, or
115.10 political subdivisions that have authority to debar a contractor; and

115.11 (7) all subcontractors and motor carriers that the contractor intends to use to perform
115.12 project work have verified to the contractor through a signed statement under oath by an
115.13 owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

115.14 Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5),
115.15 occurring prior to July 1, 2014, shall not be considered in determining whether a contractor
115.16 or related entity meets the minimum criteria.

115.17 Sec. 2. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
115.18 read:

115.19 Subd. 1a. Authority to investigate. To carry out the purposes of this chapter and chapters
115.20 181, 181A, and 184, and utilizing the enforcement authority of section 175.20, the
115.21 commissioner is authorized to enter the places of business and employment of any employer
115.22 in the state to investigate wages, hours, and other conditions and practices of work, collect
115.23 evidence, and conduct interviews. The commissioner is authorized to enter the places of
115.24 business and employment during working hours and without delay. The commissioner may
115.25 use investigation methods that include but are not limited to examination, surveillance,
115.26 transcription, copying, scanning, photographing, audio or video recording, testing, and
115.27 sampling along with taking custody of evidence. Evidence that may be collected includes
115.28 but is not limited to documents, records, books, registers, payrolls, electronically and digitally
115.29 stored information, machinery, equipment, tools, and other tangible items that in any way
115.30 relate to wages, hours, and other conditions and practices of work. The commissioner may
115.31 privately interview any individual, including owners, employers, operators, agents, workers,
115.32 and other individuals who may have knowledge of the conditions and practices of work
115.33 under investigation.

116.1 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

116.2 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
116.3 of employees working in the state to submit to the commissioner photocopies, certified
116.4 copies, or, if necessary, the originals of employment records which the commissioner deems
116.5 necessary or appropriate. The records which may be required include full and correct
116.6 statements in writing, including sworn statements by the employer, containing information
116.7 relating to wages, hours, names, addresses, and any other information pertaining to the
116.8 employer's employees and the conditions of their employment as the commissioner deems
116.9 necessary or appropriate.

116.10 The commissioner may require the records to be submitted by certified mail delivery
116.11 or, if necessary, by personal delivery by the employer or a representative of the employer,
116.12 as authorized by the employer in writing.

116.13 The commissioner may fine the employer up to \$1,000 for each failure to submit or
116.14 deliver records as required by this section, and up to \$10,000 for each repeated failure. This
116.15 penalty is in addition to any penalties provided under section 177.32, subdivision 1. In
116.16 determining the amount of a civil penalty under this subdivision, the appropriateness of
116.17 such penalty to the size of the employer's business and the gravity of the violation shall be
116.18 considered.

116.19 Sec. 4. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
116.20 read:

116.21 Subd. 11. **Subpoenas.** In order to carry out the purposes of this chapter and chapter 181,
116.22 181A, or 184, the commissioner may issue subpoenas to compel persons to appear before
116.23 the commissioner to give testimony and produce and permit inspection, copying, testing,
116.24 or sampling of documents, electronically stored information, tangible items, or other items
116.25 in the possession, custody, or control of that person that are deemed necessary or appropriate
116.26 by the commissioner. A subpoena may specify the form or format in which electronically
116.27 stored information is to be produced. Upon the application of the commissioner, a district
116.28 court shall treat the failure of any person to obey a subpoena lawfully issued by the
116.29 commissioner under this subdivision as a contempt of court.

116.30 Sec. 5. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
116.31 read:

116.32 Subd. 12. **Court orders for entrance and inspection.** To carry out the purposes of this
116.33 chapter and chapters 181, 181A, and 184, and utilizing the enforcement authority of section

117.1 175.20, the commissioner is authorized to enter places of business and employment of any
117.2 employer in the state to investigate wages, hours, and other conditions and practices of
117.3 work, collect evidence, and conduct interviews. The commissioner is authorized to enter
117.4 the places of business and employment during working hours and without delay. Upon the
117.5 anticipated refusal based on a refusal to permit entrance on a prior occasion or actual refusal
117.6 of an employer, owner, operator, or agent in charge of an employer's place of business or
117.7 employment, the commissioner may apply for an order in the district court in the county in
117.8 which the place of business or employment is located, to compel an employer, owner,
117.9 operator, or agent in charge of the place of business or employment to permit the
117.10 commissioner entry to investigate wages, hours, and other conditions and practices of work,
117.11 collect evidence, and interview witnesses.

117.12 Sec. 6. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
117.13 read:

117.14 Subd. 13. **State licensing or regulatory power.** In the case of an employer which is
117.15 subject to the licensing or regulatory power of the state or any political subdivision or agency
117.16 thereof, if the commissioner issues an order to comply under subdivision 4, the commissioner
117.17 may provide the licensing or regulatory agency a copy of the order to comply. Unless the
117.18 order to comply is reversed in the course of administrative or judicial review, the order to
117.19 comply is binding on the agency and the agency may take appropriate action, including
117.20 action related to the eligibility, renewal, suspension, or revocation of a license or certificate
117.21 of public convenience and necessity if the agency is otherwise authorized to take such action.

117.22 Sec. 7. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
117.23 read:

117.24 Subd. 14. **Public contracts.** In the case of an employer that is a party to a public contract,
117.25 if the commissioner issues an order to comply under subdivision 4, the commissioner may
117.26 provide a copy of the order to comply to the contract letting agency. Unless the order to
117.27 comply is reversed in the course of administrative or judicial review, an order to comply is
117.28 binding on the contract letting agency and the agency may take appropriate administrative
117.29 action, including the imposition of financial penalties and eligibility for, termination or
117.30 nonrenewal of a contract, in whole or in part, if the agency is otherwise authorized to take
117.31 the action.

118.1 Sec. 8. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
118.2 read:

118.3 Subd. 15. **Notice to employees of compliance orders and citations.** In a compliance
118.4 order or citation issued under this chapter and chapters 181, 181A, and 184, the commissioner
118.5 may require that the provisions of a compliance order or citation setting out the violations
118.6 found by the commissioner and any subsequent document setting out the resolution of the
118.7 compliance order or citation through settlement agreement or other final disposition, upon
118.8 receipt by the employer, be made available for review by the employees of the employer
118.9 using the means the employer uses to provide other work-related notices to the employer's
118.10 employees. The means used by the employer must be at least as effective as the following
118.11 options for providing notice: (1) posting a copy of the compliance order or citation at each
118.12 location where employees perform work and where the notice must be readily observed and
118.13 easily reviewed by all employees performing work; or (2) providing a paper or electronic
118.14 copy of the compliance order or citation to employees. Each citation and proposed penalty
118.15 shall be posted or made available to employees for a minimum period of 20 days. Upon
118.16 issuance of a compliance order or citation to an employer, the commissioner may also
118.17 provide the provisions of the compliance order or citation setting out the violations found
118.18 by the commissioner and any resolution of a compliance order or citation through settlement
118.19 agreement or other final disposition to the employer's employees who may be affected by
118.20 the order or citation and how the order or citation and resolution may affect their interests.

118.21 Sec. 9. Minnesota Statutes 2018, section 177.30, is amended to read:

118.22 **177.30 KEEPING RECORDS; PENALTY.**

118.23 (a) Every employer subject to sections 177.21 to 177.44 must make and keep a record
118.24 of:

118.25 (1) the name, address, and occupation of each employee;

118.26 (2) the rate of pay, and the amount paid each pay period to each employee, including
118.27 whether each employee is paid by the hour, shift, day, week, salary, piece, commission, or
118.28 other;

118.29 (3) the hours worked each day and each workweek by the employee, including for all
118.30 employees paid at piece rate, the number of pieces completed at each piece rate;

118.31 (4) any personnel policies provided to employees;

118.32 (5) a copy of the notice provided to each employee as required by section 181.032,
118.33 paragraph (d);

119.1 (6) for each employer subject to sections 177.41 to 177.44, and while performing work
119.2 on public works projects funded in whole or in part with state funds, the employer shall
119.3 furnish under oath signed by an owner or officer of an employer to the contracting authority
119.4 and the project owner every two weeks, a certified payroll report with respect to the wages
119.5 and benefits paid each employee during the preceding weeks specifying for each employee:
119.6 name; identifying number; prevailing wage master job classification; hours worked each
119.7 day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions;
119.8 net pay for week; dollars contributed per hour for each benefit, including name and address
119.9 of administrator; benefit account number; and telephone number for health and welfare,
119.10 vacation or holiday, apprenticeship training, pension, and other benefit programs; and

119.11 ~~(5)~~ (7) other information the commissioner finds necessary and appropriate to enforce
119.12 sections 177.21 to 177.435. The records must be kept for three years in ~~or near~~ the premises
119.13 where an employee works except each employer subject to sections 177.41 to 177.44, and
119.14 while performing work on public works projects funded in whole or in part with state funds,
119.15 the records must be kept for three years after the contracting authority has made final payment
119.16 on the public works project.

119.17 (b) All records required to be kept under paragraph (a) must be readily available for
119.18 inspection by the commissioner upon demand. The records must be either kept at the place
119.19 where employees are working or kept in a manner that allows the employer to comply with
119.20 this paragraph within 24 hours.

119.21 (c) The commissioner may fine an employer up to \$1,000 for each failure to maintain
119.22 records as required by this section, and up to \$10,000 for each repeated failure. This penalty
119.23 is in addition to any penalties provided under section 177.32, subdivision 1. In determining
119.24 the amount of a civil penalty under this subdivision, the appropriateness of such penalty to
119.25 the size of the employer's business and the gravity of the violation shall be considered.

119.26 (d) If the records maintained by the employer do not provide sufficient information to
119.27 determine the exact amount of back wages due an employee, the commissioner may make
119.28 a determination of wages due based on available evidence.

119.29 Sec. 10. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

119.30 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty
119.31 of a misdemeanor:

119.32 (1) hinders or delays the commissioner in the performance of duties required under
119.33 sections 177.21 to 177.435, or chapter 181;

- 120.1 (2) refuses to admit the commissioner to the place of business or employment of the
120.2 employer, as required by section 177.27, subdivision 1;
- 120.3 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;
- 120.4 (4) falsifies any record;
- 120.5 (5) refuses to make any record available, or to furnish a sworn statement of the record
120.6 or any other information as required by section 177.27;
- 120.7 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary
120.8 of the applicable rules as required by section 177.31;
- 120.9 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21
120.10 to 177.44, or described and provided by an employer to its employees under section 181.032;
- 120.11 (8) refuses to allow adequate time from work as required by section 177.253; or
- 120.12 (9) otherwise violates any provision of sections 177.21 to 177.44, or commits wage theft
120.13 as described in section 181.03, subdivision 1.

120.14 Intent is not an element of a misdemeanor under this paragraph.

120.15 (b) An employer is guilty of a gross misdemeanor if the employer is found to have
120.16 intentionally retaliated against an employee for asserting rights or remedies under sections
120.17 177.21 to 177.44 or section 181.03.

120.18 Sec. 11. [177.45] ENFORCEMENT; REMEDIES.

120.19 Subdivision 1. Public enforcement. In addition to the enforcement of this chapter by
120.20 the department, the attorney general may enforce this chapter under section 8.31.

120.21 Subd. 2. Remedies cumulative. The remedies provided in this chapter are cumulative
120.22 and do not restrict any remedy that is otherwise available, including remedies provided
120.23 under section 8.31. The remedies available under this section are not exclusive and are in
120.24 addition to any other requirements, rights, remedies, and penalties provided by law.

120.25 Sec. 12. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

120.26 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~
120.27 ~~with intent to defraud:~~ (a) No employer shall commit wage theft.

120.28 (b) For purposes of this section, wage theft is committed if:

120.29 (1) ~~cause~~ an employer has failed to pay an employee all wages, salary, gratuities, earnings,
120.30 or commissions at the employee's rate or rates of pay or at the rate or rates required by law,

121.1 including any applicable statute, regulation, rule, ordinance, government resolution or policy,
121.2 contract, or other legal authority, whichever rate of pay is greater;

121.3 (2) an employer directly or indirectly causes any employee to give a receipt for wages
121.4 for a greater amount than that actually paid to the employee for services rendered;

121.5 ~~(2)~~ (3) an employer directly or indirectly demand demands or receive receives from any
121.6 employee any rebate or refund from the wages owed the employee under contract of
121.7 employment with the employer; or

121.8 ~~(3)~~ (4) an employer in any manner make makes or attempt attempts to make it appear
121.9 that the wages paid to any employee were greater than the amount actually paid to the
121.10 employee.

121.11 Sec. 13. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
121.12 read:

121.13 Subd. 4. **Enforcement.** The use of an enforcement provision in this section shall not
121.14 preclude the use of any other enforcement provision provided by law.

121.15 Sec. 14. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
121.16 read:

121.17 Subd. 5. **Citations.** (a) In addition to other remedies and penalties provided by this
121.18 chapter and chapter 177, the commissioner may issue a citation for a civil penalty of up to
121.19 \$1,000 for any wage theft of up to \$1,000 by serving the citation on the employer. The
121.20 citation may direct the employer to pay employees in a manner prescribed by the
121.21 commissioner any wages, salary, gratuities, earnings, or commissions owed to the employee
121.22 within 15 days of service of the citation on the employer. The commissioner shall serve the
121.23 citation upon the employer or the employer's authorized representative in person or by
121.24 certified mail at the employer's place of business or registered office address with the
121.25 secretary of state. The citation shall require the employer to correct the violation and cease
121.26 and desist from committing the violation.

121.27 (b) In determining the amount of the civil penalty, the commissioner shall consider the
121.28 size of the employer's business and the gravity of the violation as provided in section 14.045,
121.29 subdivision 3, paragraph (a). If the citation includes a penalty assessment, the penalty is
121.30 due and payable on the date the citation becomes final. The commissioner may vacate the
121.31 citation if the employer pays the amount of wages, salaries, commissions, earnings, and
121.32 gratuities due in the citation within five days after the citation is served on the employer.

122.1 Sec. 15. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
122.2 read:

122.3 Subd. 6. **Administrative review.** Within 15 days after the commissioner of labor and
122.4 industry issues a citation under subdivision 5, the employer to whom the citation is issued
122.5 may request an expedited hearing to review the citation. The request for hearing must be
122.6 in writing and must be served on the commissioner at the address specified in the citation.
122.7 If the employer does not request a hearing or if the employer's written request for hearing
122.8 is not served on the commissioner by the 15th day after the commissioner issues the citation,
122.9 the citation becomes a final order of the commissioner and is not subject to review by any
122.10 court or agency. The hearing request must state the reasons for seeking review of the citation.
122.11 The employer to whom the citation is issued and the commissioner are the parties to the
122.12 expedited hearing. The commissioner must notify the employer to whom the citation is
122.13 issued of the time and place of the hearing at least 15 days before the hearing. The hearing
122.14 shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by
122.15 this section. If a hearing has been held, the commissioner shall not issue a final order until
122.16 at least five days after the date of the administrative law judge's report. Any person aggrieved
122.17 by the administrative law judge's report may, within those five days, serve written comments
122.18 to the commissioner on the report and the commissioner shall consider and enter the
122.19 comments in the record. The commissioner's final order shall comply with sections 14.61,
122.20 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
122.21 in sections 14.63 to 14.69.

122.22 Sec. 16. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
122.23 read:

122.24 Subd. 7. **Effect on other laws.** Nothing in this section shall be construed to limit the
122.25 application of other state or federal laws.

122.26 Sec. 17. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
122.27 read:

122.28 Subd. 8. **Retaliation.** An employer must not retaliate against an employee for asserting
122.29 rights or remedies under this section, including but not limited to filing a complaint with
122.30 the Department of Labor and Industry or telling the employer of intention to file a complaint.
122.31 A rebuttable presumption of unlawful retaliation under this section exists whenever an
122.32 employer takes adverse action against an employee within 90 days of the employee asserting
122.33 rights or remedies under this section.

123.1 Sec. 18. Minnesota Statutes 2018, section 181.032, is amended to read:

123.2 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
123.3 **TO EMPLOYEE.**

123.4 (a) At the end of each pay period, the employer shall provide each employee an earnings
123.5 statement, either in writing or by electronic means, covering that pay period. An employer
123.6 who chooses to provide an earnings statement by electronic means must provide employee
123.7 access to an employer-owned computer during an employee's regular working hours to
123.8 review and print earnings statements.

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

123.11 (1) the name of the employee;

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

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

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

123.16 ~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;

123.17 ~~(5)~~ (6) a list of deductions made from the employee's pay;

123.18 ~~(6)~~ (7) the net amount of pay after all deductions are made;

123.19 ~~(7)~~ (8) the date on which the pay period ends; and

123.20 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
123.21 from the legal name;

123.22 (10) the physical address of the employer's main office or principal place of business,
123.23 and a mailing address if different; and

123.24 (11) the telephone number of the employer.

123.25 (c) An employer must provide earnings statements to an employee in writing, rather
123.26 than by electronic means, if the employer has received at least 24 hours notice from an
123.27 employee that the employee would like to receive earnings statements in written form. Once
123.28 an employer has received notice from an employee that the employee would like to receive
123.29 earnings statements in written form, the employer must comply with that request on an
123.30 ongoing basis.

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

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

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

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

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

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

124.11 (6) the dates on which the pay periods start and end and the regularly scheduled payday;

124.12 (7) the legal name of the employer and the operating name of the employer if different
124.13 from the legal name;

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

124.16 (9) the telephone number of the employer.

124.17 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
124.18 employee acknowledging receipt of the notice. The notice must be provided to each employee
124.19 in English and in the employee's native language.

124.20 (f) An employer must provide the employee any written changes to the information
124.21 contained in the notice under paragraph (d) at least seven calendar days prior to the time
124.22 the changes take effect. The changes must be signed by the employee before the changes
124.23 go into effect. The employer must keep a signed copy of all notice of changes as well as
124.24 the initial notices under paragraph (d).

124.25 Sec. 19. Minnesota Statutes 2018, section 181.101, is amended to read:

124.26 **181.101 WAGES; HOW OFTEN PAID.**

124.27 (a) Except as provided in paragraph (b), every employer must pay all wages earned by
124.28 an employee at least once every ~~31~~ 16 days on a regular payday designated in advance by
124.29 the employer regardless of whether the employee requests payment at longer intervals.

124.30 ~~Unless paid earlier, the wages earned during the first half of the first 31-day pay period~~
124.31 ~~become due on the first regular payday following the first day of work.~~ An employer's pay

125.1 period must be no longer than 16 days. All wages earned in a pay period must be paid to
125.2 an employee within 16 days of the end of that pay period. If wages earned are not paid, the
125.3 commissioner of labor and industry or the commissioner's representative may serve a demand
125.4 for payment on behalf of an employee. If payment is not made within ~~ten~~ five days of service
125.5 of the demand, the commissioner may charge and collect the wages earned and a ~~penalty~~
125.6 liquidated damages in the amount of the employee's average daily earnings at the employee's
125.7 rate ~~agreed upon in the contract of employment~~ or rates of pay or at the rate or rates required
125.8 by law, including any applicable statute, regulation, rule, ordinance, government resolution
125.9 or policy, contract, or other legal authority, whichever rate of pay is greater, ~~not exceeding~~
125.10 15 days in all, for each day beyond the ~~ten-day~~ five-day limit following the demand. Money
125.11 collected by the commissioner must be paid to the employee concerned. This section does
125.12 not prevent an employee from prosecuting a claim for wages. This section does not prevent
125.13 a school district, other public school entity, or other school, as defined under section 120A.22,
125.14 from paying any wages earned by its employees during a school year on regular paydays
125.15 in the manner provided by an applicable contract or collective bargaining agreement, or a
125.16 personnel policy adopted by the governing board. For purposes of this section, "employee"
125.17 includes a person who performs agricultural labor as defined in section 181.85, subdivision
125.18 2. For purposes of this section, wages are earned on the day an employee works.

125.19 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision
125.20 10, a member of an organized first responder squad that is formally recognized by a political
125.21 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages
125.22 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant
125.23 at least once every 31 days, unless the employer and the employee mutually agree upon
125.24 payment at longer intervals.

125.25 **Sec. 20. [181.1721] ENFORCEMENT; REMEDIES.**

125.26 Subdivision 1. **Public enforcement.** In addition to the enforcement of this chapter by
125.27 the department, the attorney general may enforce this chapter under section 8.31.

125.28 Subd. 2. **Remedies cumulative.** The remedies provided in this chapter are cumulative
125.29 and do not restrict any remedy that is otherwise available, including remedies provided
125.30 under section 8.31. The remedies available under this section are not exclusive and are in
125.31 addition to any other requirements, rights, remedies, and penalties provided by law.

125.32 **Sec. 21. Minnesota Statutes 2018, section 609.52, subdivision 1, is amended to read:**

125.33 **Subdivision 1. **Definitions.** In this section:**

126.1 (1) "Property" means all forms of tangible property, whether real or personal, without
126.2 limitation including documents of value, electricity, gas, water, corpses, domestic animals,
126.3 dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility
126.4 companies and articles, as defined in clause (4), representing trade secrets, which articles
126.5 shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any
126.6 trade secret represented by the article.

126.7 (2) "Movable property" is property whose physical location can be changed, including
126.8 without limitation things growing on, affixed to, or found in land.

126.9 (3) "Value" means the retail market value at the time of the theft, or if the retail market
126.10 value cannot be ascertained, the cost of replacement of the property within a reasonable
126.11 time after the theft, or in the case of a theft or the making of a copy of an article representing
126.12 a trade secret, where the retail market value or replacement cost cannot be ascertained, any
126.13 reasonable value representing the damage to the owner which the owner has suffered by
126.14 reason of losing an advantage over those who do not know of or use the trade secret. For a
126.15 check, draft, or other order for the payment of money, "value" means the amount of money
126.16 promised or ordered to be paid under the terms of the check, draft, or other order. For a
126.17 theft committed within the meaning of subdivision 2, clause (5), items (i) and (ii), if the
126.18 property has been restored to the owner, "value" means the value of the use of the property
126.19 or the damage which it sustained, whichever is greater, while the owner was deprived of
126.20 its possession, but not exceeding the value otherwise provided herein. For a theft committed
126.21 within the meaning of subdivision 2, clause (9), if the property has been restored to the
126.22 owner, "value" means the rental value of the property, determined at the rental rate contracted
126.23 by the defendant or, if no rental rate was contracted, the rental rate customarily charged by
126.24 the owner for use of the property, plus any damage that occurred to the property while the
126.25 owner was deprived of its possession, but not exceeding the total retail value of the property
126.26 at the time of rental. For a theft committed within the meaning of subdivision 2, clause (19),
126.27 "value" means the difference between wages legally required to be reported or paid to an
126.28 employee and the amount actually reported or paid to the employee.

126.29 (4) "Article" means any object, material, device or substance, including any writing,
126.30 record, recording, drawing, sample specimen, prototype, model, photograph, microorganism,
126.31 blueprint or map, or any copy of any of the foregoing.

126.32 (5) "Representing" means describing, depicting, containing, constituting, reflecting or
126.33 recording.

127.1 (6) "Trade secret" means information, including a formula, pattern, compilation, program,
127.2 device, method, technique, or process, that:

127.3 (i) derives independent economic value, actual or potential, from not being generally
127.4 known to, and not being readily ascertainable by proper means by, other persons who can
127.5 obtain economic value from its disclosure or use, and

127.6 (ii) is the subject of efforts that are reasonable under the circumstances to maintain its
127.7 secrecy.

127.8 (7) "Copy" means any facsimile, replica, photograph or other reproduction of an article,
127.9 and any note, drawing, or sketch made of or from an article while in the presence of the
127.10 article.

127.11 (8) "Property of another" includes property in which the actor is co-owner or has a lien,
127.12 pledge, bailment, or lease or other subordinate interest, property transferred by the actor in
127.13 circumstances which are known to the actor and which make the transfer fraudulent as
127.14 defined in section 513.44, property possessed pursuant to a short-term rental contract, and
127.15 property of a partnership of which the actor is a member, unless the actor and the victim
127.16 are husband and wife. It does not include property in which the actor asserts in good faith
127.17 a claim as a collection fee or commission out of property or funds recovered, or by virtue
127.18 of a lien, setoff, or counterclaim.

127.19 (9) "Services" include but are not limited to labor, professional services, transportation
127.20 services, electronic computer services, the supplying of hotel accommodations, restaurant
127.21 services, entertainment services, advertising services, telecommunication services, and the
127.22 supplying of equipment for use including rental of personal property or equipment.

127.23 (10) "Motor vehicle" means a self-propelled device for moving persons or property or
127.24 pulling implements from one place to another, whether the device is operated on land, rails,
127.25 water, or in the air.

127.26 (11) "Motor fuel" has the meaning given in section 604.15, subdivision 1.

127.27 (12) "Retailer" has the meaning given in section 604.15, subdivision 1.

127.28 Sec. 22. Minnesota Statutes 2018, section 609.52, subdivision 2, is amended to read:

127.29 Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft
127.30 and may be sentenced as provided in subdivision 3:

- 128.1 (1) intentionally and without claim of right takes, uses, transfers, conceals or retains
128.2 possession of movable property of another without the other's consent and with intent to
128.3 deprive the owner permanently of possession of the property; or
- 128.4 (2) with or without having a legal interest in movable property, intentionally and without
128.5 consent, takes the property out of the possession of a pledgee or other person having a
128.6 superior right of possession, with intent thereby to deprive the pledgee or other person
128.7 permanently of the possession of the property; or
- 128.8 (3) obtains for the actor or another the possession, custody, or title to property of or
128.9 performance of services by a third person by intentionally deceiving the third person with
128.10 a false representation which is known to be false, made with intent to defraud, and which
128.11 does defraud the person to whom it is made. "False representation" includes without
128.12 limitation:
- 128.13 (i) the issuance of a check, draft, or order for the payment of money, except a forged
128.14 check as defined in section 609.631, or the delivery of property knowing that the actor is
128.15 not entitled to draw upon the drawee therefor or to order the payment or delivery thereof;
128.16 or
- 128.17 (ii) a promise made with intent not to perform. Failure to perform is not evidence of
128.18 intent not to perform unless corroborated by other substantial evidence; or
- 128.19 (iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost
128.20 report used to establish a rate or claim for payment for medical care provided to a recipient
128.21 of medical assistance under chapter 256B, which intentionally and falsely states the costs
128.22 of or actual services provided by a vendor of medical care; or
- 128.23 (iv) the preparation or filing of a claim for reimbursement for providing treatment or
128.24 supplies required to be furnished to an employee under section 176.135 which intentionally
128.25 and falsely states the costs of or actual treatment or supplies provided; or
- 128.26 (v) the preparation or filing of a claim for reimbursement for providing treatment or
128.27 supplies required to be furnished to an employee under section 176.135 for treatment or
128.28 supplies that the provider knew were medically unnecessary, inappropriate, or excessive;
128.29 or
- 128.30 (4) by swindling, whether by artifice, trick, device, or any other means, obtains property
128.31 or services from another person; or
- 128.32 (5) intentionally commits any of the acts listed in this subdivision but with intent to
128.33 exercise temporary control only and:

- 129.1 (i) the control exercised manifests an indifference to the rights of the owner or the
129.2 restoration of the property to the owner; or
- 129.3 (ii) the actor pledges or otherwise attempts to subject the property to an adverse claim;
129.4 or
- 129.5 (iii) the actor intends to restore the property only on condition that the owner pay a
129.6 reward or buy back or make other compensation; or
- 129.7 (6) finds lost property and, knowing or having reasonable means of ascertaining the true
129.8 owner, appropriates it to the finder's own use or to that of another not entitled thereto without
129.9 first having made reasonable effort to find the owner and offer and surrender the property
129.10 to the owner; or
- 129.11 (7) intentionally obtains property or services, offered upon the deposit of a sum of money
129.12 or tokens in a coin or token operated machine or other receptacle, without making the
129.13 required deposit or otherwise obtaining the consent of the owner; or
- 129.14 (8) intentionally and without claim of right converts any article representing a trade
129.15 secret, knowing it to be such, to the actor's own use or that of another person or makes a
129.16 copy of an article representing a trade secret, knowing it to be such, and intentionally and
129.17 without claim of right converts the same to the actor's own use or that of another person. It
129.18 shall be a complete defense to any prosecution under this clause for the defendant to show
129.19 that information comprising the trade secret was rightfully known or available to the
129.20 defendant from a source other than the owner of the trade secret; or
- 129.21 (9) leases or rents personal property under a written instrument and who:
- 129.22 (i) with intent to place the property beyond the control of the lessor conceals or aids or
129.23 abets the concealment of the property or any part thereof; or
- 129.24 (ii) sells, conveys, or encumbers the property or any part thereof without the written
129.25 consent of the lessor, without informing the person to whom the lessee sells, conveys, or
129.26 encumbers that the same is subject to such lease or rental contract with intent to deprive the
129.27 lessor of possession thereof; or
- 129.28 (iii) does not return the property to the lessor at the end of the lease or rental term, plus
129.29 agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the
129.30 property; or
- 129.31 (iv) returns the property to the lessor at the end of the lease or rental term, plus
129.32 agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the
129.33 written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

130.1 For the purposes of items (iii) and (iv), the value of the property must be at least \$100.

130.2 Evidence that a lessee used a false, fictitious, or not current name, address, or place of
130.3 employment in obtaining the property or fails or refuses to return the property or pay the
130.4 rental contract charges to lessor within five days after written demand for the return has
130.5 been served personally in the manner provided for service of process of a civil action or
130.6 sent by certified mail to the last known address of the lessee, whichever shall occur later,
130.7 shall be evidence of intent to violate this clause. Service by certified mail shall be deemed
130.8 to be complete upon deposit in the United States mail of such demand, postpaid and addressed
130.9 to the person at the address for the person set forth in the lease or rental agreement, or, in
130.10 the absence of the address, to the person's last known place of residence; or

130.11 (10) alters, removes, or obliterates numbers or symbols placed on movable property for
130.12 purpose of identification by the owner or person who has legal custody or right to possession
130.13 thereof with the intent to prevent identification, if the person who alters, removes, or
130.14 obliterates the numbers or symbols is not the owner and does not have the permission of
130.15 the owner to make the alteration, removal, or obliteration; or

130.16 (11) with the intent to prevent the identification of property involved, so as to deprive
130.17 the rightful owner of possession thereof, alters or removes any permanent serial number,
130.18 permanent distinguishing number or manufacturer's identification number on personal
130.19 property or possesses, sells or buys any personal property knowing or having reason to
130.20 know that the permanent serial number, permanent distinguishing number or manufacturer's
130.21 identification number has been removed or altered; or

130.22 (12) intentionally deprives another of a lawful charge for cable television service by:

130.23 (i) making or using or attempting to make or use an unauthorized external connection
130.24 outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or
130.25 other connection; or by

130.26 (ii) attaching any unauthorized device to any cable, wire, microwave, or other component
130.27 of a licensed cable communications system as defined in chapter 238. Nothing herein shall
130.28 be construed to prohibit the electronic video rerecording of program material transmitted
130.29 on the cable communications system by a subscriber for fair use as defined by Public Law
130.30 94-553, section 107; or

130.31 (13) except as provided in clauses (12) and (14), obtains the services of another with
130.32 the intention of receiving those services without making the agreed or reasonably expected
130.33 payment of money or other consideration; or

131.1 (14) intentionally deprives another of a lawful charge for telecommunications service
131.2 by:

131.3 (i) making, using, or attempting to make or use an unauthorized connection whether
131.4 physical, electrical, by wire, microwave, radio, or other means to a component of a local
131.5 telecommunication system as provided in chapter 237; or

131.6 (ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other
131.7 component of a local telecommunication system as provided in chapter 237.

131.8 The existence of an unauthorized connection is prima facie evidence that the occupier
131.9 of the premises:

131.10 (A) made or was aware of the connection; and

131.11 (B) was aware that the connection was unauthorized;

131.12 (15) with intent to defraud, diverts corporate property other than in accordance with
131.13 general business purposes or for purposes other than those specified in the corporation's
131.14 articles of incorporation; or

131.15 (16) with intent to defraud, authorizes or causes a corporation to make a distribution in
131.16 violation of section 302A.551, or any other state law in conformity with it; or

131.17 (17) takes or drives a motor vehicle without the consent of the owner or an authorized
131.18 agent of the owner, knowing or having reason to know that the owner or an authorized agent
131.19 of the owner did not give consent; or

131.20 (18) intentionally, and without claim of right, takes motor fuel from a retailer without
131.21 the retailer's consent and with intent to deprive the retailer permanently of possession of
131.22 the fuel by driving a motor vehicle from the premises of the retailer without having paid
131.23 for the fuel dispensed into the vehicle; or

131.24 (19) intentionally engages in or authorizes a prohibited practice of wage theft as described
131.25 in section 181.03, subdivision 1.

131.26 (b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove
131.27 the vehicle from the premises of the retailer without having paid for the fuel permits the
131.28 factfinder to infer that the driver acted intentionally and without claim of right, and that the
131.29 driver intended to deprive the retailer permanently of possession of the fuel. This paragraph
131.30 does not apply if: (1) payment has been made to the retailer within 30 days of the receipt
131.31 of notice of nonpayment under section 604.15; or (2) a written notice as described in section
131.32 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not

132.1 apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been
132.2 reported stolen before the theft of the fuel.

132.3 Sec. 23. Minnesota Statutes 2018, section 609.52, subdivision 3, is amended to read:

132.4 Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

132.5 (1) to imprisonment for not more than 20 years or to payment of a fine of not more than
132.6 \$100,000, or both, if the property is a firearm, or the value of the property or services stolen
132.7 is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4),
132.8 (15), ~~or (16)~~, or (19), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

132.9 (2) to imprisonment for not more than ten years or to payment of a fine of not more than
132.10 \$20,000, or both, if the value of the property or services stolen exceeds \$5,000, or if the
132.11 property stolen was an article representing a trade secret, an explosive or incendiary device,
132.12 or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the
132.13 exception of marijuana; or

132.14 (3) to imprisonment for not more than five years or to payment of a fine of not more
132.15 than \$10,000, or both, if any of the following circumstances exist:

132.16 (a) the value of the property or services stolen is more than \$1,000 but not more than
132.17 \$5,000; or

132.18 (b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant
132.19 to section 152.02; or

132.20 (c) the value of the property or services stolen is more than \$500 but not more than
132.21 \$1,000 and the person has been convicted within the preceding five years for an offense
132.22 under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision
132.23 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United
132.24 States, or a foreign jurisdiction, in conformity with any of those sections, and the person
132.25 received a felony or gross misdemeanor sentence for the offense, or a sentence that was
132.26 stayed under section 609.135 if the offense to which a plea was entered would allow
132.27 imposition of a felony or gross misdemeanor sentence; or

132.28 (d) the value of the property or services stolen is not more than \$1,000, and any of the
132.29 following circumstances exist:

132.30 (i) the property is taken from the person of another or from a corpse, or grave or coffin
132.31 containing a corpse; or

133.1 (ii) the property is a record of a court or officer, or a writing, instrument or record kept,
133.2 filed or deposited according to law with or in the keeping of any public officer or office; or

133.3 (iii) the property is taken from a burning, abandoned, or vacant building or upon its
133.4 removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing,
133.5 or the proximity of battle; or

133.6 (iv) the property consists of public funds belonging to the state or to any political
133.7 subdivision or agency thereof; or

133.8 (v) the property stolen is a motor vehicle; or

133.9 (4) to imprisonment for not more than one year or to payment of a fine of not more than
133.10 \$3,000, or both, if the value of the property or services stolen is more than \$500 but not
133.11 more than \$1,000; or

133.12 (5) in all other cases where the value of the property or services stolen is \$500 or less,
133.13 to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000,
133.14 or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3),
133.15 (4), and (13), the value of the money or property or services received by the defendant in
133.16 violation of any one or more of the above provisions within any six-month period may be
133.17 aggregated and the defendant charged accordingly in applying the provisions of this
133.18 subdivision; provided that when two or more offenses are committed by the same person
133.19 in two or more counties, the accused may be prosecuted in any county in which one of the
133.20 offenses was committed for all of the offenses aggregated under this paragraph.

133.21

ARTICLE 6

133.22

EARNED SICK AND SAFE TIME

133.23 Section 1. Minnesota Statutes 2018, section 181.942, subdivision 1, is amended to read:

133.24 Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence
133.25 under section 181.941 is entitled to return to employment in the employee's former position
133.26 or in a position of comparable duties, number of hours, and pay. An employee returning
133.27 from a leave of absence longer than one month must notify a supervisor at least two weeks
133.28 prior to return from leave. An employee returning from a leave under section 181.9412 or
133.29 ~~181.9413~~ 181.9445 is entitled to return to employment in the employee's former position.

133.30 (b) If, during a leave under sections 181.940 to 181.944, the employer experiences a
133.31 layoff and the employee would have lost a position had the employee not been on leave,
133.32 pursuant to the good faith operation of a bona fide layoff and recall system, including a

134.1 system under a collective bargaining agreement, the employee is not entitled to reinstatement
134.2 in the former or comparable position. In such circumstances, the employee retains all rights
134.3 under the layoff and recall system, including a system under a collective bargaining
134.4 agreement, as if the employee had not taken the leave.

134.5 Sec. 2. [181.9445] EARNED SICK AND SAFE TIME.

134.6 Subdivision 1. Definitions. (a) For the purposes of this section and section 177.50, the
134.7 terms defined in this subdivision have the meanings given them.

134.8 (b) "Commissioner" means the commissioner of labor and industry or authorized designee
134.9 or representative.

134.10 (c) "Domestic abuse" has the meaning given in section 518B.01.

134.11 (d) "Earned sick and safe time" means leave, including paid time off and other paid leave
134.12 systems, that is paid at the same hourly rate as an employee earns from employment that
134.13 may be used for the same purposes and under the same conditions as provided under
134.14 subdivision 3.

134.15 (e) "Employee" means any person who is employed by an employer, including temporary
134.16 and part-time employees, who performs work for at least 80 hours in a year for that employer
134.17 in Minnesota. Employee does not include:

134.18 (1) an independent contractor; or

134.19 (2) an individual employed by an air carrier as a flight deck or cabin crew member who
134.20 is subject to United States Code, title 45, sections 181 to 188, and who is provided with
134.21 paid leave equal to or exceeding the amounts in subdivision 2.

134.22 (f) "Employer" means a person who has one or more employees. Employer includes an
134.23 individual, a corporation, a partnership, an association, a business trust, a nonprofit
134.24 organization, a group of persons, a state, county, town, city, school district, or other
134.25 governmental subdivision. In the event that a temporary employee is supplied by a staffing
134.26 agency, absent a contractual agreement stating otherwise, that individual shall be an employee
134.27 of the staffing agency for all purposes of this section and section 177.50.

134.28 (g) "Family member" means:

134.29 (1) an employee's:

134.30 (i) child, foster child, adult child, legal ward, or child for whom the employee is legal
134.31 guardian;

- 135.1 (ii) spouse or registered domestic partner;
- 135.2 (iii) sibling, stepsibling, or foster sibling;
- 135.3 (iv) parent or stepparent;
- 135.4 (v) grandchild, foster grandchild, or stepgrandchild; or
- 135.5 (vi) grandparent or stepgrandparent;
- 135.6 (2) any of the family members listed in clause (1) of a spouse or registered domestic
- 135.7 partner;
- 135.8 (3) any individual related by blood or affinity whose close association with the employee
- 135.9 is the equivalent of a family relationship; and
- 135.10 (4) up to one individual annually designated by the employee.
- 135.11 (h) "Health care professional" means any person licensed under federal or state law to
- 135.12 provide medical or emergency services, including doctors, physician assistants, nurses, and
- 135.13 emergency room personnel.
- 135.14 (i) "Prevailing wage rate" has the meaning given in section 177.42 and as calculated by
- 135.15 the Department of Labor and Industry.
- 135.16 (j) "Retaliatory personnel action" means:
- 135.17 (1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse
- 135.18 employment action, including discipline, discharge, suspension, transfer, or reassignment
- 135.19 to a lesser position in terms of job classification, job security, or other condition of
- 135.20 employment; reduction in pay or hours or denial of additional hours; the accumulation of
- 135.21 points under an attendance point system; informing another employer that the person has
- 135.22 engaged in activities protected by this chapter; or reporting or threatening to report the actual
- 135.23 or suspected citizenship or immigration status of an employee, former employee, or family
- 135.24 member of an employee to a federal, state, or local agency; and
- 135.25 (2) interference with or punishment for participating in any manner in an investigation,
- 135.26 proceeding, or hearing under this chapter.
- 135.27 (k) "Sexual assault" means an act that constitutes a violation under sections 609.342 to
- 135.28 609.3453 or 609.352.
- 135.29 (l) "Stalking" has the meaning given in section 609.749.
- 135.30 (m) "Year" means a regular and consecutive 12-month period, as determined by an
- 135.31 employer and clearly communicated to each employee of that employer.

136.1 Subd. 2. **Accrual of earned sick and safe time.** (a) An employee accrues a minimum
136.2 of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48
136.3 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours
136.4 of earned sick and safe time in a year unless the employer agrees to a higher amount.

136.5 (b) Employers must permit an employee to carry over accrued but unused sick and safe
136.6 time into the following year. The total amount of accrued but unused earned sick and safe
136.7 time for an employee may not exceed 80 hours at any time, unless an employer agrees to a
136.8 higher amount.

136.9 (c) Employees who are exempt from overtime requirements under United States Code,
136.10 title 29, section 213(a)(1), as amended through the effective date of this section, are deemed
136.11 to work 40 hours in each workweek for purposes of accruing earned sick and safe time,
136.12 except that an employee whose normal workweek is less than 40 hours will accrue earned
136.13 sick and safe time based on the normal workweek.

136.14 (d) Earned sick and safe time under this section begins to accrue at the commencement
136.15 of employment of the employee.

136.16 (e) Employees may use accrued earned sick and safe time beginning 90 calendar days
136.17 after the day their employment commenced. After 90 days from the day employment
136.18 commenced, employees may use earned sick and safe time as it is accrued. The
136.19 90-calendar-day period under this paragraph includes both days worked and days not worked.

136.20 Subd. 3. **Use of earned sick and safe time.** (a) An employee may use accrued earned
136.21 sick and safe time for:

136.22 (1) an employee's:

136.23 (i) mental or physical illness, injury, or other health condition;

136.24 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,
136.25 or health condition; or

136.26 (iii) need for preventive medical or health care;

136.27 (2) care of a family member:

136.28 (i) with a mental or physical illness, injury, or other health condition;

136.29 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,
136.30 injury, or other health condition; or

136.31 (iii) who needs preventive medical or health care;

- 137.1 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or
137.2 employee's family member, provided the absence is to:
- 137.3 (i) seek medical attention related to physical or psychological injury or disability caused
137.4 by domestic abuse, sexual assault, or stalking;
- 137.5 (ii) obtain services from a victim services organization;
- 137.6 (iii) obtain psychological or other counseling;
- 137.7 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or
- 137.8 (v) seek legal advice or take legal action, including preparing for or participating in any
137.9 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,
137.10 or stalking;
- 137.11 (4) closure of the employee's place of business due to weather or other public emergency
137.12 or an employee's need to care for a family member whose school or place of care has been
137.13 closed due to weather or other public emergency; and
- 137.14 (5) when it has been determined by the health authorities having jurisdiction or by a
137.15 health care professional that the presence of the employee or family member of the employee
137.16 in the community would jeopardize the health of others because of the exposure of the
137.17 employee or family member of the employee to a communicable disease, whether or not
137.18 the employee or family member has actually contracted the communicable disease.
- 137.19 (b) An employer may require notice of the need for use of earned sick and safe time as
137.20 provided in this paragraph. If the need for use is foreseeable, an employer may require
137.21 advance notice of the intention to use earned sick and safe time but must not require more
137.22 than seven days' advance notice. If the need is unforeseeable, an employer may require an
137.23 employee to give notice of the need for earned sick and safe time as soon as practicable.
- 137.24 (c) When an employee uses earned sick and safe time for more than three consecutive
137.25 days, an employer may require reasonable documentation that the earned sick and safe time
137.26 is covered by paragraph (a). For earned sick and safe time under paragraph (a), clauses (1)
137.27 and (2), reasonable documentation may include a signed statement by a health care
137.28 professional indicating the need for use of earned sick and safe time. For earned sick and
137.29 safe time under paragraph (a), clause (3), an employer must accept a court record or
137.30 documentation signed by a volunteer or employee of a victims services organization, an
137.31 attorney, a police officer, or an antiviolence counselor as reasonable documentation. An
137.32 employer must not require disclosure of details relating to domestic abuse, sexual assault,
137.33 or stalking or the details of an employee's or an employee's family member's medical

138.1 condition as related to an employee's request to use earned sick and safe time under this
138.2 section.

138.3 (d) An employer may not require, as a condition of an employee using earned sick and
138.4 safe time, that the employee seek or find a replacement worker to cover the hours the
138.5 employee uses as earned sick and safe time.

138.6 (e) Earned sick and safe time may be used in the smallest increment of time tracked by
138.7 the employer's payroll system, provided such increment is not more than four hours.

138.8 Subd. 4. **Retaliation prohibited.** An employer shall not take retaliatory personnel action
138.9 against an employee because the employee has requested earned sick and safe time, used
138.10 earned sick and safe time, requested a statement of accrued sick and safe time, or made a
138.11 complaint or filed an action to enforce a right to earned sick and safe time under this section.

138.12 Subd. 5. **Reinstatement to comparable position after leave.** An employee returning
138.13 from a leave under this section is entitled to return to employment in a comparable position.
138.14 If, during a leave under this section, the employer experiences a layoff and the employee
138.15 would have lost a position had the employee not been on leave, pursuant to the good faith
138.16 operation of a bona fide layoff and recall system, including a system under a collective
138.17 bargaining agreement, the employee is not entitled to reinstatement in the former or
138.18 comparable position. In such circumstances, the employee retains all rights under the layoff
138.19 and recall system, including a system under a collective bargaining agreement, as if the
138.20 employee had not taken the leave.

138.21 Subd. 6. **Pay and benefits after leave.** An employee returning from a leave under this
138.22 section is entitled to return to employment at the same rate of pay the employee had been
138.23 receiving when the leave commenced, plus any automatic adjustments in the employee's
138.24 pay scale that occurred during leave period. The employee returning from a leave is entitled
138.25 to retain all accrued preleave benefits of employment and seniority as if there had been no
138.26 interruption in service, provided that nothing under this section prevents the accrual of
138.27 benefits or seniority during the leave pursuant to a collective bargaining or other agreement
138.28 between the employer and employees.

138.29 Subd. 7. **Part-time return from leave.** An employee, by agreement with the employer,
138.30 may return to work part time during the leave period without forfeiting the right to return
138.31 to employment at the end of the leave, as provided under this section.

138.32 Subd. 8. **Notice and posting by employer.** (a) Employers must give notice to all
138.33 employees that they are entitled to earned sick and safe time, including the amount of earned
138.34 sick and safe time, the accrual year for the employee, and the terms of its use under this

139.1 section; that retaliation against employees who request or use earned sick and safe time is
139.2 prohibited; and that each employee has the right to file a complaint or bring a civil action
139.3 if earned sick and safe time is denied by the employer or the employee is retaliated against
139.4 for requesting or using earned sick and safe time.

139.5 (b) Employers must supply employees with a notice in English and other appropriate
139.6 languages that contains the information required in paragraph (a) at commencement of
139.7 employment or the effective date of this section, whichever is later.

139.8 (c) The means used by the employer must be at least as effective as the following options
139.9 for providing notice:

139.10 (1) posting a copy of the notice at each location where employees perform work and
139.11 where the notice must be readily observed and easily reviewed by all employees performing
139.12 work; or

139.13 (2) providing a paper or electronic copy of the notice to employees.

139.14 The notice must contain all information required under paragraph (a). The commissioner
139.15 shall create and make available to employers a poster and a model notice that contains the
139.16 information required under paragraph (a) for their use in complying with this section.

139.17 (d) An employer that provides an employee handbook to its employees must include in
139.18 the handbook notice of employee rights and remedies under this section.

139.19 Subd. 9. **Required statement to employee.** (a) Upon request of the employee, the
139.20 employer must provide, in writing or electronically, current information stating the
139.21 employee's amount of:

139.22 (1) earned sick and safe time available to the employee; and

139.23 (2) used earned sick and safe time.

139.24 (b) Employers may choose a reasonable system for providing the information in paragraph
139.25 (a), including but not limited to listing information on each pay stub or developing an online
139.26 system where employees can access their own information.

139.27 Subd. 10. **Employer records.** (a) Employers shall retain accurate records documenting
139.28 hours worked by employees and earned sick and safe time taken and comply with all
139.29 requirements under section 177.30.

139.30 (b) An employer must allow an employee to inspect records required by this section and
139.31 relating to that employee at a reasonable time and place.

140.1 Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section,
140.2 an employer possesses (1) health or medical information regarding an employee or an
140.3 employee's family member; (2) information pertaining to domestic abuse, sexual assault,
140.4 or stalking; (3) information that the employee has requested or obtained leave under this
140.5 section; or (4) any written or oral statement, documentation, record, or corroborating evidence
140.6 provided by the employee or an employee's family member, the employer must treat such
140.7 information as confidential. Information given by an employee may only be disclosed by
140.8 an employer if the disclosure is requested or consented to by the employee, when ordered
140.9 by a court or administrative agency, or when otherwise required by federal or state law.

140.10 (b) Records and documents relating to medical certifications, recertifications, or medical
140.11 histories of employees or family members of employees created for purposes of this section
140.12 or section 177.50 must be maintained as confidential medical records separate from the
140.13 usual personnel files. At the request of the employee, the employer must destroy or return
140.14 the records required by this section that are older than three years prior to the current calendar
140.15 year.

140.16 (c) Employers may not discriminate against any employee based on records created for
140.17 the purposes of this section or section 177.50.

140.18 Subd. 12. **No effect on more generous sick and safe time policies.** (a) Nothing in this
140.19 section shall be construed to discourage employers from adopting or retaining earned sick
140.20 and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum
140.21 standards and requirements provided in this section.

140.22 (b) Nothing in this section shall be construed to limit the right of parties to a collective
140.23 bargaining agreement to bargain and agree with respect to earned sick and safe time policies
140.24 or to diminish the obligation of an employer to comply with any contract, collective
140.25 bargaining agreement, or any employment benefit program or plan that meets or exceeds,
140.26 and does not otherwise conflict with, the minimum standards and requirements provided in
140.27 this section.

140.28 (c) Employers who provide earned sick and safe time to their employees under a paid
140.29 time off policy or other paid leave policy that meets or exceeds, and does not otherwise
140.30 conflict with, the minimum standards and requirements provided in this section are not
140.31 required to provide additional earned sick and safe time.

140.32 (d) An employer may opt to satisfy the requirements of this section for construction
140.33 industry employees by:

141.1 (1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated
141.2 by the Department of Labor and Industry; or

141.3 (2) paying at least the required rate established in a registered apprenticeship agreement
141.4 for apprentices registered with the Department of Labor and Industry.

141.5 An employer electing this option is deemed to be in compliance with this section for
141.6 construction industry employees who receive either at least the prevailing wage rate or the
141.7 rate required in the applicable apprenticeship agreement regardless of whether the employees
141.8 are working on private or public projects.

141.9 (e) This section does not prohibit an employer from establishing a policy whereby
141.10 employees may donate unused accrued sick and safe time to another employee.

141.11 (f) This section does not prohibit an employer from advancing sick and safe time to an
141.12 employee before accrual by the employee.

141.13 Subd. 13. **Termination; separation; transfer.** This section does not require financial
141.14 or other reimbursement to an employee from an employer upon the employee's termination,
141.15 resignation, retirement, or other separation from employment for accrued earned sick and
141.16 safe time that has not been used. If an employee is transferred to a separate division, entity,
141.17 or location, but remains employed by the same employer, the employee is entitled to all
141.18 earned sick and safe time accrued at the prior division, entity, or location and is entitled to
141.19 use all earned sick and safe time as provided in this section. When there is a separation from
141.20 employment and the employee is rehired within 180 days of separation by the same employer,
141.21 previously accrued earned sick and safe time that had not been used must be reinstated. An
141.22 employee is entitled to use accrued earned sick and safe time and accrue additional earned
141.23 sick and safe time at the commencement of reemployment.

141.24 Subd. 14. **Employer succession.** (a) When a different employer succeeds or takes the
141.25 place of an existing employer, all employees of the original employer who remain employed
141.26 by the successor employer are entitled to all earned sick and safe time accrued but not used
141.27 when employed by the original employer, and are entitled to use all earned sick and safe
141.28 time previously accrued but not used.

141.29 (b) If, at the time of transfer of the business, employees are terminated by the original
141.30 employer and hired within 30 days by the successor employer following the transfer, those
141.31 employees are entitled to all earned sick and safe time accrued but not used when employed
141.32 by the original employer, and are entitled to use all earned sick and safe time previously
141.33 accrued but not used.

142.1 Sec. 3. **REPEALER.**142.2 Minnesota Statutes 2018, section 181.9413, is repealed.142.3 Sec. 4. **EFFECTIVE DATE.**142.4 Sections 1 to 3 are effective 180 days following final enactment.142.5 **ARTICLE 7**142.6 **EARNED SICK AND SAFE TIME ENFORCEMENT**

142.7 Section 1. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

142.8 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
142.9 of employees working in the state to submit to the commissioner photocopies, certified
142.10 copies, or, if necessary, the originals of employment records which the commissioner deems
142.11 necessary or appropriate. The records which may be required include full and correct
142.12 statements in writing, including sworn statements by the employer, containing information
142.13 relating to wages, hours, names, addresses, and any other information pertaining to the
142.14 employer's employees and the conditions of their employment as the commissioner deems
142.15 necessary or appropriate.

142.16 The commissioner may require the records to be submitted by certified mail delivery
142.17 or, if necessary, by personal delivery by the employer or a representative of the employer,
142.18 as authorized by the employer in writing.

142.19 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit
142.20 or deliver records as required by this section. This penalty is in addition to any penalties
142.21 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
142.22 under this subdivision, the appropriateness of such penalty to the size of the employer's
142.23 business and the gravity of the violation shall be considered.

142.24 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 4, is amended to read:

142.25 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
142.26 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
142.27 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
142.28 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445, or with any rule
142.29 promulgated under section 177.28. The commissioner shall issue an order requiring an
142.30 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes
142.31 of this subdivision only, a violation is repeated if at any time during the two years that

143.1 preceded the date of violation, the commissioner issued an order to the employer for violation
143.2 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer
143.3 have entered into a settlement agreement that required the employer to pay back wages that
143.4 were required by sections 177.41 to 177.435. The department shall serve the order upon the
143.5 employer or the employer's authorized representative in person or by certified mail at the
143.6 employer's place of business. An employer who wishes to contest the order must file written
143.7 notice of objection to the order with the commissioner within 15 calendar days after being
143.8 served with the order. A contested case proceeding must then be held in accordance with
143.9 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the
143.10 employer fails to file a written notice of objection with the commissioner, the order becomes
143.11 a final order of the commissioner.

143.12 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 7, is amended to read:

143.13 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
143.14 violated a section identified in subdivision 4, or any rule adopted under section 177.28, and
143.15 the commissioner issues an order to comply, the commissioner shall order the employer to
143.16 cease and desist from engaging in the violative practice and to take such affirmative steps
143.17 that in the judgment of the commissioner will effectuate the purposes of the section or rule
143.18 violated. The commissioner shall order the employer to pay to the aggrieved parties back
143.19 pay, gratuities, and compensatory damages, less any amount actually paid to the employee
143.20 by the employer, and for an additional equal amount as liquidated damages. Any employer
143.21 who is found by the commissioner to have repeatedly or willfully violated a section or
143.22 sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000
143.23 for each violation for each employee. In determining the amount of a civil penalty under
143.24 this subdivision, the appropriateness of such penalty to the size of the employer's business
143.25 and the gravity of the violation shall be considered. In addition, the commissioner may order
143.26 the employer to reimburse the department and the attorney general for all appropriate
143.27 litigation and hearing costs expended in preparation for and in conducting the contested
143.28 case proceeding, unless payment of costs would impose extreme financial hardship on the
143.29 employer. If the employer is able to establish extreme financial hardship, then the
143.30 commissioner may order the employer to pay a percentage of the total costs that will not
143.31 cause extreme financial hardship. Costs include but are not limited to the costs of services
143.32 rendered by the attorney general, private attorneys if engaged by the department,
143.33 administrative law judges, court reporters, and expert witnesses as well as the cost of
143.34 transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's
143.35 order from the date the order is signed by the commissioner until it is paid, at an annual rate

144.1 provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish
144.2 escrow accounts for purposes of distributing damages.

144.3 **Sec. 4. [177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.**

144.4 **Subdivision 1. Definitions.** The definitions in section 181.9445, subdivision 1, apply to
144.5 this section.

144.6 **Subd. 2. Rulemaking authority.** The commissioner may adopt rules to carry out the
144.7 purposes of this section and section 181.9445.

144.8 **Subd. 3. Individual remedies.** In addition to any other remedies provided by law, a
144.9 person injured by a violation of section 181.9445 may bring a civil action to recover general
144.10 and special damages, along with costs, fees, and reasonable attorney fees, and may receive
144.11 injunctive and other equitable relief as determined by a court. An action to recover damages
144.12 under this subdivision must be commenced within three years of the violation of section
144.13 181.9445 that caused the injury to the employee.

144.14 **Subd. 4. Grants to community organizations.** The commissioner may make grants to
144.15 community organizations for the purpose of outreach to and education for employees
144.16 regarding their rights under section 181.9445. The community-based organizations must
144.17 be selected based on their experience, capacity, and relationships in high-violation industries.
144.18 The work under such a grant may include the creation and administration of a statewide
144.19 worker hotline.

144.20 **Subd. 5. Report to legislature.** (a) The commissioner must submit an annual report to
144.21 the legislature, including to the chairs and ranking minority members of any relevant
144.22 legislative committee. The report must include, but is not limited to:

144.23 (1) a list of all violations of section 181.9445, including the employer involved, and the
144.24 nature of any violations; and

144.25 (2) an analysis of noncompliance with section 181.9445, including any patterns by
144.26 employer, industry, or county.

144.27 (b) A report under this section must not include an employee's name or other identifying
144.28 information, any health or medical information regarding an employee or an employee's
144.29 family member, or any information pertaining to domestic abuse, sexual assault, or stalking
144.30 of an employee or an employee's family member.

144.31 **Subd. 6. Contract for labor or services.** It is the responsibility of all employers to not
144.32 enter into any contract or agreement for labor or services where the employer has any actual

145.1 knowledge or knowledge arising from familiarity with the normal facts and circumstances
145.2 of the business activity engaged in, or has any additional facts or information that, taken
145.3 together, would make a reasonably prudent person undertake to inquire whether, taken
145.4 together, the contractor is not complying or has failed to comply with this section. For
145.5 purposes of this subdivision, "actual knowledge" means information obtained by the employer
145.6 that the contractor has violated this section within the past two years and has failed to present
145.7 the employer with credible evidence that such noncompliance has been cured going forward.

145.8 **EFFECTIVE DATE.** This section is effective 180 days after final enactment.

145.9 **ARTICLE 8**

145.10 **LABOR AND INDUSTRY POLICY**

145.11 Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

145.12 Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any
145.13 progress payment on a public contract for a public improvement an amount not to exceed
145.14 five percent of the payment. ~~A~~ The public contracting agency may reduce the amount of
145.15 the retainage and may eliminate retainage on any monthly contract payment if, in the agency's
145.16 opinion, the work is progressing satisfactorily.

145.17 (b) For all construction contracts greater than \$5,000,000, the public contracting agency
145.18 must reduce retainage to no more than 2.5 percent if the public contracting agency determines
145.19 the work is 75 percent or more complete, that work is progressing satisfactorily, and all
145.20 contract requirements are being met.

145.21 (c) The public contracting agency must release any remaining retainage no later than 60
145.22 days after substantial completion.

145.23 (d) A contractor on a public contract for a public improvement must pay out any
145.24 remaining retainage to its subcontractors no later than ten days after receiving payment of
145.25 retainage from the public contracting agency, unless there is a dispute about the work under
145.26 a subcontract. If there is a dispute about the work under a subcontract, the contractor must
145.27 pay out retainage to any subcontractor whose work is not involved in the dispute, and must
145.28 provide a written statement detailing the amount and reason for the withholding to the
145.29 affected subcontractor and the public agency.

145.30 (e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds
145.31 the amount reserved by the public contracting agency under this subdivision. Upon written
145.32 request of a subcontractor who has not been paid for work in accordance with section
145.33 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the

146.1 subcontractor of a progress payment, retainage payment, or final payment made to the
146.2 contractor. A contractor must include in any contract with a subcontractor the name, address,
146.3 and telephone number of a responsible official at the public contracting agency that may
146.4 be contacted for purposes of making a request under this paragraph.

146.5 (f) After substantial completion, a public contracting agency may withhold no more
146.6 than:

146.7 (1) 250 percent of the value of incomplete or defective work; and

146.8 (2) one percent of the value of the contract or \$500, whichever is greater, pending
146.9 completion and submission of all final paperwork by the contractor, provided that an amount
146.10 withheld under this clause may not exceed \$10,000.

146.11 If the public contracting agency withholds payment under this paragraph, the public
146.12 contracting agency must promptly provide a written statement detailing the amount and
146.13 basis of withholding to the contractor. The public contracting agency must provide a copy
146.14 of this statement to any subcontractor that requests it. Any amounts withheld for incomplete
146.15 or defective work shall be paid within 45 days after the completion of the work. Any amounts
146.16 withheld under clause (1) must be paid within 45 days after completion of the work. Any
146.17 amounts withheld under clause (2) must be paid within 45 days after submission of all final
146.18 paperwork.

146.19 (g) As used in this subdivision, "substantial completion" shall be determined as provided
146.20 in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or
146.21 improvement of streets and highways, including bridges, substantial completion means the
146.22 date when construction-related traffic devices and ongoing inspections are no longer required.

146.23 (h) The maximum retainage percentage allowed for a building and construction contract
146.24 is the retainage percentage withheld by the public contracting agency from the contractor.

146.25 (i) Withholding retainage for warranties or warranty work is prohibited.

146.26 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
146.27 1, 2019.

146.28 Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

146.29 Subd. 3. **Duties.** (a) The commissioner shall:

146.30 (1) approve youth skills training programs that train student learners for careers in
146.31 high-growth, high-demand occupations that provide:

147.1 (i) that the work of the student learner in the occupations declared particularly hazardous
147.2 shall be incidental to the training;

147.3 (ii) that the work shall be intermittent and for short periods of time, and under the direct
147.4 and close supervision of a qualified and experienced person;

147.5 (iii) that safety instruction shall be provided to the student learner and may be given by
147.6 the school and correlated by the employer with on-the-job training;

147.7 (iv) a schedule of organized and progressive work processes to be performed on the job;

147.8 (v) a schedule of wage rates in compliance with section 177.24; and

147.9 (vi) whether the student learner will obtain secondary school academic credit,
147.10 postsecondary credit, or both, for the training program;

147.11 (2) approve occupations and maintain a list of approved occupations for programs under
147.12 this section;

147.13 (3) issue requests for proposals for grants;

147.14 (4) work with individuals representing industry and labor to develop new youth skills
147.15 training programs;

147.16 (5) develop model program guides;

147.17 (6) monitor youth skills training programs;

147.18 (7) provide technical assistance to local partnership grantees;

147.19 (8) work with providers to identify paths for receiving postsecondary credit for
147.20 participation in the youth skills training program; and

147.21 (9) approve other activities as necessary to implement the program.

147.22 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
147.23 representatives of secondary school institutions, career and technical education instructors,
147.24 postsecondary institutions, businesses, and labor, in developing youth skills training
147.25 programs, and identifying and approving occupations and competencies for youth skills
147.26 training programs.

147.27 Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

147.28 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
147.29 for youth skills training programs that train student learners for careers in high-growth,

148.1 high-demand occupations. Grant awards may not exceed \$100,000 per local partnership
148.2 grant.

148.3 (b) A local partnership awarded a grant under this section must use the grant award for
148.4 any of the following implementation and coordination activities:

148.5 (1) recruiting additional employers to provide on-the-job training and supervision for
148.6 student learners and providing technical assistance to those employers;

148.7 (2) recruiting students to participate in the local youth skills training program, monitoring
148.8 the progress of student learners participating in the program, and monitoring program
148.9 outcomes;

148.10 (3) coordinating youth skills training activities within participating school districts and
148.11 among participating school districts, postsecondary institutions, and employers;

148.12 (4) coordinating academic, vocational and occupational learning, school-based and
148.13 work-based learning, and secondary and postsecondary education for participants in the
148.14 local youth skills training program;

148.15 (5) coordinating transportation for student learners participating in the local youth skills
148.16 training program; and

148.17 (6) any other implementation or coordination activity that the commissioner may direct
148.18 or permit the local partnership to perform.

148.19 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
148.20 learner.

148.21 Sec. 4. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

148.22 Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number
148.23 of employees who will be covered under it must be filed with the commissioner. Within 21
148.24 days of receipt of an agreement, the commissioner shall review the agreement for compliance
148.25 with this section and the benefit provisions of this chapter and notify the parties of any
148.26 additional information required or any recommended modification that would bring the
148.27 agreement into compliance. Upon receipt of any requested information or modification, the
148.28 commissioner must notify the parties within 21 days whether the agreement is in compliance
148.29 with this section and the benefit provisions of this chapter.

148.30 (b) After an agreement is approved by the commissioner under paragraph (a), a qualified
148.31 employer may join or withdraw from a qualified group of employers without commissioner

149.1 review or approval. The commissioner must be notified within 30 days when a qualified
149.2 employer joins or withdraws from a qualified group of employers.

149.3 (c) In order for any agreement to remain in effect, it must provide for a timely and
149.4 accurate method of reporting to the commissioner ~~necessary information regarding service~~
149.5 ~~cost and utilization~~ the individual claims covered by the agreement and claim-specific
149.6 dispute resolution data, in the form and manner prescribed by the commissioner. Dispute
149.7 resolution data includes information about facilitation, mediation, and arbitration and shall
149.8 be provided annually to the commissioner to enable the commissioner to annually report
149.9 aggregate dispute data to the legislature. ~~The information provided to the commissioner~~
149.10 ~~must include aggregate data on the:~~

149.11 ~~(i) person hours and payroll covered by agreements filed;~~

149.12 ~~(ii) number of claims filed;~~

149.13 ~~(iii) average cost per claim;~~

149.14 ~~(iv) number of litigated claims, including the number of claims submitted to arbitration,~~
149.15 ~~the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the~~
149.16 ~~district court, the Minnesota Court of Appeals or the supreme court;~~

149.17 ~~(v) number of contested claims resolved prior to arbitration;~~

149.18 ~~(vi) projected incurred costs and actual costs of claims;~~

149.19 ~~(vii) employer's safety history;~~

149.20 ~~(viii) number of workers participating in vocational rehabilitation; and~~

149.21 ~~(ix) number of workers participating in light-duty programs.~~

149.22 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c)
149.23 is effective August 1, 2020.

149.24 Sec. 5. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

149.25 Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee
149.26 during the course of employment, the employer shall report the injury or death to the
149.27 commissioner and insurer within 48 hours after its occurrence. Where any other injury
149.28 occurs which wholly or partly incapacitates the employee from performing labor or service
149.29 for more than three calendar days, the employer shall report the injury to the insurer on a
149.30 form prescribed by the commissioner within ten days from its occurrence. An insurer and
149.31 self-insured employer shall report the injury to the commissioner no later than 14 days from

150.1 its occurrence. Where an injury has once been reported but subsequently death ensues, the
150.2 employer shall report the death to the commissioner and insurer within 48 hours after the
150.3 employer receives notice of this fact. An employer who provides notice to the Occupational
150.4 Safety and Health Division of the Department of Labor and Industry of a fatality within the
150.5 eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour
150.6 time frame required by law, has satisfied the employer's obligation under this section.

150.7 (b) At the time an injury is required to be reported to the commissioner, the insurer or
150.8 self-insured employer must also specify whether the injury is covered by a collective
150.9 bargaining agreement approved by the commissioner under section 176.1812. Notice must
150.10 be provided in the format and manner prescribed by the commissioner.

150.11 **EFFECTIVE DATE.** This section is effective August 1, 2020.

150.12 Sec. 6. Minnesota Statutes 2018, section 179.86, subdivision 1, is amended to read:

150.13 Subdivision 1. **Definition.** For the purpose of this section, "employer" means:

150.14 (1) an employer ~~in the meatpacking industry~~ whose employees routinely pack, can, or
150.15 otherwise process poultry or meat for human consumption; or

150.16 (2) an employer whose employees routinely clean or sterilize meat processing or poultry
150.17 processing equipment used by an employer as defined in clause (1).

150.18 Sec. 7. Minnesota Statutes 2018, section 179.86, subdivision 3, is amended to read:

150.19 Subd. 3. **Information provided to employee by employer.** (a) An employer must
150.20 provide an explanation ~~in an employee's native language~~ of the employee's rights and duties
150.21 as an employee either person to person or through written materials that, at a minimum,
150.22 include:

150.23 (1) a complete description of the salary and benefits plans as they relate to the employee;

150.24 (2) a job description for the employee's position;

150.25 (3) a description of leave policies;

150.26 (4) a description of the work hours and work hours policy; and

150.27 (5) a description of the occupational hazards known to exist for the position.

150.28 (b) The explanation must also include information on the following employee rights as
150.29 protected by state or federal law and a description of where additional information about
150.30 those rights may be obtained:

151.1 (1) the right to organize and bargain collectively and refrain from organizing and
151.2 bargaining collectively;

151.3 (2) the right to a safe workplace; and

151.4 (3) the right to be free from discrimination.

151.5 (c) The explanation must be provided in a language the employee speaks fluently.

151.6 Sec. 8. Minnesota Statutes 2018, section 181.635, subdivision 2, is amended to read:

151.7 Subd. 2. **Recruiting; required disclosure.** An employer shall provide written disclosure
151.8 of the terms and conditions of employment to a person at the time it recruits the person to
151.9 relocate to work in the food processing industry. The disclosure requirement does not apply
151.10 to an exempt employee as defined in United States Code, title 29, section 213(a)(1). The
151.11 disclosure must be written in ~~English and Spanish~~, a language the employee speaks fluently
151.12 in addition to any other languages preferred by the employer. The disclosure must be dated
151.13 and signed by the employer and the person recruited, and maintained by the employer for
151.14 two years. If the employer has any reason to doubt the employee's ability to read, the
151.15 employer must read the disclosure out loud to the employee in a language the employee
151.16 speaks fluently before the disclosure is signed. A copy of the signed and completed disclosure
151.17 must be delivered immediately to the recruited person. The disclosure may not be construed
151.18 as an employment contract.

151.19 Sec. 9. Minnesota Statutes 2018, section 182.659, subdivision 8, is amended to read:

151.20 Subd. 8. **Protection from subpoena; data.** Neither the commissioner nor any employee
151.21 of the department, ~~including those employees of the Department of Health providing services~~
151.22 ~~to the Department of Labor and Industry, pursuant to section 182.67, subdivision 1,~~ is subject
151.23 to subpoena for purposes of inquiry into any occupational safety and health inspection
151.24 except in enforcement proceedings brought under this chapter. Data that identify individuals
151.25 who provide data to the department as part of an investigation conducted under this chapter
151.26 shall be private.

151.27 Sec. 10. Minnesota Statutes 2018, section 182.666, subdivision 1, is amended to read:

151.28 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
151.29 violates the requirements of section 182.653, or any standard, rule, or order adopted under
151.30 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
151.31 exceed ~~\$70,000~~ \$129,335 for each violation. The minimum fine for a willful violation is
151.32 ~~\$5,000~~ \$9,240.

152.1 **EFFECTIVE DATE.** This section is effective July 1, 2019.

152.2 Sec. 11. Minnesota Statutes 2018, section 182.666, subdivision 2, is amended to read:

152.3 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
152.4 violation of its duties under section 182.653, or any standard, rule, or order adopted under
152.5 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
152.6 to exceed ~~\$7,000~~ \$12,935 for each violation. If a serious violation under section 182.653,
152.7 subdivision 2, causes or contributes to the death of an employee, the employer shall be
152.8 assessed a fine of up to \$25,000 for each violation.

152.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

152.10 Sec. 12. Minnesota Statutes 2018, section 182.666, subdivision 3, is amended to read:

152.11 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
152.12 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically
152.13 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
152.14 may be assessed a fine of up to ~~\$7,000~~ \$12,935 for each violation.

152.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

152.16 Sec. 13. Minnesota Statutes 2018, section 182.666, subdivision 4, is amended to read:

152.17 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
152.18 for which a citation has been issued under section 182.66 within the period permitted for
152.19 its correction, which period shall not begin to run until the date of the final order of the
152.20 commissioner in the case of any review proceedings under this chapter initiated by the
152.21 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
152.22 a fine of not more than ~~\$7,000~~ \$12,935 for each day during which the failure or violation
152.23 continues.

152.24 **EFFECTIVE DATE.** This section is effective July 1, 2019.

152.25 Sec. 14. Minnesota Statutes 2018, section 182.666, subdivision 5, is amended to read:

152.26 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
152.27 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
152.28 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,935 for each violation.

152.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.

153.1 Sec. 15. Minnesota Statutes 2018, section 182.666, is amended by adding a subdivision
153.2 to read:

153.3 Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning
153.4 in 2019, the commissioner shall determine the percentage increase in the rate of inflation,
153.5 as measured by the implicit price deflator, national data for personal consumption
153.6 expenditures as determined by the United States Department of Commerce, Bureau of
153.7 Economic Analysis during the 12-month period immediately preceding that August or, if
153.8 that data is unavailable, during the most recent 12-month period for which data is available.
153.9 The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under
153.10 section 182.653, subdivision 2, that causes or contributes to the death of an employee, are
153.11 increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly
153.12 divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest
153.13 dollar amount evenly divisible by ten.

153.14 (b) The fines increased under paragraph (a) shall not be increased to an amount greater
153.15 than the corresponding federal penalties for the specified violations promulgated in United
153.16 States Code, title 29, section, 666, subsections (a)-(d), (i), as amended through November
153.17 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal
153.18 Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

153.19 (c) A fine must not be reduced under this subdivision. A fine increased under this
153.20 subdivision takes effect on the next January 1.

153.21 **EFFECTIVE DATE.** This section is effective July 1, 2019.

153.22 Sec. 16. Minnesota Statutes 2018, section 326B.082, subdivision 6, is amended to read:

153.23 **Subd. 6. Notices of violation.** (a) The commissioner may issue a notice of violation to
153.24 any person who the commissioner determines has committed a violation of the applicable
153.25 law. The notice of violation must state a summary of the facts that constitute the violation
153.26 and the applicable law violated. The notice of violation may require the person to correct
153.27 the violation. If correction is required, the notice of violation must state the deadline by
153.28 which the violation must be corrected.

153.29 (b) The commissioner shall issue the notice of violation by:

153.30 (1) serving the notice of violation on the property owner or on the person who committed
153.31 the violation; or

153.32 (2) posting the notice of violation at the location where the violation occurred.

154.1 (c) If the person to whom the commissioner has issued the notice of violation believes
154.2 the notice was issued in error, then the person may request reconsideration of the parts of
154.3 the notice that the person believes are in error. The request for reconsideration must be in
154.4 writing and must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~,
154.5 fax number, or e-mail address specified in the notice of violation by the tenth day after the
154.6 commissioner issued the notice of violation. The date on which a request for reconsideration
154.7 is served by mail shall be the postmark date on the envelope in which the request for
154.8 reconsideration is mailed. If the person does not serve ~~or~~, fax, or e-mail a written request
154.9 for reconsideration or if the person's written request for reconsideration is not served on or
154.10 faxed to the commissioner by the tenth day after the commissioner issued the notice of
154.11 violation, the notice of violation shall become a final order of the commissioner and will
154.12 not be subject to review by any court or agency. The request for reconsideration must:

154.13 (1) specify which parts of the notice of violation the person believes are in error;

154.14 (2) explain why the person believes the parts are in error; and

154.15 (3) provide documentation to support the request for reconsideration.

154.16 The commissioner shall respond in writing to requests for reconsideration made under
154.17 this paragraph within 15 days after receiving the request. A request for reconsideration does
154.18 not stay a requirement to correct a violation as set forth in the notice of violation. After
154.19 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
154.20 the notice of violation. The commissioner's response to a request for reconsideration is final
154.21 and shall not be reviewed by any court or agency.

154.22 Sec. 17. Minnesota Statutes 2018, section 326B.082, subdivision 8, is amended to read:

154.23 Subd. 8. **Hearings related to administrative orders.** (a) Within 30 days after the
154.24 commissioner issues an administrative order or within 20 days after the commissioner issues
154.25 the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person to
154.26 whom the administrative order or notice is issued may request an expedited hearing to
154.27 review the commissioner's order or notice. The request for hearing must be in writing and
154.28 must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number,
154.29 or e-mail address specified in the order or notice. If the person does not request a hearing
154.30 or if the person's written request for hearing is not served on ~~or~~, faxed, or e-mailed to the
154.31 commissioner by the 30th day after the commissioner issues the administrative order or the
154.32 20th day after the commissioner issues the notice under section 326B.083, subdivision 3,
154.33 paragraph (b), clause (3), the order will become a final order of the commissioner and will
154.34 not be subject to review by any court or agency. The date on which a request for hearing is

155.1 served by mail shall be the postmark date on the envelope in which the request for hearing
155.2 is mailed. The hearing request must specifically state the reasons for seeking review of the
155.3 order or notice. The person to whom the order or notice is issued and the commissioner are
155.4 the parties to the expedited hearing. The commissioner must notify the person to whom the
155.5 order or notice is issued of the time and place of the hearing at least 15 days before the
155.6 hearing. The expedited hearing must be held within 45 days after a request for hearing has
155.7 been received by the commissioner unless the parties agree to a later date.

155.8 (b) Parties may submit written arguments if permitted by the administrative law judge.
155.9 All written arguments must be submitted within ten days following the completion of the
155.10 hearing or the receipt of any late-filed exhibits that the parties and the administrative law
155.11 judge have agreed should be received into the record, whichever is later. The hearing shall
155.12 be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this
155.13 subdivision. The Office of Administrative Hearings may, in consultation with the agency,
155.14 adopt rules specifically applicable to cases under this section.

155.15 (c) The administrative law judge shall issue a report making findings of fact, conclusions
155.16 of law, and a recommended order to the commissioner within 30 days following the
155.17 completion of the hearing, the receipt of late-filed exhibits, or the submission of written
155.18 arguments, whichever is later.

155.19 (d) If the administrative law judge makes a finding that the hearing was requested solely
155.20 for purposes of delay or that the hearing request was frivolous, the commissioner may add
155.21 to the amount of the penalty the costs charged to the department by the Office of
155.22 Administrative Hearings for the hearing.

155.23 (e) If a hearing has been held, the commissioner shall not issue a final order until at least
155.24 five days after the date of the administrative law judge's report. Any person aggrieved by
155.25 the administrative law judge's report may, within those five days, serve written comments
155.26 to the commissioner on the report and the commissioner shall consider and enter the
155.27 comments in the record. The commissioner's final order shall comply with sections 14.61,
155.28 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
155.29 in sections 14.63 to 14.69.

155.30 Sec. 18. Minnesota Statutes 2018, section 326B.082, subdivision 12, is amended to read:

155.31 Subd. 12. **Issuance of licensing orders; hearings related to licensing orders.** (a) If
155.32 the commissioner determines that a permit, license, registration, or certificate should be
155.33 conditioned, limited, suspended, revoked, or denied under subdivision 11, or that the permit
155.34 holder, licensee, registrant, or certificate holder should be censured under subdivision 11,

156.1 then the commissioner shall issue to the person an order denying, conditioning, limiting,
156.2 suspending, or revoking the person's permit, license, registration, or certificate, or censuring
156.3 the permit holder, licensee, registrant, or certificate holder.

156.4 (b) Any order issued under paragraph (a) may include an assessment of monetary penalties
156.5 and may require the person to cease and desist from committing the violation or committing
156.6 the act, conduct, or practice set out in subdivision 11, paragraph (b). The monetary penalty
156.7 may be up to \$10,000 for each violation or act, conduct, or practice committed by the person.
156.8 The procedures in section 326B.083 must be followed when issuing orders under paragraph
156.9 (a).

156.10 (c) The permit holder, licensee, registrant, certificate holder, or applicant to whom the
156.11 commissioner issues an order under paragraph (a) shall have 30 days after issuance of the
156.12 order to request a hearing. The request for hearing must be in writing and must be served
156.13 ~~on or~~ faxed, or e-mailed to the commissioner at the address ~~or~~ fax number, or e-mail address
156.14 specified in the order by the 30th day after issuance of the order. If the person does not
156.15 request a hearing or if the person's written request for hearing is not served ~~on or~~ faxed, or
156.16 e-mailed to the commissioner by the 30th day after issuance of the order, the order shall
156.17 become a final order of the commissioner and will not be subject to review by any court or
156.18 agency. The date on which a request for hearing is served by mail shall be the postmark
156.19 date on the envelope in which the request for hearing is mailed. If the person submits to the
156.20 commissioner a timely request for hearing, the order is stayed unless the commissioner
156.21 summarily suspends the license, registration, certificate, or permit under subdivision 13,
156.22 and a contested case hearing shall be held in accordance with chapter 14.

156.23 Sec. 19. Minnesota Statutes 2018, section 326B.103, subdivision 11, is amended to read:

156.24 Subd. 11. **Public building.** "Public building" means a building and its grounds the cost
156.25 of which is paid for by the state or a state agency regardless of its cost, and a ~~school district~~
156.26 building project for a school district or charter school ~~building project~~ the cost of which is
156.27 \$100,000 or more.

156.28 Sec. 20. Minnesota Statutes 2018, section 326B.106, subdivision 9, is amended to read:

156.29 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require
156.30 new public buildings constructed or remodeled after July 1, 1963, and remodeled portions
156.31 of existing public buildings to be accessible to and usable by persons with disabilities;
156.32 ~~although this does not require the remodeling of public buildings solely to provide~~

157.1 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~
157.2 ~~be undertaken.~~

157.3 (b) **Leased space.** No agency of the state may lease space for agency operations in a
157.4 non-state-owned building unless the building satisfies the requirements of the State Building
157.5 Code for accessibility by persons with disabilities, or is eligible to display the state symbol
157.6 of accessibility. This limitation applies to leases of 30 days or more for space of at least
157.7 1,000 square feet.

157.8 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
157.9 employees which are sponsored in whole or in part by a state agency must be held in
157.10 buildings that meet the State Building Code requirements relating to accessibility for persons
157.11 with disabilities. This subdivision does not apply to any classes, seminars, or training
157.12 programs offered by the Minnesota State Colleges and Universities or the University of
157.13 Minnesota. Meetings or conferences intended for specific individuals none of whom need
157.14 the accessibility features for persons with disabilities specified in the State Building Code
157.15 need not comply with this subdivision unless a person with a disability gives reasonable
157.16 advance notice of an intent to attend the meeting or conference. When sign language
157.17 interpreters will be provided, meetings or conference sites must be chosen which allow
157.18 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

157.19 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
157.20 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
157.21 were made to secure facilities which complied with those requirements and if the selected
157.22 facilities are the best available for access for persons with disabilities. Exemptions shall be
157.23 granted using criteria developed by the commissioner in consultation with the Council on
157.24 Disability.

157.25 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
157.26 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
157.27 and grounds which are accessible to and usable by persons with disabilities. In the interests
157.28 of uniformity, this symbol is the sole symbol for display in or on all public or private
157.29 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
157.30 the symbol and keep it on file. No building, facility, or grounds may display the symbol
157.31 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
157.32 Before any rules are proposed for adoption under this paragraph, the commissioner shall
157.33 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
157.34 in the same way as other accessibility rules of the State Building Code.

158.1 Sec. 21. Minnesota Statutes 2018, section 326B.46, is amended by adding a subdivision
158.2 to read:

158.3 Subd. 7. **License number to be displayed.** Any vehicle used by a plumbing contractor
158.4 or restricted plumbing contractor while performing plumbing work for which a contractor's
158.5 license is required shall have the contractor's name and license number as it appears on the
158.6 contractor's license in contrasting color with characters at least three inches high and one-half
158.7 inch in width affixed to each side of the vehicle.

158.8 Sec. 22. Minnesota Statutes 2018, section 326B.475, subdivision 4, is amended to read:

158.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted
158.10 journeyworker plumber license must be renewed for as long as that licensee engages in the
158.11 plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master
158.12 plumber and restricted journeyworker plumber license within 12 months after the expiration
158.13 date will result in permanent forfeiture of the restricted master plumber and restricted
158.14 journeyworker plumber license.

158.15 ~~(b) The commissioner shall in a manner determined by the commissioner, without the~~
158.16 ~~need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber~~
158.17 ~~and restricted journeyworker plumber licenses from one year to two years. By June 30,~~
158.18 ~~2011, all restricted master plumber and restricted journeyworker plumber licenses shall be~~
158.19 ~~two-year licenses.~~

158.20 Sec. 23. Minnesota Statutes 2018, section 326B.802, subdivision 15, is amended to read:

158.21 Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

158.22 (a) **Excavation.** Excavation includes work in any of the following areas:

158.23 (1) excavation;

158.24 (2) trenching;

158.25 (3) grading; and

158.26 (4) site grading.

158.27 (b) **Masonry and concrete.** Masonry and concrete includes work in any of the following
158.28 areas:

158.29 (1) drain systems;

158.30 (2) poured walls;

- 159.1 (3) slabs and poured-in-place footings;
- 159.2 (4) masonry walls;
- 159.3 (5) masonry fireplaces;
- 159.4 (6) masonry veneer; and
- 159.5 (7) water resistance and waterproofing.
- 159.6 (c) **Carpentry.** Carpentry includes work in any of the following areas:
- 159.7 (1) rough framing;
- 159.8 (2) finish carpentry;
- 159.9 (3) doors, windows, and skylights;
- 159.10 (4) porches and decks, excluding footings;
- 159.11 (5) wood foundations; and
- 159.12 (6) drywall installation, excluding taping and finishing.
- 159.13 (d) **Interior finishing.** Interior finishing includes work in any of the following areas:
- 159.14 (1) floor covering;
- 159.15 (2) wood floors;
- 159.16 (3) cabinet and counter top installation;
- 159.17 (4) insulation and vapor barriers;
- 159.18 (5) interior or exterior painting;
- 159.19 (6) ceramic, marble, and quarry tile;
- 159.20 (7) ornamental guardrail and installation of prefabricated stairs; and
- 159.21 (8) wallpapering.
- 159.22 (e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:
- 159.23 (1) siding;
- 159.24 (2) soffit, fascia, and trim;
- 159.25 (3) exterior plaster and stucco;
- 159.26 (4) painting; and
- 159.27 (5) rain carrying systems, including gutters and down spouts.

160.1 (f) **Drywall and plaster.** Drywall and plaster includes work in any of the following
160.2 areas:

160.3 (1) installation;

160.4 (2) taping;

160.5 (3) finishing;

160.6 (4) interior plaster;

160.7 (5) painting; and

160.8 (6) wallpapering.

160.9 (g) **Residential roofing.** Residential roofing includes work in any of the following areas:

160.10 (1) roof coverings;

160.11 (2) roof sheathing;

160.12 (3) roof weatherproofing and insulation; ~~and~~

160.13 (4) repair of roof support system, but not construction of new roof support system; and

160.14 (5) penetration of roof covering for purposes of attaching a solar photovoltaic system.

160.15 (h) **General installation specialties.** Installation includes work in any of the following
160.16 areas:

160.17 (1) garage doors and openers;

160.18 (2) pools, spas, and hot tubs;

160.19 (3) fireplaces and wood stoves;

160.20 (4) asphalt paving and seal coating; ~~and~~

160.21 (5) ornamental guardrail and prefabricated stairs; and

160.22 (6) assembly of the support system for a solar photovoltaic system.

160.23 Sec. 24. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

160.24 Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each
160.25 licensee must, during each continuing education reporting period, complete and report one
160.26 hour of continuing education relating to energy codes or energy conservation measures
160.27 applicable to residential buildings and one hour of business management strategies applicable
160.28 to residential construction businesses.

161.1 (b) Immediately following the adoption date of a new residential code, the commissioner
161.2 may prescribe that up to seven of the required 14 hours of continuing education credit per
161.3 licensure period include education hours specifically designated to instruct licensees on
161.4 new or existing State Building Code provisions.

161.5 Sec. 25. Minnesota Statutes 2018, section 326B.84, is amended to read:

161.6 **326B.84 GROUNDS FOR SANCTIONS.**

161.7 The commissioner may use any enforcement provision in section 326B.082 against an
161.8 applicant for, qualifying person of, or holder of a license or certificate of exemption, or any
161.9 individual or entity who is required by law to hold a license or certificate of exemption, if
161.10 the individual, entity, applicant, licensee, certificate of exemption holder, qualifying person,
161.11 or owner, officer, member, managing employee, or affiliate of the applicant, licensee, or
161.12 certificate of exemption holder:

161.13 (1) has filed an application for licensure or a certificate of exemption which is incomplete
161.14 in any material respect or contains any statement which, in light of the circumstances under
161.15 which it is made, is false or misleading with respect to any material fact;

161.16 (2) has engaged in a fraudulent, deceptive, or dishonest practice;

161.17 (3) is permanently or temporarily enjoined by any court of competent jurisdiction from
161.18 engaging in or continuing any conduct or practice involving any aspect of the business;

161.19 (4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons,
161.20 or has performed negligently or in breach of contract, so as to cause injury or harm to the
161.21 public;

161.22 (5) has violated or failed to comply with any provision of sections 326B.802 to 326B.885,
161.23 any rule or order under sections 326B.802 to 326B.885, or any other law, rule, or order
161.24 related to the duties and responsibilities entrusted to the commissioner;

161.25 (6) has been convicted of a violation of the State Building Code or has refused to comply
161.26 with a correction order issued by a certified building official, or in local jurisdictions that
161.27 have not adopted the State Building Code has refused to correct a violation of the State
161.28 Building Code when the violation has been documented by a certified building official;

161.29 (7) has failed to use the proceeds of any payment made to the licensee for the construction
161.30 of, or any improvement to, residential real estate, as defined in section 326B.802, subdivision
161.31 13, for the payment of labor, skill, material, and machinery contributed to the construction

162.1 or improvement, knowing that the cost of any labor performed, or skill, material, or
162.2 machinery furnished for the improvement remains unpaid;

162.3 (8) has not furnished to the person making payment either a valid lien waiver as to any
162.4 unpaid labor performed, or skill, material, or machinery furnished for an improvement, or
162.5 a payment bond in the basic amount of the contract price for the improvement conditioned
162.6 for the prompt payment to any person or persons entitled to payment;

162.7 (9) has engaged in an act or practice that results in compensation to an aggrieved owner
162.8 or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

162.9 (i) the applicant or licensee has repaid the fund twice the amount paid from the fund,
162.10 plus interest at the rate of 12 percent per year; and

162.11 (ii) the applicant or licensee has obtained a surety bond in the amount of at least \$40,000,
162.12 issued by an insurer authorized to transact business in this state;

162.13 (10) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a
162.14 civil lawsuit or arbitration arising out of their activities as a licensee or certificate of
162.15 exemption holder under this chapter;

162.16 (11) has had a judgment entered against them for failure to make payments to employees,
162.17 subcontractors, or suppliers, that the licensee has failed to satisfy and all appeals of the
162.18 judgment have been exhausted or the period for appeal has expired;

162.19 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious
162.20 license number or the license number of another, or, if licensed, has knowingly allowed an
162.21 unlicensed person to use the licensee's license number for the purpose of fraudulently
162.22 obtaining a building permit; or has applied for or obtained a building permit for an unlicensed
162.23 person;

162.24 (13) has made use of a forged mechanic's lien waiver under chapter 514;

162.25 (14) has provided false, misleading, or incomplete information to the commissioner or
162.26 has refused to allow a reasonable inspection of records or premises;

162.27 (15) has engaged in an act or practice whether or not the act or practice directly involves
162.28 the business for which the person is licensed, that demonstrates that the applicant or licensee
162.29 is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act
162.30 under the license granted by the commissioner; or

163.1 (16) has failed to comply with requests for information, documents, or other requests
163.2 from the department within the time specified in the request or, if no time is specified, within
163.3 30 days of the mailing of the request by the department.

163.4 Sec. 26. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

163.5 Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction
163.6 contract provides otherwise, the owner or other persons making payments under the contract
163.7 must make progress payments monthly as the work progresses. Payments shall be based
163.8 upon estimates of work completed as approved by the owner or the owner's agent. A progress
163.9 payment shall not be considered acceptance or approval of any work or waiver of any defects
163.10 therein.

163.11 (b) Retainage on a building and construction contract may not exceed five percent. An
163.12 owner or owner's agent may reduce the amount of retainage and may eliminate retainage
163.13 on any monthly contract payment if, in the owner's opinion, the work is progressing
163.14 satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld
163.15 in any building or construction contract. For all construction contracts greater than
163.16 \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5
163.17 percent if the owner or the owner's agent determines the work is 75 percent or more complete,
163.18 that work is progressing satisfactorily, and all contract requirements are being met.

163.19 (c) The owner or the owner's agent must release any remaining retainage no later than
163.20 60 days after substantial completion. For purposes of this subdivision, "substantial
163.21 completion" shall be determined as provided in section 541.051, subdivision 1, paragraph
163.22 (a).

163.23 ~~(e)~~ (d) Any contractor holding retainage must reduce that retainage at the same rate
163.24 reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage
163.25 no later than ten days after receiving payment of retainage, unless there is a dispute about
163.26 the work under a subcontract, in which case the contractor must pay out retainage to any
163.27 party whose work is not involved in the dispute. Nothing in this subdivision is intended to
163.28 require that retainage be withheld in any building or construction contract.

163.29 (e) After substantial completion, an owner or owner's agent may withhold no more than:

163.30 (1) 250 percent of the value of incomplete or defective work; and

163.31 (2) one percent of the value of the contract or \$500, whichever is greater, pending
163.32 completion and submission of all final paperwork by the contractor, provided that an amount
163.33 withheld under this clause may not exceed \$10,000.

164.1 If the owner or the owner's agent withholds payment under this paragraph, the owner or the
164.2 owner's agent must promptly provide a written statement detailing the amount and basis of
164.3 withholding to the contractor. The owner or the owner's agent and the contractor must
164.4 provide a copy of this statement to any subcontractor that requests it. Any amounts withheld
164.5 for incomplete or defective work shall be paid within 45 days after the completion of the
164.6 work. Any amounts withheld under clause (1) must be paid within 45 days after completion
164.7 of the work. Any amounts withheld under clause (2) must be paid within 45 days after
164.8 submission of all final paperwork.

164.9 (f) The maximum retainage percentage allowed for a building and construction contract
164.10 is the retainage percentage withheld by the owner from the contractor.

164.11 (g) Withholding retainage for warranties or warranty work is prohibited.

164.12 (h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

164.13 (i) This subdivision does not apply to a public agency as defined in section 15.71,
164.14 subdivision 3.

164.15 (j) This subdivision does not apply to contracts for professional services as defined in
164.16 sections 326.02 to 326.15.

164.17 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
164.18 1, 2019.

164.19 Sec. 27. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

164.20 Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring~~
164.21 ~~announcers~~, timekeepers, ringside physicians, combatants, ~~managers~~, and seconds are
164.22 required to be licensed by the commissioner. The commissioner shall not permit any of
164.23 these persons to participate in any matter with any combative sport contest unless the
164.24 commissioner has first issued the person a license.

164.25 Sec. 28. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

164.26 Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual
164.27 licenses subject to the collection of advance fees by the commissioner for promoters,
164.28 ~~managers~~, judges, referees, ~~ring announcers~~, ringside physicians, timekeepers, combatants,
164.29 trainers, and seconds.

165.1 Sec. 29. Minnesota Statutes 2018, section 341.321, is amended to read:

165.2 **341.321 FEE SCHEDULE.**

165.3 (a) The fee schedule for professional and amateur licenses issued by the commissioner
165.4 is as follows:

165.5 (1) referees, ~~\$80~~ \$25;

165.6 (2) promoters, \$700;

165.7 (3) judges and knockdown judges, ~~\$80~~ \$25;

165.8 (4) trainers and seconds, \$80;

165.9 ~~(5) ring announcers, \$80;~~

165.10 ~~(6)~~ (5) timekeepers, ~~\$80~~ \$25;

165.11 ~~(7)~~ (6) professional combatants, \$70;

165.12 ~~(8)~~ (7) amateur combatants, \$50;

165.13 ~~(9) managers, \$80;~~ and

165.14 ~~(10)~~ (8) ringside physicians, ~~\$80~~ \$25.

165.15 License fees for promoters are due at least six weeks prior to the combative sport contest.

165.16 All other license fees shall be paid no later than the weigh-in prior to the contest. No license
165.17 may be issued until all prelicensure requirements are satisfied and fees are paid.

165.18 (b) The commissioner shall establish a contest fee for each combative sport contest and
165.19 shall consider the size and type of venue when establishing a contest fee. The combative
165.20 sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales,
165.21 whichever is greater, as determined by the commissioner when the combative sport contest
165.22 is scheduled.

165.23 (c) A professional or amateur combative sport contest fee is nonrefundable and shall be
165.24 paid as follows:

165.25 (1) \$500 at the time the combative sport contest is scheduled; and

165.26 (2) \$1,000 at the weigh-in prior to the contest.

165.27 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the
165.28 commissioner within seven days of the completed contest.

165.29 (d) The commissioner may establish the maximum number of complimentary tickets
165.30 allowed for each event by rule.

166.1 (e) All fees and penalties collected by the commissioner must be deposited in the
166.2 commissioner account in the special revenue fund.

166.3 Sec. 30. REPEALER.

166.4 Minnesota Statutes 2018, section 325F.75, is repealed.

166.5 **ARTICLE 9**

166.6 **COMMERCE POLICY**

166.7 Section 1. [16C.57] CONTRACTS FOR INTERNET SERVICE; ADHERENCE TO
166.8 NET NEUTRALITY.

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

166.11 (b) "Broadband Internet access service" means:

166.12 (1) a mass-market retail service by wire or radio that provides the capability, including
166.13 any capability that is incidental to and enables the operation of the communications service,
166.14 to transmit data to and receive data from all or substantially all Internet endpoints;

166.15 (2) any service that provides a functional equivalent of the service described in clause
166.16 (1); or

166.17 (3) any service that is used to evade the protections set forth in this section.

166.18 "Broadband Internet access service" includes service that serves end users at fixed endpoints
166.19 using stationary equipment or end users using mobile stations but does not include dial-up
166.20 Internet access service.

166.21 (c) "Edge provider" means any person or entity that provides (1) any content, application,
166.22 or service over the Internet, or (2) a device used to access any content, application, or service
166.23 over the Internet. Edge provider does not include a person or entity providing obscene
166.24 material, as defined by section 617.241.

166.25 (d) "Internet service provider" means a business that provides broadband Internet access
166.26 service to a customer in Minnesota.

166.27 (e) "Paid prioritization" means the management of an Internet service provider's network
166.28 to directly or indirectly favor some traffic over other traffic (1) in exchange for monetary
166.29 or other consideration from a third party, or (2) to benefit an affiliated entity.

167.1 Subd. 2. Purchasing or funding broadband Internet access services; prohibitions. A
167.2 state agency or political subdivision is prohibited from entering into a contract or providing
167.3 funding to purchase broadband Internet access service after August 1, 2019, that does not
167.4 contain:

167.5 (1) a binding agreement in which the Internet service provider certifies to the
167.6 commissioner of commerce that the Internet service provider does not engage in any of the
167.7 following activities with respect to any of its Minnesota customers:

167.8 (i) block lawful content, applications, services, or nonharmful devices, subject to
167.9 reasonable network management;

167.10 (ii) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
167.11 application, or service, or use of a nonharmful device, subject to reasonable network
167.12 management;

167.13 (iii) engage in paid prioritization;

167.14 (iv) unreasonably interfere with or unreasonably disadvantage:

167.15 (A) a customer's ability to select, access, and use broadband Internet service or lawful
167.16 Internet content, applications, services, or devices of the customer's choice; or

167.17 (B) an edge provider's ability to provide lawful Internet content, applications, services,
167.18 or devices to a customer, except that an Internet service provider may block content if the
167.19 edge provider charges or intends to charge a fee to the Internet service provider for the
167.20 content; or

167.21 (v) engage in deceptive or misleading marketing practices that misrepresent the treatment
167.22 of Internet traffic or content; and

167.23 (2) provisions requiring the state agency or political subdivision, upon determining the
167.24 Internet service provider has violated the binding agreement under clause (1), to unilaterally
167.25 terminate the contract for broadband Internet access service and require the Internet service
167.26 provider to remunerate the state agency or political subdivision for all revenues earned
167.27 under the contract during the period when the violation occurred.

167.28 Subd. 3. Other laws. Nothing in this section (1) supersedes any obligation or
167.29 authorization an Internet service provider may have consistent with or as permitted by
167.30 applicable law to address the needs of emergency communications or law enforcement,
167.31 public safety, or national security authorities, or (2) limits the provider's ability to meet the
167.32 needs under clause (1).

168.1 Subd. 4. **Exception.** This section does not apply to a state agency or political subdivision
168.2 that purchases or funds fixed broadband Internet access services in a geographic location
168.3 where broadband Internet access services are only available from a single Internet service
168.4 provider or who is a recipient of grant funding under section 116J.395.

168.5 Subd. 5. **Enforcement.** A violation of the certification provided under subdivision 2
168.6 must be enforced by the commissioner of commerce. An Internet service provider who
168.7 materially or repeatedly violates this section is subject to a fine of not more than \$1,000 for
168.8 each violation. A fine authorized by this section may be imposed by the commissioner,
168.9 through a civil action brought by the commissioner under section 45.027, or by the attorney
168.10 general under section 8.31 on behalf of the state of Minnesota. Fines collected under this
168.11 subdivision must be deposited into the state treasury.

168.12 Sec. 2. Minnesota Statutes 2018, section 47.59, subdivision 2, is amended to read:

168.13 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by
168.14 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,
168.15 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061
168.16 to 334.19 may, but need not, be made according to those sections in lieu of the authority
168.17 set forth in this section to the extent those sections authorize the financial institution to make
168.18 extensions of credit or purchase extensions of credit under those sections. If a financial
168.19 institution elects to make an extension of credit or to purchase an extension of credit under
168.20 those other sections, the extension of credit or the purchase of an extension of credit is
168.21 subject to those sections and not this section, except this subdivision, and except as expressly
168.22 provided in those sections. A financial institution may also charge an organization a rate of
168.23 interest and any charges agreed to by the organization and may calculate and collect finance
168.24 and other charges in any manner agreed to by that organization. Except for extensions of
168.25 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
168.26 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
168.27 according to this section or the sections listed in this subdivision. This subdivision does not
168.28 authorize a financial institution to extend credit or purchase an extension of credit under
168.29 any of the sections listed in this subdivision if the financial institution is not authorized to
168.30 do so under those sections. A financial institution extending credit under any of the sections
168.31 listed in this subdivision shall specify in the promissory note, contract, or other loan document
168.32 the section under which the extension of credit is made.

169.1 Sec. 3. Minnesota Statutes 2018, section 47.60, subdivision 2, is amended to read:

169.2 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest,~~
169.3 ~~finance charges, or fees in any other law,~~ A consumer small loan lender may charge the
169.4 ~~following:~~ interest, finance charges, and fees which, when combined, cannot exceed an
169.5 annual percentage rate, as defined in section 47.59, subdivision 1, paragraph (b), of 36
169.6 percent.

169.7 ~~(1) on any amount up to and including \$50, a charge of \$5.50 may be added;~~

169.8 ~~(2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal~~
169.9 ~~to ten percent of the loan proceeds plus a \$5 administrative fee;~~

169.10 ~~(3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal~~
169.11 ~~to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;~~

169.12 ~~(4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1,~~
169.13 ~~paragraph (a), a charge may be added equal to six percent of the loan proceeds with a~~
169.14 ~~minimum of \$17.50 plus a \$5 administrative fee.~~

169.15 (b) The term of a loan made under this section shall be for no more than 30 calendar
169.16 days.

169.17 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
169.18 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
169.19 rate in the contract for each calendar day the balance is outstanding.

169.20 (d) No insurance charges or other charges must be permitted to be charged, collected,
169.21 or imposed on a consumer small loan except as authorized in this section.

169.22 (e) On a loan transaction in which cash is advanced in exchange for a personal check,
169.23 a return check charge may be charged as authorized by section 604.113, subdivision 2,
169.24 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
169.25 (b), may not be demanded or assessed against the borrower.

169.26 (f) A loan made under this section must not be repaid by the proceeds of another loan
169.27 made under this section by the same lender or related interest. The proceeds from a loan
169.28 made under this section must not be applied to another loan from the same lender or related
169.29 interest. No loan to a single borrower made pursuant to this section shall be split or divided
169.30 and no single borrower shall have outstanding more than one loan with the result of collecting
169.31 a higher charge than permitted by this section or in an aggregate amount of principal exceed
169.32 at any one time the maximum of \$350.

170.1 Sec. 4. Minnesota Statutes 2018, section 47.601, subdivision 2, is amended to read:

170.2 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
170.3 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
170.4 following:

170.5 (1) a provision selecting a law other than Minnesota law under which the contract is
170.6 construed or enforced;

170.7 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
170.8 or

170.9 (3) a provision limiting class actions against a consumer short-term lender for violations
170.10 of subdivision 3 or for making consumer short-term loans:

170.11 (i) without a required license issued by the commissioner; or

170.12 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
170.13 section ~~47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if~~
170.14 ~~no pattern or practice exists.~~

170.15 (b) Any provision prohibited by paragraph (a) is void and unenforceable.

170.16 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
170.17 to each borrower. The contract and disclosures must be written in the language in which
170.18 the loan was negotiated with the borrower and must contain:

170.19 (1) the name; address, which may not be a post office box; and telephone number of the
170.20 lender making the consumer short-term loan;

170.21 (2) the name and title of the individual employee or representative who signs the contract
170.22 on behalf of the lender;

170.23 (3) an itemization of the fees and interest charges to be paid by the borrower;

170.24 (4) in bold, 24-point type, the annual percentage rate as computed under United States
170.25 Code, chapter 15, section 1606; and

170.26 (5) a description of the borrower's payment obligations under the loan.

170.27 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
170.28 borrower in connection with a consumer short-term loan takes the instrument subject to all
170.29 claims by and defenses of the borrower against the consumer short-term lender.

171.1 Sec. 5. Minnesota Statutes 2018, section 47.601, subdivision 6, is amended to read:

171.2 Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide
171.3 error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an
171.4 individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

171.5 (1) all money collected or received in connection with the loan;

171.6 (2) actual, incidental, and consequential damages;

171.7 (3) statutory damages of up to \$1,000 per violation;

171.8 (4) costs, disbursements, and reasonable attorney fees; and

171.9 (5) injunctive relief.

171.10 (b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower
171.11 is not obligated to pay any amounts owing if the loan is made:

171.12 (1) by a consumer short-term lender who has not obtained an applicable license from
171.13 the commissioner;

171.14 (2) in violation of any provision of subdivision 2 or 3; or

171.15 (3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges,
171.16 or loan amounts allowable under ~~sections 47.59, subdivision 6, and section 47.60~~, subdivision
171.17 2.

171.18 Sec. 6. Minnesota Statutes 2018, section 53.04, subdivision 3a, is amended to read:

171.19 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
171.20 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
171.21 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making
171.22 a loan under this chapter secured by a lien on real estate shall comply with the requirements
171.23 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as
171.24 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A
171.25 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,
171.26 subdivision 1, paragraph (d), must comply with section 47.601.

171.27 (b) Loans made under this subdivision may be secured by real or personal property, or
171.28 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
171.29 are used to finance the purchase of the borrower's primary residence, the loan must comply
171.30 with the provisions of section 47.20.

172.1 (c) An agency or instrumentality of the United States government or a corporation
172.2 otherwise created by an act of the United States Congress or a lender approved or certified
172.3 by the secretary of housing and urban development, or approved or certified by the
172.4 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
172.5 Home Administration, or approved or certified by the Federal Home Loan Mortgage
172.6 Corporation, or approved or certified by the Federal National Mortgage Association, that
172.7 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
172.8 direct collection of payments from or enforcement of rights against borrowers arising from
172.9 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
172.10 order to purchase or take assignments of mortgage loans from persons holding a certificate
172.11 of authorization under this chapter.

172.12 (d) This subdivision does not authorize an industrial loan and thrift company to make
172.13 loans under an overdraft checking plan.

172.14 Sec. 7. Minnesota Statutes 2018, section 56.131, subdivision 1, is amended to read:

172.15 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not
172.16 exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and
172.17 surplus as defined in section 53.015, if greater, a licensee may contract for and receive
172.18 interest, finance charges, and other charges as provided in section 47.59.

172.19 (b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small
172.20 loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section
172.21 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section
172.22 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

172.23 ~~(b)~~ (c) With respect to a loan secured by an interest in real estate, and having a maturity
172.24 of more than 60 months, the original schedule of installment payments must fully amortize
172.25 the principal and interest on the loan. The original schedule of installment payments for any
172.26 other loan secured by an interest in real estate must provide for payment amounts that are
172.27 sufficient to pay all interest scheduled to be due on the loan.

172.28 ~~(e)~~ (d) A licensee may contract for and collect a delinquency charge as provided for in
172.29 section 47.59, subdivision 6, paragraph (a), clause (4).

172.30 ~~(d)~~ (e) A licensee may grant extensions, deferments, or conversions to interest-bearing
172.31 as provided in section 47.59, subdivision 5.

173.1 Sec. 8. **[58B.01] DEFINITIONS.**

173.2 Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the
173.3 meanings given them.

173.4 Subd. 2. **Borrower.** "Borrower" means a resident of this state who has received or agreed
173.5 to pay a student loan, or a person who shares responsibility with a resident for repaying a
173.6 student loan.

173.7 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

173.8 Subd. 4. **Financial institution.** "Financial institution" means any of the following
173.9 organized under the laws of this state, any other state, or the United States: a bank, bank
173.10 and trust, trust company with banking powers, savings bank, savings association, or credit
173.11 union.

173.12 Subd. 5. **Person in control.** "Person in control" means any member of senior
173.13 management, including owners or officers, and other persons who directly or indirectly
173.14 possess the power to direct or cause the direction of the management policies of an applicant
173.15 or student loan servicer under this chapter, regardless of whether the person has any
173.16 ownership interest in the applicant or student loan servicer. Control is presumed to exist if
173.17 a person directly or indirectly owns, controls, or holds with power to vote ten percent or
173.18 more of the voting stock of an applicant or student loan servicer or of a person who owns,
173.19 controls, or holds with power to vote ten percent or more of the voting stock of an applicant
173.20 or student loan servicer.

173.21 Subd. 6. **Servicing.** "Servicing" means:

173.22 (1) receiving any scheduled periodic payments from a borrower or notification of
173.23 payments, and applying payments to the borrower's account pursuant to the terms of the
173.24 student loan or of the contract governing servicing of a student loan;

173.25 (2) during a period when no payment is required on a student loan, maintaining account
173.26 records for the loan and communicating with the borrower regarding the loan on behalf of
173.27 the loan's holder; and

173.28 (3) interacting with a borrower, including activities to help prevent default on obligations
173.29 arising from student loans, to facilitate the requirements in clauses (1) and (2).

173.30 Subd. 7. **Student loan.** "Student loan" means a government, commercial, or foundation
173.31 loan for actual costs paid for tuition and reasonable education and living expenses.

174.1 Subd. 8. **Student loan servicer.** "Student loan servicer" means any person, wherever
174.2 located, responsible for servicing any student loan to any borrower. Student loan servicer
174.3 includes a nonbank covered person, as defined in Code of Federal Regulations, title 12,
174.4 section 1090.101, who is responsible for servicing any student loan to any borrower.

174.5 **EFFECTIVE DATE.** This section is effective July 1, 2019.

174.6 Sec. 9. **[58B.02] STUDENT LOAN ADVOCATE.**

174.7 Subdivision 1. **Designation of a student loan advocate.** The commissioner must
174.8 designate a student loan advocate within the Department of Commerce to provide timely
174.9 assistance to any borrower.

174.10 Subd. 2. **Duties.** The student loan advocate must:

174.11 (1) receive, review, and attempt to resolve complaints from borrowers, including but
174.12 not limited to attempts to resolve such complaints in collaboration with institutions of higher
174.13 education, student loan servicers, and any other participants in student loan lending;

174.14 (2) compile and analyze data on borrower complaints received under clause (1);

174.15 (3) help borrowers understand the rights and responsibilities under the terms of student
174.16 loans;

174.17 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
174.18 regarding the problems and concerns of borrowers;

174.19 (5) make recommendations for resolving the problems of borrowers;

174.20 (6) analyze and monitor the development and implementation of federal, state, and local
174.21 laws, regulations, and policies relating to borrowers and recommend any changes deemed
174.22 necessary;

174.23 (7) review the complete student loan history for any borrower who has provided written
174.24 consent for a review;

174.25 (8) increase public awareness that the advocate is available to help resolve the student
174.26 loan servicing concerns of potential and actual borrowers, institutions of higher education,
174.27 student loan servicers, and any other participant in student lending; and

174.28 (9) take other actions, as necessary, to fulfill the duties of the advocate set forth in this
174.29 section.

175.1 Subd. 3. **Student loan education course.** The advocate must establish and maintain a
175.2 borrower education course. The course must include educational presentations and materials
175.3 regarding important topics in student loans, including but not limited to:

- 175.4 (1) the meaning of important terminology used in student lending;
175.5 (2) documentation requirements;
175.6 (3) monthly payment obligations;
175.7 (4) income-based repayment options;
175.8 (5) the availability of state and federal loan forgiveness programs; and
175.9 (6) disclosure requirements.

175.10 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report
175.11 to the legislative committees with jurisdiction over commerce and higher education. The
175.12 report must describe the advocate's implementation of this section, the outcomes achieved
175.13 by the advocate in the previous two years, and recommendations to improve the regulation
175.14 of student loan servicers.

175.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

175.16 **Sec. 10. [58B.03] LICENSING OF STUDENT LOAN SERVICERS.**

175.17 Subdivision 1. **License required.** A person is prohibited from directly or indirectly
175.18 acting as a student loan servicer without first obtaining a license from the commissioner.

175.19 Subd. 2. **Exempt persons.** The following persons are exempt from the requirements of
175.20 this chapter:

- 175.21 (1) a financial institution;
175.22 (2) a person servicing student loans made with the person's own funds, if no more than
175.23 three student loans are made in any 12-month period;
175.24 (3) an agency, instrumentality, or political subdivision of this state that makes, services,
175.25 or guarantees student loans;
175.26 (4) a person acting in a fiduciary capacity, including a trustee or receiver, as a result of
175.27 a specific order issued by a court of competent jurisdiction; or
175.28 (5) a person exempted by order of the commissioner.

176.1 Subd. 3. **Application for licensure.** (a) Any person seeking to act as a student loan
176.2 servicer in Minnesota must apply for a license in a form and manner specified by the
176.3 commissioner. At a minimum, the application must include:

176.4 (1) a financial statement prepared by a certified public accountant or a public accountant;

176.5 (2) the history of criminal convictions, excluding traffic violations, for persons in control
176.6 of the applicant;

176.7 (3) any information requested by the commissioner related to the history of criminal
176.8 convictions disclosed under clause (2);

176.9 (4) a nonrefundable license fee established by the commissioner; and

176.10 (5) a nonrefundable investigation fee established by the commissioner.

176.11 (b) The commissioner may conduct a state and national criminal history records check
176.12 of the applicant and of each person in control of or employed by the applicant.

176.13 Subd. 4. **Issuance of a license.** Upon receipt of a complete application for an initial
176.14 license and the payment of fees for a license and investigation, the commissioner must
176.15 investigate the financial condition and responsibility, character, financial and business
176.16 experience, and general fitness of the applicant. The commissioner may issue a license if
176.17 the commissioner finds:

176.18 (1) the applicant's financial condition is sound;

176.19 (2) the applicant's business is conducted honestly, fairly, equitably, carefully, and
176.20 efficiently within the purposes and intent of this section;

176.21 (3) each person in control of the applicant is in all respects properly qualified and of
176.22 good character;

176.23 (4) no person has, on behalf of the applicant, knowingly made any incorrect statement
176.24 of a material fact in the application, or in any report or statement made pursuant to this
176.25 section;

176.26 (5) no person has, on behalf of the applicant, knowingly omitted from an application,
176.27 report, or statement made pursuant to this section any information required by the
176.28 commissioner;

176.29 (6) the applicant has paid the fees required under this section; and

176.30 (7) the application has met other similar requirements, as determined by the commissioner.

177.1 Subd. 5. **Notification of a change in status.** An applicant or student loan servicer must
177.2 notify the commissioner in writing of any change in the information provided in the initial
177.3 license application or the most recent renewal application for a license. The notification
177.4 must be received no later than ten business days after the date an event that results in the
177.5 information becoming inaccurate occurs.

177.6 Subd. 6. **Term of license.** Licenses issued under this chapter expire on December 31
177.7 and are renewable on January 1.

177.8 Subd. 7. **Certificate of exemption.** (a) A person is exempt from the application
177.9 procedures under subdivision 3 if the commissioner determines the person is servicing
177.10 student loans in Minnesota pursuant to a contract awarded by the United States Secretary
177.11 of Education under United States Code, title 20, section 1087f. Documentation of eligibility
177.12 for this exemption must be in a form and manner determined by the commissioner.

177.13 (b) Upon payment of the fees under subdivision 3, a person determined eligible for the
177.14 exemption under paragraph (a) must be issued a certificate of exemption and deemed to
177.15 meet all the requirements of subdivision 4.

177.16 Subd. 8. **Notice.** (a) A person issued a license under subdivision 7 must provide the
177.17 commissioner with written notice no less than seven days after the date the person's contract
177.18 under United States Code, title 20, section 1087f, expires, is revoked, or is terminated.

177.19 (b) A person issued a license under subdivision 7 has 30 days from the date the
177.20 notification under paragraph (a) is provided to complete the requirements of subdivision 3.
177.21 If a person does not meet the requirements of subdivision 3 within this time period, the
177.22 commissioner must immediately suspend the person's license under this chapter.

177.23 **EFFECTIVE DATE.** This section is effective January 1, 2020.

177.24 Sec. 11. **[58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.**

177.25 (a) A person issued a certificate of exemption or licensed to act as a student loan servicer
177.26 in Minnesota is prohibited from doing so under any other name or at any other place of
177.27 business than that named in the certificate or license. Any time a student loan servicer
177.28 changes the location of the servicer's place of business, the servicer must provide prior
177.29 written notice to the commissioner. A student loan servicer must not maintain more than
177.30 one place of business under the same certificate or license. The commissioner may issue
177.31 more than one license to the same student loan servicer, provided that the servicer complies
177.32 with the application procedures in section 58B.03 for each certificate or license.

177.33 (b) A certificate or license issued under this chapter is not transferable or assignable.

178.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

178.2 Sec. 12. **[58B.05] LICENSE RENEWAL.**

178.3 Subdivision 1. **Term.** Licenses are renewable on January 1 of each year.

178.4 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed
178.5 who has not received notice of denial of renewal is considered approved for renewal. The
178.6 person may continue to act as a student loan servicer whether or not the renewed license
178.7 has been received on or before January 1 of the renewal year. An application to renew a
178.8 license is considered timely filed if received by the commissioner, or mailed with proper
178.9 postage and postmarked, by the December 15 before the renewal year. An application to
178.10 renew a license is considered properly filed if made upon forms duly executed, accompanied
178.11 by fees prescribed by this chapter, and containing any information that the commissioner
178.12 requires.

178.13 (b) A person who fails to make a timely application to renew a license and who has not
178.14 received the renewal license as of January 1 of the renewal year is unlicensed until the
178.15 renewal license has been issued by the commissioner and is received by the person.

178.16 Subd. 3. **Contents of renewal application.** An application to renew an existing license
178.17 must contain the information specified in section 58B.03, subdivision 3, except that only
178.18 the requested information having changed from the most recent prior application need be
178.19 submitted.

178.20 Subd. 4. **Cancellation.** A student loan servicer that ceases an activity or activities
178.21 regulated by this chapter and desires to no longer be licensed must inform the commissioner
178.22 in writing and, at the same time, surrender the license and all other symbols or indicia of
178.23 licensure. The licensee must include a plan to withdraw from student loan servicing, including
178.24 a timetable for the disposition of the student loans being serviced.

178.25 Subd. 5. **Renewal fees.** The following fees must be paid to the commissioner for a
178.26 renewal license:

178.27 (1) a nonrefundable renewal license fee established by the commissioner; and

178.28 (2) a nonrefundable renewal investigation fee established by the commissioner.

178.29 **EFFECTIVE DATE.** This section is effective January 1, 2020.

179.1 Sec. 13. **[58B.06] DUTIES OF STUDENT LOAN SERVICERS.**

179.2 **Subdivision 1. Response requirements.** Upon receiving a written communication from
179.3 a borrower, a student loan servicer must:

179.4 (1) acknowledge receipt of the communication in less than ten days from the date the
179.5 written communication was received; and

179.6 (2) provide information relating to the communication and, if applicable, the action the
179.7 student loan servicer will take to either (i) correct the borrower's issue, or (ii) explain why
179.8 the issue cannot be corrected. This information must be provided less than 30 days from
179.9 the date the written communication was received by the student loan servicer.

179.10 **Subd. 2. Overpayments.** A student loan servicer must ask a borrower in what manner
179.11 the borrower would like any overpayment on a student loan that exceeds the monthly amount
179.12 due to be applied to a student loan. A borrower's instruction regarding the application of
179.13 overpayments is effective for the term of the loan or until the borrower provides a different
179.14 instruction.

179.15 **Subd. 3. Partial payments.** A student loan servicer must apply a partial payment that
179.16 is less than the amount due on a student loan in a manner that minimizes late fees and the
179.17 negative impact on the borrower's credit history. If a borrower has multiple student loans
179.18 with the same student loan servicer, upon receipt of a partial payment the servicer must
179.19 apply the payments to satisfy as many individual loan payments as possible.

179.20 **Subd. 4. Transfer of student loan.** (a) If a borrower's student loan servicer changes
179.21 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
179.22 must:

179.23 (1) require the new student loan servicer to honor all benefits that were made available,
179.24 or which may have become available, to a borrower from the original student loan servicer;
179.25 and

179.26 (2) transfer to the new student loan servicer all information regarding the borrower, the
179.27 account of the borrower, and the borrower's student loan, including but not limited to the
179.28 repayment status of the student loan and the benefits described in clause (1).

179.29 (b) The student loan servicer must complete the transfer under clause (2) less than 45
179.30 days from the date the of the sale, assignment, or transfer of the servicing.

179.31 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven
179.32 days from the date the next payment is due on the student loan.

180.1 (d) A new student loan servicer must adopt policies and procedures to verify that the
180.2 original student loan servicer has met the requirements of paragraph (a).

180.3 Subd. 5. **Income-driven repayment.** A student loan servicer must evaluate a borrower's
180.4 eligibility for an income-driven repayment program before placing a borrower in forbearance
180.5 or default.

180.6 Subd. 6. **Records.** A student loan servicer must maintain adequate records of each student
180.7 loan for at least two years following the final payment on the student loan, or the sale,
180.8 assignment, or transfer of the servicing.

180.9 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to student loan
180.10 contracts executed on or after that date.

180.11 Sec. 14. **[58B.07] PROHIBITED CONDUCT.**

180.12 Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or
180.13 indirectly attempt to mislead a borrower.

180.14 Subd. 2. **Misrepresentation.** A student loan servicer must not (1) engage in any unfair
180.15 or deceptive practice, or (2) misrepresent or omit any material information in connection
180.16 with the servicing of a student loan, including but not limited to misrepresenting the amount,
180.17 nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms
180.18 and conditions of the loan agreement, or the borrower's obligations under the loan.

180.19 Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or
180.20 negligently misapply student loan payments.

180.21 Subd. 4. **Inaccurate information.** A student loan servicer must not knowingly or
180.22 negligently provide inaccurate information to any consumer reporting agency.

180.23 Subd. 5. **Reporting of payment history.** A student loan servicer must report both the
180.24 favorable and unfavorable payment history of the borrower to a consumer reporting agency
180.25 at least annually, if the student loan servicer regularly reports the information.

180.26 Subd. 6. **Refusal to communicate with a borrower's representative.** A student loan
180.27 servicer must not refuse to communicate with a representative of the borrower who provides
180.28 a written authorization signed by the borrower. The student loan servicer may adopt
180.29 procedures reasonably related to verifying that the representative is in fact authorized to act
180.30 on behalf of the borrower.

180.31 Subd. 7. **False statements and omissions.** A student loan servicer must not knowingly
180.32 or negligently make any false statement or omission of material fact in connection with any

181.1 application, information, or reports filed with the commissioner or any other federal, state,
181.2 or local government agency.

181.3 Subd. 8. **Noncompliance with applicable laws.** A student loan servicer must not violate
181.4 any other federal, state, or local laws, including those related to fraudulent, coercive, or
181.5 dishonest practices.

181.6 Subd. 9. **Failure to respond to advocate.** (a) A student loan servicer must respond in
181.7 less than 15 days from the date the student loan servicer receives a communication from
181.8 the student loan advocate. This response period may be reasonably shortened by the advocate
181.9 in their communication.

181.10 (b) A student loan servicer must provide a response in less than 15 days from the date
181.11 the student loan servicer receives a consumer complaint submitted to the servicer by the
181.12 student loan advocate. A student loan servicer may request from the advocate an extension
181.13 of up to 45 days from receipt of the consumer complaint, if the request is accompanied by
181.14 an explanation of why additional time is reasonable and necessary.

181.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

181.16 Sec. 15. **[58B.08] EXAMINATIONS.**

181.17 For the purposes of this chapter, the commissioner has the same powers with respect to
181.18 examinations of student loan servicers that the commissioner has under section 46.04.

181.19 **EFFECTIVE DATE.** This section is effective January 1, 2020.

181.20 Sec. 16. **[58B.09] DENIAL, SUSPENSION, REVOCATION OF CERTIFICATES**
181.21 **OF EXEMPTION AND LICENSES.**

181.22 Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order take any
181.23 or all of the following actions:

181.24 (1) bar a person from engaging in student loan servicing;

181.25 (2) deny, suspend, or revoke a certificate of exemption or student loan servicer license;

181.26 (3) censure a student loan servicer;

181.27 (4) impose a civil penalty as provided in section 45.027, subdivision 6; or

181.28 (5) revoke a certificate of exemption.

181.29 (b) In order to take the action in paragraph (a), the commissioner must find:

181.30 (1) the order is in the public interest; and

- 182.1 (2) the student loan servicer, applicant, person in control, employee, or agent has:
- 182.2 (i) violated any provision of this chapter, or any rule or order under this chapter;
- 182.3 (ii) violated any applicable provision of federal law or regulation related to student loan
- 182.4 servicing, including but not limited to the federal Truth in Lending Act, United States Code,
- 182.5 title 15, sections 1601 to 1667(f);
- 182.6 (iii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or
- 182.7 dishonest act or practice, including but not limited to negligently making a false statement
- 182.8 or knowingly omitting a material fact, whether or not the act or practice involves student
- 182.9 loan servicing;
- 182.10 (iv) engaged in an act or practice that demonstrates untrustworthiness, financial
- 182.11 irresponsibility, or incompetence, whether or not the act or practice involves student loan
- 182.12 servicing;
- 182.13 (v) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor,
- 182.14 or misdemeanor;
- 182.15 (vi) paid a civil penalty or been the subject of disciplinary action by the commissioner,
- 182.16 an order of suspension or revocation, cease and desist order, injunction order, or order
- 182.17 barring involvement in an industry or profession issued by the commissioner or any other
- 182.18 federal, state, or local government agency;
- 182.19 (vii) been found by a court of competent jurisdiction to have engaged in conduct
- 182.20 evidencing gross negligence, fraud, misrepresentation, or deceit;
- 182.21 (viii) refused to cooperate with an investigation or examination by the commissioner;
- 182.22 (ix) failed to pay any fee or assessment imposed by the commissioner; or
- 182.23 (x) failed to comply with state and federal tax obligations.
- 182.24 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the
- 182.25 commissioner must issue an order requiring the subject of the proceeding to show cause
- 182.26 why action should not be taken against the person under this section. The order must be
- 182.27 calculated to give reasonable notice of the time and place for the hearing and must state the
- 182.28 reasons for entry of the order. The commissioner may by order summarily suspend a license
- 182.29 or certificate of exemption, or summarily bar a person from engaging in student loan
- 182.30 servicing, pending a final determination of an order to show cause. If a license or certificate
- 182.31 of exemption is summarily suspended or if the person is summarily barred from any
- 182.32 involvement in the servicing of student loans, pending final determination of an order to

183.1 show cause, a hearing on the merits must be held within 30 days of the issuance of the order
183.2 of summary suspension or bar. All hearings must be conducted under chapter 14. After the
183.3 hearing, the commissioner must enter an order disposing of the matter as the facts require.
183.4 If the subject of the order fails to appear at a hearing after having been duly notified, the
183.5 person is considered in default and the proceeding may be determined against the subject
183.6 of the order upon consideration of the order to show cause, the allegations of which may
183.7 be considered to be true.

183.8 Subd. 3. **Actions against lapsed license.** If a license or certificate of exemption lapses,
183.9 or is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner
183.10 may institute a proceeding under this subdivision within two years after the license or
183.11 certificate of exemption was last effective and enter a revocation or suspension order as of
183.12 the last date the license or certificate of exemption was in effect, and may impose a civil
183.13 penalty as provided under this section or section 45.027, subdivision 6.

183.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

183.15 Sec. 17. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

183.16 Subdivision 1. **Definitions.** The definitions in section 16C.57 apply to this section.

183.17 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
183.18 in any of the following activities with respect to any of its Minnesota customers:

183.19 (1) block lawful content, applications, services, or nonharmful devices, subject to
183.20 reasonable network management;

183.21 (2) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
183.22 application, or service, or use of a nonharmful device, subject to reasonable network
183.23 management;

183.24 (3) engage in paid prioritization;

183.25 (4) unreasonably interfere with or unreasonably disadvantage:

183.26 (i) a customer's ability to select, access, and use broadband Internet service or lawful
183.27 Internet content, applications, services, or devices of the customer's choice; or

183.28 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
183.29 or devices to a customer; or

183.30 (5) engage in deceptive or misleading marketing practices that misrepresent the treatment
183.31 of Internet traffic or content.

184.1 Subd. 3. **Certification required.** Prior to offering service to a customer in Minnesota,
 184.2 or prior to August 1, 2019, for Internet service providers already offering services to
 184.3 customers in Minnesota, an Internet service provider must file a document with the
 184.4 commissioner of commerce certifying that it does not engage in any of the activities
 184.5 prohibited under subdivision 2. The filing required by this subdivision must be provided
 184.6 prior to offering services for the first time in Minnesota, at any time after a company or
 184.7 entity has changed ownership or merged with another entity, or prior to offering services
 184.8 in Minnesota after the company has suspended service for more than 30 days. An Internet
 184.9 service provider is not otherwise required to make filings on an annual basis.

184.10 Subd. 4. **Other laws.** Nothing in this section (1) supersedes any obligation or
 184.11 authorization an Internet service provider may have consistent with or as permitted by
 184.12 applicable law to address the needs of emergency communications or law enforcement,
 184.13 public safety, or national security authorities, or (2) limits the provider's ability to meet the
 184.14 needs under clause (1).

184.15 Subd. 5. **Enforcement.** (a) A violation of subdivision 2 may be enforced by the
 184.16 commissioner of commerce under section 45.027 and by the attorney general under section
 184.17 8.31. The venue for enforcement proceedings is Ramsey County.

184.18 (b) A violation of the certification provided under subdivision 3 must be enforced under
 184.19 section 609.48. The venue for enforcement proceedings is Ramsey County.

184.20 **ARTICLE 10**

184.21 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

184.22 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

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

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

184.26 ~~(i) (1) 50 percent or more of the employment during the quarter is performed primarily~~
 184.27 ~~in Minnesota;~~

184.28 ~~(ii) (2) 50 percent or more of the employment during the quarter is not performed~~
 184.29 ~~primarily in Minnesota or any other state, or Canada, but some of the employment is~~
 184.30 ~~performed in Minnesota and the base of operations or the place from which the employment~~
 184.31 ~~is directed or controlled is in Minnesota; or~~

185.1 ~~(iii) the employment during the quarter is not performed primarily in Minnesota or any~~
185.2 ~~other state and the base of operations or place from which the employment is directed or~~
185.3 ~~controlled is not in any state where part of the employment is performed, but the employee's~~
185.4 ~~residence is in Minnesota during 50 percent or more of the calendar quarter;~~

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

185.7 ~~(i) the employment is not covered employment under the unemployment insurance~~
185.8 ~~program of any other state, federal law, or the law of Canada; and~~

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

185.10 ~~(3) the employment during the calendar quarter, is performed entirely outside the United~~
185.11 ~~States and Canada, by an employee who is a United States citizen in the employ of an~~
185.12 ~~American employer, if the employer's principal place of business in the United States is~~
185.13 ~~located in Minnesota. For the purposes of this clause, an "American employer," for the~~
185.14 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~
185.15 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~
185.16 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~
185.17 ~~of the United States is defined under the Federal Unemployment Tax Act, United States~~
185.18 ~~Code title 26, chapter 23, section 3306, subsection (j)(3); and or~~

185.19 ~~(4) all the employment during the calendar quarter is performed by an officer or member~~
185.20 ~~of the crew of an American vessel on or in connection with the vessel, if the operating on~~
185.21 ~~navigable waters within, or within and without, the United States, and the office from which~~
185.22 ~~the operations of the vessel operating on navigable waters within, or within and without,~~
185.23 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~
185.24 ~~is in Minnesota.~~

185.25 ~~(b) "Covered employment" includes covered agricultural employment under subdivision~~
185.26 ~~11.~~

185.27 ~~(c) For the purposes of section 268.095, "covered employment" includes employment~~
185.28 ~~covered under an unemployment insurance program:~~

185.29 ~~(1) of any other state; ~~or~~~~

185.30 ~~(2) established by an act of Congress; or~~

185.31 ~~(3) the law of Canada.~~

186.1 (d) The percentage of employment performed under paragraph (a) is determined by the
186.2 amount of hours worked.

186.3 (e) Covered employment does not include any employment defined as "noncovered
186.4 employment" under subdivision 20.

186.5 Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

186.6 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

186.7 (1) employment for the United States government or an instrumentality thereof, including
186.8 military service;

186.9 (2) employment for a state, other than Minnesota, or a political subdivision or
186.10 instrumentality thereof;

186.11 (3) employment for a foreign government;

186.12 (4) employment covered under the federal Railroad Unemployment Insurance Act;

186.13 (5) employment for a church or convention or association of churches, or a nonprofit
186.14 organization operated primarily for religious purposes that is operated, supervised, controlled,
186.15 or principally supported by a church or convention or association of churches;

186.16 (6) employment for an elementary or secondary school with a curriculum that includes
186.17 religious education that is operated by a church, a convention or association of churches,
186.18 or a nonprofit organization that is operated, supervised, controlled, or principally supported
186.19 by a church or convention or association of churches;

186.20 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
186.21 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
186.22 of a religious order in the exercise of duties required by the order;

186.23 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
186.24 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
186.25 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
186.26 is impaired by age or physical or mental deficiency or injury or a program providing
186.27 "sheltered" work for individuals who because of an impaired physical or mental capacity
186.28 cannot be readily absorbed in the competitive labor market. This clause applies only to
186.29 services performed in a facility certified by the Rehabilitation Services Branch of the
186.30 department or in a day training or habilitation program licensed by the Department of Human
186.31 Services;

187.1 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
187.2 an individual receiving work relief or work training as part of an unemployment work relief
187.3 or work training program financed in whole or in part by any federal agency or an agency
187.4 of a state or political subdivision thereof. This clause does not apply to programs that require
187.5 unemployment benefit coverage for the participants;

187.6 (10) employment for Minnesota or a political subdivision, as an elected official, a member
187.7 of a legislative body, or a member of the judiciary;

187.8 (11) employment as a member of the Minnesota National Guard or Air National Guard;

187.9 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
187.10 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
187.11 emergency;

187.12 (13) employment as an election official or election worker for Minnesota or a political
187.13 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
187.14 year;

187.15 (14) employment for Minnesota that is a major policy-making or advisory position in
187.16 the unclassified service;

187.17 (15) employment for Minnesota in an unclassified position established under section
187.18 43A.08, subdivision 1a;

187.19 (16) employment for a political subdivision of Minnesota that is a nontenured major
187.20 policy making or advisory position;

187.21 (17) domestic employment in a private household, local college club, or local chapter
187.22 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
187.23 current or prior calendar year to all individuals in domestic employment totaled less than
187.24 \$1,000.

187.25 "Domestic employment" includes all service in the operation and maintenance of a
187.26 private household, for a local college club, or local chapter of a college fraternity or sorority
187.27 as distinguished from service as an employee in the pursuit of an employer's trade or business;

187.28 (18) employment of an individual by a son, daughter, or spouse, and employment of a
187.29 child under the age of 18 by the child's father or mother;

187.30 (19) employment of an inmate of a custodial or penal institution;

187.31 (20) employment for a school, college, or university, by a student who is enrolled and
187.32 whose primary relation to the school, college, or university is as a student. This does not

188.1 include an individual whose primary relation to the school, college, or university is as an
188.2 employee who also takes courses;

188.3 (21) employment of an individual who is enrolled as a student in a full-time program at
188.4 a nonprofit or public educational institution that maintains a regular faculty and curriculum
188.5 and has a regularly organized body of students in attendance at the place where its educational
188.6 activities are carried on, taken for credit at the institution, that combines academic instruction
188.7 with work experience, if the employment is an integral part of the program, and the institution
188.8 has so certified to the employer, except that this clause does not apply to employment in a
188.9 program established for or on behalf of an employer or group of employers;

188.10 (22) employment of a foreign college or university student who works on a seasonal or
188.11 temporary basis under the J-1 visa summer work travel program described in Code of Federal
188.12 Regulations, title 22, section 62.32;

188.13 ~~(22)~~ (23) employment of university, college, or professional school students in an
188.14 internship or other training program with the city of St. Paul or the city of Minneapolis
188.15 under Laws 1990, chapter 570, article 6, section 3;

188.16 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an
188.17 institution that has been licensed by the Department of Health as a hospital;

188.18 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
188.19 an individual who is enrolled and is regularly attending classes in an accredited nurses'
188.20 training school;

188.21 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a
188.22 four-year course in an accredited medical school;

188.23 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if
188.24 all the wages from the employment is solely by way of commission. The word "insurance"
188.25 includes an annuity and an optional annuity;

188.26 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's
188.27 mutual insurance company under chapter 67A;

188.28 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including
188.29 through a subsidiary or holding company, owns 25 percent or more of the employer
188.30 corporation, and employment of a member of a limited liability company, if the member
188.31 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
188.32 or more of the employer limited liability company;

189.1 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all
189.2 the wages from the employment is solely by way of commission;

189.3 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section
189.4 3508;

189.5 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution
189.6 of newspapers or shopping news, not including delivery or distribution to any point for
189.7 subsequent delivery or distribution;

189.8 ~~(32)~~ (33) casual employment performed for an individual, other than domestic
189.9 employment under clause (17), that does not promote or advance that employer's trade or
189.10 business;

189.11 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural
189.12 employment" under subdivision 11; or

189.13 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered
189.14 employment, all the employment for the pay period is covered employment; but if during
189.15 more than one-half of any pay period the employment was noncovered employment, then
189.16 all of the employment for the pay period is noncovered employment. "Pay period" means
189.17 a period of not more than a calendar month for which a payment or compensation is ordinarily
189.18 made to the employee by the employer.

189.19 Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

189.20 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust
189.21 fund on December 31 of any calendar year is four percent or more above the amount equal
189.22 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
189.23 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
189.24 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
189.25 employer during the calendar year is of the total amount of taxes that were paid by all
189.26 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers
189.27 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
189.28 rate.

189.29 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given
189.30 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,
189.31 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of
189.32 adequate reserves in relation to the state's current economy. The commissioner must calculate
189.33 and publish, as soon as possible following December 31 of any calendar year, the trust fund

190.1 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.
190.2 Actual wages paid must be used in the calculation and estimates may not be used.

190.3 (c) The unemployment tax reduction under this subdivision does not apply to employers
190.4 that were at assigned a tax rate equal to the maximum experience rating plus the applicable
190.5 base tax rate for the year, nor to high experience rating industry employers under subdivision
190.6 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding
190.7 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
190.8 do not apply.

190.9 (d) The unemployment tax reduction under this subdivision applies to taxes paid between
190.10 March 1 and December 15 of the year following the December 31 computation under
190.11 paragraph (a).

190.12 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~
190.13 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~
190.14 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~
190.15 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~
190.16 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~
190.17 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~
190.18 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~
190.19 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~
190.20 ~~to that portion of the tax reduction that remains unused at the time of notice of acquisition~~
190.21 ~~is provided under subdivision 4, paragraph (e).~~

190.22 Sec. 4. **EFFECTIVE DATE.**

190.23 Unless otherwise specified, this article is effective October 1, 2020.

190.24 **ARTICLE 11**

190.25 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

190.26 Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

190.27 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
190.28 this chapter or section 116L.20, except late fees under section 268.044, are not received on
190.29 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount
190.30 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
190.31 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
190.32 is credited to the contingent account.

191.1 **EFFECTIVE DATE.** This section is effective October 1, 2020.

191.2 Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

191.3 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and
 191.4 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
 191.5 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar
 191.6 days after the date of a determination of overpayment penalty. Interest is assessed at the
 191.7 rate of one percent per month or any part of a month. A determination of overpayment
 191.8 penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner~~
 191.9 ~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest
 191.10 ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

191.11 **EFFECTIVE DATE.** This section is effective October 1, 2020.

191.12 **ARTICLE 12**

191.13 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

191.14 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

191.15 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 191.16 means the most recent four completed calendar quarters before the effective date of an
 191.17 applicant's application for unemployment benefits if the application has an effective date
 191.18 occurring after the month following the most recent completed calendar quarter. The base
 191.19 period under this paragraph is as follows:

191.20	If the application for unemployment	The base period is the prior:
191.21	benefits is effective on or between these	
191.22	dates:	
191.23	February 1 - March 31	January 1 - December 31
191.24	May 1 - June 30	April 1 - March 31
191.25	August 1 - September 30	July 1 - June 30
191.26	November 1 - December 31	October 1 - September 30

191.27 (b) If an application for unemployment benefits has an effective date that is during the
 191.28 month following the most recent completed calendar quarter, then the base period is the
 191.29 first four of the most recent five completed calendar quarters before the effective date of
 191.30 an applicant's application for unemployment benefits. The base period under this paragraph
 191.31 is as follows:

192.1	If the application for unemployment	The base period is the prior:
192.2	benefits is effective on or between these	
192.3	dates:	
192.4	January 1 - January 31	October 1 - September 30
192.5	April 1 - April 30	January 1 - December 31
192.6	July 1 - July 31	April 1 - March 31
192.7	October 1 - October 31	July 1 - June 30

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

192.12 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~
 192.13 ~~account, then a base period of the most recent four completed calendar quarters before the~~
 192.14 ~~effective date of the applicant's application for unemployment benefits must be used.~~

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

192.22 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a
 192.23 base period referred to in paragraph (a) or (b), then the base period is the first four of the
 192.24 most recent six completed calendar quarters before the effective date of the application for
 192.25 unemployment benefits;

192.26 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base
 192.27 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 192.28 recent seven completed calendar quarters before the effective date of the application for
 192.29 unemployment benefits;

192.30 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base
 192.31 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 192.32 recent eight completed calendar quarters before the effective date of the application for
 192.33 unemployment benefits; and

192.34 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base
 192.35 period referred to in paragraph (a) or (b), then the base period is the first four of the most

193.1 recent nine completed calendar quarters before the effective date of the application for
193.2 unemployment benefits.

193.3 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a
193.4 prior benefit account was established.

193.5 Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

193.6 Subdivision 1. **Application for unemployment benefits; determination of benefit**
193.7 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
193.8 by electronic transmission as the commissioner may require. The applicant must be
193.9 unemployed at the time the application is filed and must provide all requested information
193.10 in the manner required. If the applicant is not unemployed at the time of the application or
193.11 fails to provide all requested information, the communication is not an application for
193.12 unemployment benefits.

193.13 (b) The commissioner must examine each application for unemployment benefits to
193.14 determine the base period and the benefit year, and based upon all the covered employment
193.15 in the base period the commissioner must determine the weekly unemployment benefit
193.16 amount available, if any, and the maximum amount of unemployment benefits available,
193.17 if any. The determination, which is a document separate and distinct from a document titled
193.18 a determination of eligibility or determination of ineligibility issued under section 268.101,
193.19 must be titled determination of benefit account. A determination of benefit account must
193.20 be sent to the applicant and all base period employers, by mail or electronic transmission.

193.21 (c) If a base period employer did not provide wage detail information for the applicant
193.22 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~
193.23 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~
193.24 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based
193.25 upon the applicant's records, and issue a determination of benefit account.

193.26 ~~(d) An employer must provide wage detail information on an applicant within five~~
193.27 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

193.28 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~
193.29 ~~(d); and~~

193.30 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~
193.31 ~~employer.~~

193.32 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of
193.33 a benefit account, reconsider any determination of benefit account and make an amended

194.1 determination if the commissioner finds that the wage credits listed in the determination
194.2 were incorrect for any reason. An amended determination of benefit account must be
194.3 promptly sent to the applicant and all base period employers, by mail or electronic
194.4 transmission. This subdivision does not apply to documents titled determinations of eligibility
194.5 or determinations of ineligibility issued under section 268.101.

194.6 ~~(f)~~(e) If an amended determination of benefit account reduces the weekly unemployment
194.7 benefit amount or maximum amount of unemployment benefits available, any unemployment
194.8 benefits that have been paid greater than the applicant was entitled is an overpayment of
194.9 unemployment benefits. A determination or amended determination issued under this section
194.10 that results in an overpayment of unemployment benefits must set out the amount of the
194.11 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
194.12 unemployment benefits must be repaid.

194.13 Sec. 3. **EFFECTIVE DATE.**

194.14 Unless otherwise specified, this article is effective January 1, 2020.

194.15

ARTICLE 13

194.16

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING

194.17 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

194.18 Subd. 15. **Employment.** (a) "Employment" means service performed by:

194.19 (1) an individual who is an employee under the common law of employer-employee and
194.20 not an independent contractor;

194.21 (2) an officer of a corporation;

194.22 (3) a member of a limited liability company who is an employee under the common law
194.23 of employer-employee; ~~or~~

194.24 (4) an individual who is an employee under the Federal Insurance Contributions Act,
194.25 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

194.26 ~~(4)~~(5) product demonstrators in retail stores or other locations to aid in the sale of
194.27 products. The person that pays the wages is the employer.

194.28 (b) Employment does not include service as a juror.

194.29 (c) Construction industry employment is defined in subdivision 9a. Trucking and
194.30 messenger/courier industry employment is defined in subdivision 25b. Rules on determining
194.31 worker employment status are described under Minnesota Rules, chapter 3315.

195.1 Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:

195.2 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
195.3 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
195.4 based upon the highest of:

195.5 (1) the number of employees reported on the last wage detail report submitted;

195.6 (2) the number of employees reported in the corresponding quarter of the prior calendar
195.7 year; or

195.8 (3) if no wage detail report has ever been submitted, the number of employees listed at
195.9 the time of employer registration.

195.10 The late fee is canceled if the wage detail report is received within 30 calendar days
195.11 after a demand for the report is sent to the employer by mail or electronic transmission. A
195.12 late fee assessed an employer may not be canceled more than twice each 12 months. The
195.13 amount of the late fee assessed may not be less than \$250.

195.14 (b) If the wage detail report is not received in a manner and format prescribed by the
195.15 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
195.16 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
195.17 increased late fee will be sent to the employer by mail or electronic transmission.

195.18 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
195.19 section ~~268.066~~ where good cause for late submission is found by the commissioner 268.067.

195.20 Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

195.21 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not
195.22 be used in computing the future tax rate of a taxpaying base period employer when:

195.23 (1) the applicant's wage credits from that employer are less than \$500;

195.24 (2) the applicant quit the employment, unless it was determined under section 268.095,
195.25 to have been because of a good reason caused by the employer or because the employer
195.26 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to
195.27 unemployment benefits paid for periods after the applicant's quitting the employment and,
195.28 if the applicant is rehired by the employer, continues only until the beginning of the week
195.29 the applicant is rehired; or

195.30 (3) the employer discharged the applicant from employment because of employment
195.31 misconduct as determined under section 268.095. This exception applies ~~only~~ to
195.32 unemployment benefits paid for periods after the applicant's discharge from employment

196.1 and, if the applicant is rehired by the employer, continues only until the beginning of the
196.2 week the applicant is rehired.

196.3 Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

196.4 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An
196.5 applicant is not eligible to receive unemployment benefits for any week the applicant is
196.6 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
196.7 known as "PTO."

196.8 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~
196.9 ~~not apply:~~

196.10 (1) upon a permanent separation from employment; or

196.11 (2) to payments from a vacation fund administered by a union or a third party not under
196.12 the control of the employer.

196.13 ~~Payments under this paragraph are applied to the period immediately following the~~
196.14 ~~temporary, indefinite, or seasonal separation.~~

196.15 ~~(b) An applicant is not eligible to receive unemployment benefits for any week the~~
196.16 ~~applicant is receiving, has received, or will receive severance pay, bonus pay, or any other~~
196.17 ~~payments paid by an employer because of, upon, or after separation from employment.~~

196.18 ~~This paragraph only applies if the payment is:~~

196.19 ~~(1) considered wages under section 268.035, subdivision 29; or~~

196.20 ~~(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social~~
196.21 ~~Security and Medicare.~~

196.22 (b) Payments under this paragraph subdivision are applied to the period immediately
196.23 following the later of the date of separation from employment or the date the applicant first
196.24 becomes aware that the employer will be making a payment. The date the payment is actually
196.25 made or received, or that an applicant must agree to a release of claims, does not affect the
196.26 application of this paragraph subdivision.

196.27 ~~This paragraph does not apply to earnings under subdivision 5, back pay under~~
196.28 ~~subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).~~

196.29 ~~(c) An applicant is not eligible to receive unemployment benefits for any week the~~
196.30 ~~applicant is receiving, has received, will receive, or has applied for pension, retirement, or~~
196.31 ~~annuity payments from any plan contributed to by a base period employer including the~~

197.1 ~~United States government. The base period employer is considered to have contributed to~~
197.2 ~~the plan if the contribution is excluded from the definition of wages under section 268.035,~~
197.3 ~~subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an~~
197.4 ~~applicant is not considered to have received a payment if:~~

197.5 ~~(1) the applicant immediately deposits that payment in a qualified pension plan or~~
197.6 ~~account; or~~

197.7 ~~(2) that payment is an early distribution for which the applicant paid an early distribution~~
197.8 ~~penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).~~

197.9 ~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

197.10 ~~(d)~~ (c) This subdivision applies to all the weeks of payment. The number of weeks of
197.11 payment is determined as follows:

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

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

197.16 ~~For purposes of this paragraph, The~~ "last level of regular weekly pay" includes
197.17 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular
197.18 compensation.

197.19 ~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more
197.20 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
197.21 benefits for that week. If the payment with respect to a week is less than the applicant's
197.22 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
197.23 of the payment.

197.24 Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

197.25 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant
197.26 is not eligible to receive unemployment benefits for any week in which the applicant is
197.27 receiving or has received compensation for loss of wages equal to or in excess of the
197.28 applicant's weekly unemployment benefit amount under:

197.29 (1) the workers' compensation law of this state;

197.30 (2) the workers' compensation law of any other state or similar federal law; or

197.31 (3) any insurance or trust fund paid in whole or in part by an employer.

198.1 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
198.2 wages under paragraph (a); however, before unemployment benefits may be paid when a
198.3 claim is pending, the issue of the applicant being available for suitable employment, as
198.4 required under subdivision 1, clause (4), is must be determined under section 268.101,
198.5 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
198.6 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
198.7 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
198.8 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

198.9 (c) If the amount of compensation described under paragraph (a) for any week is less
198.10 than the applicant's weekly unemployment benefit amount, unemployment benefits requested
198.11 for that week are reduced by the amount of that compensation payment.

198.12 Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
198.13 read:

198.14 Subd. 3b. Separation, severance, or bonus payments that delay unemployment
198.15 benefits. (a) An applicant is not eligible to receive unemployment benefits for any week
198.16 the applicant is receiving, has received, or will receive separation pay, severance pay, bonus
198.17 pay, or any other payments paid by an employer because of, upon, or after separation from
198.18 employment. This subdivision applies if the payment is:

198.19 (1) considered wages under section 268.035, subdivision 29; or

198.20 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
198.21 Security and Medicare.

198.22 (b) Payments under this subdivision are applied to the period immediately following the
198.23 later of the date of separation from employment or the date the applicant first becomes
198.24 aware that the employer will be making a payment. The date the payment is actually made
198.25 or received, or that an applicant must agree to a release of claims, does not affect the
198.26 application of this paragraph.

198.27 (c) This subdivision does not apply to earnings under subdivision 5, back pay under
198.28 subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

198.29 (d) This subdivision applies to all the weeks of payment. The number of weeks of
198.30 payment is determined in accordance with subdivision 3, paragraph (c).

198.31 (e) Under this subdivision, if the payment with respect to a week is equal to or more
198.32 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
198.33 benefits for that week. If the payment with respect to a week is less than the applicant's

199.1 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
199.2 of the payment.

199.3 Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
199.4 read:

199.5 Subd. 3c. **Pension or retirement payment offset.** (a) An applicant is not eligible to
199.6 receive unemployment benefits for any week the applicant is receiving, has received, will
199.7 receive, or has applied for pension, retirement, or annuity payments from any plan contributed
199.8 to by a base period employer including the United States government. The base period
199.9 employer is considered to have contributed to the plan if the contribution is excluded from
199.10 the definition of wages under section 268.035, subdivision 29.

199.11 (b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is
199.12 not considered to have received a payment if:

199.13 (1) the applicant immediately deposits that payment in a qualified pension plan or
199.14 account; or

199.15 (2) that payment is an early distribution for which the applicant paid an early distribution
199.16 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

199.17 (c) This subdivision does not apply to Social Security benefits under subdivision 4 or
199.18 4a.

199.19 (d) This subdivision applies to all the weeks of payment.

199.20 If the payment is made in a lump sum, that sum is divided by the applicant's last level
199.21 of regular weekly pay from the employer to determine the weeks of payment.

199.22 The "last level of regular weekly pay" includes commissions, bonuses, and overtime
199.23 pay if that is part of the applicant's ongoing regular compensation.

199.24 (e) Under this subdivision, if the payment with respect to a week is equal to or more
199.25 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
199.26 benefits for that week. If the payment with respect to a week is less than the applicant's
199.27 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
199.28 of the payment.

200.1 Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

200.2 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
200.3 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
200.4 on an involuntary leave of absence is not ineligible under this subdivision.

200.5 A leave of absence is voluntary when work that the applicant can then perform is available
200.6 with the applicant's employer but the applicant chooses not to work. A medical leave of
200.7 absence is not presumed to be voluntary.

200.8 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave
200.9 of absence. A vacation period assigned by an employer under: (1) a uniform vacation
200.10 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is
200.11 an involuntary leave of absence.

200.12 (c) A leave of absence is a temporary stopping of work that has been approved by the
200.13 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~
200.14 ~~is not~~ or a discharge from employment for purposes of. Section 268.095 does not apply to
200.15 a leave of absence.

200.16 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
200.17 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
200.18 leave.

200.19 (e) This subdivision applies to a leave of absence from a base period employer, an
200.20 employer during the period between the end of the base period and the effective date of the
200.21 benefit account, or an employer during the benefit year.

200.22 Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

200.23 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any
200.24 intentional, negligent, or indifferent conduct, on the job or off the job, ~~that displays clearly:~~

200.25 ~~(1) is a serious violation of the standards of behavior the employer has the right to~~
200.26 ~~reasonably expect of the employee; or~~

200.27 ~~(2) a substantial lack of concern for the employment.~~

200.28 (b) Regardless of paragraph (a), the following is not employment misconduct:

200.29 (1) conduct that was a consequence of the applicant's mental illness or impairment;

200.30 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

200.31 (3) simple unsatisfactory conduct;

201.1 (4) conduct an average reasonable employee would have engaged in under the
201.2 circumstances;

201.3 (5) conduct that was a consequence of the applicant's inability or incapacity;

201.4 (6) good faith errors in judgment if judgment was required;

201.5 (7) absence because of illness or injury of the applicant, with proper notice to the
201.6 employer;

201.7 (8) absence, with proper notice to the employer, in order to provide necessary care
201.8 because of the illness, injury, or disability of an immediate family member of the applicant;

201.9 (9) conduct that was a consequence of the applicant's chemical dependency, unless the
201.10 applicant was previously diagnosed chemically dependent or had treatment for chemical
201.11 dependency, and since that diagnosis or treatment has failed to make consistent efforts to
201.12 control the chemical dependency; or

201.13 (10) conduct that was a consequence of the applicant, or an immediate family member
201.14 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the
201.15 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the
201.16 meanings given them in subdivision 1.

201.17 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
201.18 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
201.19 employment is employment misconduct.

201.20 (d) If the conduct for which the applicant was discharged involved only a single incident,
201.21 that is an important fact that must be considered in deciding whether the conduct rises to
201.22 the level of employment misconduct under paragraph (a). This paragraph does not require
201.23 that a determination under section 268.101 or decision under section 268.105 contain a
201.24 specific acknowledgment or explanation that this paragraph was considered.

201.25 (e) The definition of employment misconduct provided by this subdivision is exclusive
201.26 and no other definition applies.

201.27 Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

201.28 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~
201.29 ~~section, "aggravated employment misconduct" means:~~

201.30 (1) The commission of any act, on the job or off the job, that would amount to a gross
201.31 misdemeanor or felony is aggravated employment misconduct if the act ~~substantially~~
201.32 ~~interfered with the employment or~~ had a significant adverse effect on the employment; ~~or,~~

202.1 A criminal charge or conviction is not necessary to determine aggravated employment
202.2 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or
202.3 felony, the applicant is presumed to have committed the act.

202.4 ~~(2) (b)~~ For an employee of a facility as defined in section 626.5572, aggravated
202.5 employment misconduct includes an act of patient or resident abuse, financial exploitation,
202.6 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

202.7 ~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for~~
202.8 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~
202.9 ~~substantially interfered with the employment or had a significant adverse effect on the~~
202.10 ~~employment.~~

202.11 (c) The definition of aggravated employment misconduct provided by this subdivision
202.12 is exclusive and no other definition applies.

202.13 Sec. 11. **EFFECTIVE DATE.**

202.14 Unless otherwise specified, this article is effective October 1, 2019.

202.15 **ARTICLE 14**

202.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

202.17 Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

202.18 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage
202.19 detail report, but fails to include all required employee information or enters erroneous
202.20 information, is subject to an administrative service fee of \$25 for each employee for whom
202.21 the information is partially missing or erroneous.

202.22 (b) Any employer that submits the wage detail report, but fails to include an employee,
202.23 is subject to an administrative service fee equal to two percent of the total wages for each
202.24 employee for whom the information is completely missing.

202.25 (c) An administrative service fee under this subdivision must be canceled under section
202.26 268.067 if the commissioner determines that the failure or error by the employer occurred
202.27 because of ignorance or inadvertence.

202.28 Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

202.29 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying
202.30 employer to have that person obtain the taxpaying employer's workforce and provide workers

203.1 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
203.2 the duration of the contract the taxpaying employer's account under section 268.045. That
203.3 tax account must be maintained by the person separate and distinct from every other tax
203.4 account held by the person and identified in a manner prescribed by the commissioner. The
203.5 tax account is, for the duration of the contract, considered that person's account for all
203.6 purposes of this chapter. The workers obtained from the taxpaying employer and any other
203.7 workers provided by that person to the taxpaying employer, including officers of the
203.8 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose
203.9 wages paid by the person are considered paid in covered employment under section 268.035,
203.10 subdivision 24, for the duration of the contract between the taxpaying employer and the
203.11 person, must, under section 268.044, be reported on the wage detail report under that tax
203.12 account, and that person must pay any taxes due at the tax rate computed for that account
203.13 under section 268.051, subdivision 2.

203.14 (b) Any workers of the taxpaying employer who are not covered by the contract under
203.15 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage
203.16 detail report under the tax account assigned under paragraph (a). Taxes and any other
203.17 amounts due on the wages reported by the taxpaying employer under this paragraph may
203.18 be paid directly by the taxpaying employer.

203.19 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
203.20 have a tax account at the time of the execution of the contract, an account must be registered
203.21 for the taxpaying employer under section 268.042 and the new employer tax rate under
203.22 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
203.23 person as provided for in paragraph (a).

203.24 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
203.25 30 calendar days of the execution or termination of a contract, notify the commissioner by
203.26 electronic transmission, in a format prescribed by the commissioner, of that execution or
203.27 termination. The taxpaying employer's name, the account number assigned, and any other
203.28 information required by the commissioner must be provided by that person.

203.29 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer
203.30 of the assignment of the tax account under this section and the taxpaying employer's
203.31 obligation under paragraph (b). If there is a termination of the contract, the tax account is,
203.32 as of the date of termination, immediately assigned to the taxpaying employer.

204.1 Sec. 3. Minnesota Statutes 2018, section 268.069, subdivision 1, is amended to read:

204.2 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
204.3 from the trust fund to an applicant who has met each of the following requirements:

204.4 (1) the applicant has filed an application for unemployment benefits and established a
204.5 benefit account in accordance with section 268.07;

204.6 (2) the applicant has not been held ineligible for unemployment benefits under section
204.7 268.095 because of a quit or discharge;

204.8 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

204.9 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
204.10 including any penalties or interest; and

204.11 (5) the applicant has not been held ineligible for unemployment benefits under section
204.12 268.183 ~~because of a false representation or concealment of facts.~~

204.13 Sec. 4. Minnesota Statutes 2018, section 268.105, subdivision 6, is amended to read:

204.14 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an
204.15 applicant or employer may be represented by any authorized representative.

204.16 Except for services provided by an attorney-at-law, no person may charge an applicant
204.17 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on
204.18 reconsideration, or in a proceeding under subdivision 7.

204.19 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a
204.20 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the
204.21 Supreme Court of Minnesota.

204.22 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the
204.23 department as a result of any proceedings under this section.

204.24 Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

204.25 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,
204.26 the applicant must be informed that:

204.27 (1) unemployment benefits are subject to federal and state income tax;

204.28 (2) there are requirements for filing estimated tax payments;

204.29 (3) the applicant may elect to have federal income tax withheld from unemployment
204.30 benefits;

205.1 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
205.2 addition, elect to have Minnesota state income tax withheld; and

205.3 (5) at any time during the benefit year the applicant may change a prior election.

205.4 (b) If an applicant elects to have federal income tax withheld, the commissioner must
205.5 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
205.6 income tax withheld, the commissioner must make an additional five percent deduction for
205.7 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~
205.8 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.
205.9 Federal income tax withholding has priority over state income tax withholding.

205.10 (c) An election to have income tax withheld may not be retroactive and only applies to
205.11 unemployment benefits paid after the election.

205.12 Sec. 6. Minnesota Statutes 2018, section 268.18, subdivision 5, is amended to read:

205.13 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
205.14 unemployment benefits, including any penalties and interest, is not an election of a method
205.15 of recovery.

205.16 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
205.17 under section 176.361 is not an election of a remedy and does not prevent the commissioner
205.18 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~
205.19 ~~section 268.183.~~

205.20 Sec. 7. **REVISOR INSTRUCTION.**

205.21 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

205.22 (1) delete the term "bona fide" wherever it appears in section 268.035;

205.23 (2) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
205.24 (8);

205.25 (3) replace the term "displays clearly" with "shows" in chapter 268;

205.26 (4) replace the term "entire" with "hearing" in section 268.105; and

205.27 (5) replace "24 calendar months" with "eight calendar quarters" in section 268.052,
205.28 subdivision 2.

205.29 Sec. 8. **EFFECTIVE DATE.**

205.30 Unless otherwise specified, this article is effective October 1, 2019.

206.1

ARTICLE 15

206.2

UI POLICY

206.3 Section 1. Minnesota Statutes 2018, section 268.085, subdivision 8, is amended to read:

206.4 Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject
206.5 to subdivision 7; if:

206.6 (1) the employment was provided under a contract between the employer and an
206.7 elementary or secondary school; and

206.8 (2) the contract was for services that the elementary or secondary school could have had
206.9 performed by its employees.

206.10 (b) Wage credits from an employer are not subject to subdivision 7 if:

206.11 (1) those wage credits were earned by an employee of a private employer performing
206.12 work under a contract between the employer and an elementary or secondary school; and

206.13 (2) the employment was related to bus or food services provided to the school by the
206.14 employer.

206.15

ARTICLE 16

206.16

BUREAU OF MEDIATION SERVICES POLICY

206.17 Section 1. Minnesota Statutes 2018, section 13.43, subdivision 6, is amended to read:

206.18 Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public**
206.19 **Employment Relations Board.** Personnel data may be disseminated to labor organizations
206.20 and the Public Employment Relations Board to the extent that the responsible authority
206.21 determines that the dissemination is necessary to conduct elections, notify employees of
206.22 fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel
206.23 data shall be disseminated to labor organizations, the Public Employment Relations Board,
206.24 and to the Bureau of Mediation Services to the extent the dissemination is ordered or
206.25 authorized by the commissioner of the Bureau of Mediation Services or the Public
206.26 Employment Relations Board or its designee.

206.27 Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

206.28 Subdivision 1. **Definition.** For purposes of this section, "board" means the Public
206.29 Employment Relations Board.

206.30 Subd. 2. **Nonpublic data.** (a) Except as provided in this subdivision, all data maintained
206.31 by the board about a charge or complaint of unfair labor practices and appeals of

207.1 determinations of the commissioner under section 179A.12, subdivision 11, are classified
207.2 as protected nonpublic data or confidential data, and become public when admitted into
207.3 evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to
207.4 a protective order as determined by the board or a hearing officer.

207.5 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

207.6 (1) the filing date of unfair labor practice charges;

207.7 (2) the status of unfair labor practice charges as an original or amended charge;

207.8 (3) the names and job classifications of charging parties and charged parties;

207.9 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

207.10 (5) the complaint issued by the board and all data in the complaint;

207.11 (6) the full and complete record of an evidentiary hearing before a hearing officer,

207.12 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,

207.13 unless subject to a protective order;

207.14 (7) recommended decisions and orders of hearing officers pursuant to section 179A.13,

207.15 subdivision 1, paragraph (i);

207.16 (8) exceptions to the hearing officer's recommended decision and order filed with the

207.17 board pursuant to section 179A.13, subdivision 1, paragraph (k);

207.18 (9) briefs filed with the board; and

207.19 (10) decisions and orders issued by the board.

207.20 (c) Notwithstanding paragraph (a), individuals have access to their own statements

207.21 provided to the board under paragraph (a).

207.22 (d) The board may make any data classified as protected nonpublic or confidential

207.23 pursuant to this subdivision accessible to any person or party if the access will aid the

207.24 implementation of chapters 179 and 179A or ensure due process protection of the parties.

207.25 Sec. 3. Minnesota Statutes 2018, section 179A.041, is amended by adding a subdivision

207.26 to read:

207.27 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when

207.28 it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12,

207.29 and 179A.13; reviewing a recommended decision and order of a hearing officer under

207.30 section 179A.13; or reviewing decisions of the commissioner of the Bureau of Mediation

207.31 Services relating to unfair labor practices under section 179A.12, subdivision 11.

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

208.2 Sec. 4. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special
208.3 Session chapter 1, article 7, section 1, Laws 2016, chapter 189, article 7, section 42, and
208.4 Laws 2017, chapter 94, article 12, section 1, is amended to read:

208.5 Sec. 13. **EFFECTIVE DATE.**

208.6 Sections 1 to 3 and 6 to 11 are effective ~~July~~ January 1, 2020. Sections 4, 5, and 12 are
208.7 effective July 1, 2014.

208.8 **EFFECTIVE DATE.** This section is effective the day following final enactment. Until
208.9 January 1, 2020, any employee, employer, employee or employer organization, exclusive
208.10 representative, or any other person or organization aggrieved by an unfair labor practice as
208.11 defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief
208.12 and for damages caused by the unfair labor practice in the district court of the county in
208.13 which the practice is alleged to have occurred.

208.14

ARTICLE 17

208.15

UNCLAIMED PROPERTY; GENERAL

208.16 Section 1. **[345A.101] DEFINITIONS.**

208.17 (1) For the purposes of this chapter, the terms defined in this section have the meanings
208.18 given them.

208.19 (2) "Administrator" means the commissioner of commerce.

208.20 (3) "Administrator's agent" means a person with which the administrator contracts to
208.21 conduct an examination under this chapter on behalf of the administrator. The term includes
208.22 an independent contractor of the person and each individual participating in the examination
208.23 on behalf of the person or contractor.

208.24 (4) "Affiliated group of merchants" means two or more affiliated merchants or other
208.25 persons that are related by common ownership or common corporate control and that share
208.26 the same name, mark, or logo. Affiliated group of merchants also applies to two or more
208.27 merchants or other persons that agree among themselves, by contract or otherwise, to redeem
208.28 cards, codes, or other devices bearing the same name, mark, or logo, other than the mark,
208.29 logo, or brand of a payment network, for the purchase of goods or services solely at such
208.30 merchants or persons. However, merchants or other persons are not considered affiliated

209.1 merely because they agree to accept a card that bears the mark, logo, or brand of a payment
209.2 network.

209.3 (5) "Apparent owner" means a person whose name appears on the records of a holder
209.4 as the owner of property held, issued, or owing by the holder.

209.5 (6) "Business association" means a corporation, joint stock company, investment
209.6 company, other than an investment company registered under the Investment Company Act
209.7 of 1940, as amended, United States Code, title 15, sections 80a-1 to 80a-64, partnership,
209.8 unincorporated association, joint venture, limited liability company, business trust, trust
209.9 company, land bank, safe deposit company, safekeeping depository, financial organization,
209.10 insurance company, federally chartered entity, utility, sole proprietorship, or other business
209.11 entity, whether or not for profit.

209.12 (7) "Cashier's check" means a draft with respect to which the drawer and drawee are the
209.13 same bank or branches of the same bank.

209.14 (8) "District court" means Ramsey County District Court.

209.15 (9) "Domicile" means:

209.16 (A) for a corporation, the state of its incorporation;

209.17 (B) for a business association whose formation requires a filing with a state, other than
209.18 a corporation, the state of its filing;

209.19 (C) for a federally chartered entity or an investment company registered under the
209.20 Investment Company Act of 1940, as amended, United States Code, title 15, sections 80a-1
209.21 to 80a-64, the state of its home office; and

209.22 (D) for any other holder, the state of its principal place of business.

209.23 (10) "Electronic" means relating to technology having electrical, digital, magnetic,
209.24 wireless, optical, electromagnetic, or similar capabilities.

209.25 (11) "E-mail" means a communication by electronic means which is automatically
209.26 retained and stored and may be readily accessed or retrieved.

209.27 (12) "Financial organization" means a savings and loan association, building and loan
209.28 association, savings bank, industrial bank, bank, banking organization, or credit union.

209.29 (13) "Game-related digital content" means digital content that exists only in an electronic
209.30 game or electronic-game platform. The term:

209.31 (A) includes:

210.1 i. game-play currency such as a virtual wallet, even if denominated in United States
210.2 currency; and

210.3 ii. the following if for use or redemption only within the game or platform or another
210.4 electronic game or electronic-game platform:

210.5 1. points sometimes referred to as gems, tokens, gold, and similar names; and

210.6 2. digital codes; and

210.7 (B) does not include an item that the issuer:

210.8 i. permits to be redeemed for use outside a game or platform for:

210.9 ii. money; or

210.10 iii. goods or services that have more than minimal value; or

210.11 iv. otherwise monetizes for use outside a game or platform.

210.12 (14) "Gift card" means:

210.13 (A) a stored-value card:

210.14 i. issued on a prepaid basis for a specified amount;

210.15 ii. the value of which does not expire;

210.16 iii. that is not subject to a dormancy, inactivity, or service fee;

210.17 iv. that may be decreased in value only by redemption for merchandise, goods, or services
210.18 upon presentation at a single merchant or an affiliated group of merchants;

210.19 v. that, unless required by law, may not be redeemed for or converted into money or
210.20 otherwise monetized by the issuer; and

210.21 (B) includes a prepaid commercial mobile radio service, as defined in Code of Federal
210.22 Regulations, title 47, section 20.3, as amended.

210.23 (15) "Holder" means a person obligated to hold for the account of, or to deliver or pay
210.24 to, the owner, property subject to this chapter.

210.25 (16) "Insurance company" means an association, corporation, or fraternal or
210.26 mutual-benefit organization, whether or not for profit, engaged in the business of providing
210.27 life endowments, annuities, or insurance, including accident, burial, casualty, credit-life,
210.28 contract-performance, dental, disability, fidelity, fire, health, hospitalization, illness, life,
210.29 malpractice, marine, mortgage, surety, wage-protection, and worker-compensation insurance.

211.1 (17) "Loyalty card" means a record given without direct monetary consideration under
211.2 an award, reward, benefit, loyalty, incentive, rebate, or promotional program which may
211.3 be used or redeemed only to obtain goods or services or a discount on goods or services.
211.4 Loyalty card does not include a record that may be redeemed for money or otherwise
211.5 monetized by the issuer.

211.6 (18) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid or solid hydrocarbon,
211.7 cement material, sand and gravel, road material, building stone, chemical raw material,
211.8 gemstone, fissionable and nonfissionable ores, colloidal and other clay, steam and other
211.9 geothermal resources, and any other substance defined as a mineral by law of this state other
211.10 than this chapter.

211.11 (19) "Mineral proceeds" means an amount payable for extraction, production, or sale of
211.12 minerals, or, on the abandonment of the amount, an amount that becomes payable after
211.13 abandonment. Mineral proceeds includes an amount payable:

211.14 (A) for the acquisition and retention of a mineral lease, including a bonus, royalty,
211.15 compensatory royalty, shut-in royalty, minimum royalty, and delay rental;

211.16 (B) for the extraction, production, or sale of minerals, including a net revenue interest,
211.17 royalty, overriding royalty, extraction payment, and production payment; and

211.18 (C) under an agreement or option, including a joint-operating agreement, unit agreement,
211.19 pooling agreement, and farm-out agreement.

211.20 (20) "Money order" means a payment order for a specified amount of money. Money
211.21 order includes an express money order and a personal money order on which the remitter
211.22 is the purchaser.

211.23 (21) "Municipal bond" means a bond or evidence of indebtedness issued by a municipality
211.24 or other political subdivision of a state.

211.25 (22) "Net card value" means the original purchase price or original issued value of a
211.26 stored-value card, plus amounts added to the original price or value, minus amounts used
211.27 and any service charge, fee, or dormancy charge permitted by law.

211.28 (23) "Nonfreely transferable security" means a security that cannot be delivered to the
211.29 administrator by the Depository Trust Clearing Corporation or similar custodian of securities
211.30 providing post-trade clearing and settlement services to financial markets or cannot be
211.31 delivered because there is no agent to effect transfer. Nonfreely transferable security includes
211.32 a worthless security.

212.1 (24) "Owner" means a person that has a legal, beneficial, or equitable interest in property
212.2 subject to this chapter or the person's legal representative when acting on behalf of the
212.3 owner. Owner includes:

212.4 (A) a depositor, for a deposit;

212.5 (B) a beneficiary, for a trust other than a deposit in trust;

212.6 (C) a creditor, claimant, or payee, for other property; and

212.7 (D) the lawful bearer of a record that may be used to obtain money, a reward, or a thing
212.8 of value.

212.9 (25) "Payroll card" means a record that evidences a payroll card account as defined in
212.10 Regulation E, Code of Federal Regulations, title 12, part 1005, as amended.

212.11 (26) "Person" means an individual, estate, business association, public corporation,
212.12 government or governmental subdivision, agency, instrumentality, or other legal entity
212.13 whether or not for profit.

212.14 (27) "Property" means tangible property described in section 345A.205 or a fixed and
212.15 certain interest in intangible property held, issued, or owed in the course of a holder's business
212.16 or by a government, governmental subdivision, agency, or instrumentality. Property:

212.17 (A) includes all income from or increments to the property;

212.18 (B) includes property referred to as or evidenced by:

212.19 i. money, virtual currency, interest, dividend, check, draft, deposit, or payroll card;

212.20 ii. a credit balance, customer's overpayment, stored-value card, security deposit, refund,
212.21 credit memorandum, unpaid wage, unused ticket for which the issuer has an obligation to
212.22 provide a refund, mineral proceeds, or unidentified remittance;

212.23 iii. a security except for:

212.24 1. a worthless security; or

212.25 2. a security that is subject to a lien, legal hold, or restriction evidenced on the records
212.26 of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts
212.27 the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security;

212.28 iv. a bond, debenture, note, or other evidence of indebtedness;

212.29 v. money deposited to redeem a security, make a distribution, or pay a dividend;

212.30 vi. an amount due and payable under an annuity contract or insurance policy; and

213.1 vii. an amount distributable from a trust or custodial fund established under a plan to
213.2 provide health, welfare, pension, vacation, severance, retirement, death, stock purchase,
213.3 profit-sharing, employee savings, supplemental unemployment insurance, or a similar
213.4 benefit; and

213.5 (C) does not include:

213.6 i. property held in a plan described in section 529A of the Internal Revenue Code, as
213.7 amended, United States Code, title 26, section 529A;

213.8 ii. game-related digital content;

213.9 iii. a loyalty card;

213.10 iv. a gift card; or

213.11 v. money held or owing by a public pension fund enumerated in section 356.20,
213.12 subdivision 2, or 356.30, subdivision 3; or covered by sections 69.77 or 69.771 to 69.776,
213.13 if the plan governing the public pension fund includes a provision governing the disposition
213.14 of unclaimed amounts of money.

213.15 (28) "Putative holder" means a person believed by the administrator to be a holder, until
213.16 the person pays or delivers to the administrator property subject to this chapter or the
213.17 administrator or a court makes a final determination that the person is or is not a holder.

213.18 (29) "Record" means information that is inscribed on a tangible medium or that is stored
213.19 in an electronic or other medium and is retrievable in perceivable form. "Records of the
213.20 holder" includes records maintained by a third party that has contracted with the holder.

213.21 (30) "Security" means:

213.22 (A) a security as defined in article 8 of the Uniform Commercial Code, section 336.8-102;

213.23 (B) a security entitlement as defined in article 8 of the Uniform Commercial Code,
213.24 section 336.8-102, including a customer security account held by a registered broker-dealer,
213.25 to the extent the financial assets held in the security account are not:

213.26 i. registered on the books of the issuer in the name of the person for which the
213.27 broker-dealer holds the assets;

213.28 ii. payable to the order of the person; or

213.29 iii. specifically endorsed to the person; or

213.30 (C) an equity interest in a business association not included in subparagraph (A) or (B).

214.1 (31) "Sign" means with present intent to authenticate or adopt a record: (i) to execute
214.2 or adopt a tangible symbol; or (ii) to attach to or logically associate with the record an
214.3 electronic symbol, sound, or process.

214.4 (32) "State" means a state of the United States, the District of Columbia, the
214.5 Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular
214.6 possession subject to the jurisdiction of the United States.

214.7 (33) "Stored-value card" means a record evidencing a promise made for consideration
214.8 by the seller or issuer of the record that goods, services, or money will be provided to the
214.9 owner of the record to the value or amount shown in the record. Stored-value card:

214.10 (A) includes:

214.11 i. a record that contains or consists of a microprocessor chip, magnetic strip, or other
214.12 means for the storage of information, which is prefunded and whose value or amount is
214.13 decreased on each use and increased by payment of additional consideration; and

214.14 ii. a payroll card; and

214.15 (B) does not include a loyalty card, gift card, or game-related digital content.

214.16 (34) "Teller's check" means a draft drawn by a bank on another bank, or payable at or
214.17 through another bank.

214.18 (35) "Utility" means a person that owns or operates for public use a plant, equipment,
214.19 real property, franchise, or license for the following public services:

214.20 (A) transmission of communications or information;

214.21 (B) production, storage, transmission, sale, delivery, or furnishing of electricity, water,
214.22 steam, or gas; or

214.23 (C) provision of sewage or septic services, or trash, garbage, or recycling disposal.

214.24 (36) "Virtual currency" means a digital representation of value used as a medium of
214.25 exchange, unit of account, or store of value, which does not have legal tender status
214.26 recognized by the United States. Virtual currency does not include:

214.27 (A) the software or protocols governing the transfer of the digital representation of value;

214.28 (B) game-related digital content; or

214.29 (C) a loyalty card or gift card.

215.1 (37) "Worthless security" means a security whose cost of liquidation and delivery to the
215.2 administrator would exceed the value of the security on the date a report is due under this
215.3 chapter.

215.4 Sec. 2. **[345A.102] INAPPLICABILITY TO FOREIGN TRANSACTION.**

215.5 This chapter does not apply to property held, due, and owing in a foreign country if the
215.6 transaction out of which the property arose was a foreign transaction.

215.7 **ARTICLE 18**

215.8 **UNCLAIMED PROPERTY; PRESUMPTION OF ABANDONMENT**

215.9 Section 1. **[345A.201] WHEN PROPERTY PRESUMED ABANDONED.**

215.10 Subject to section 345A.210, the following property is presumed abandoned if it is
215.11 unclaimed by the apparent owner during the period specified below:

215.12 (1) a traveler's check, 15 years after issuance;

215.13 (2) a money order, seven years after issuance;

215.14 (3) cooperative property, including any profit distribution or other sum held or owing
215.15 by a cooperative to a participating patron is presumed abandoned only if it has remained
215.16 unclaimed by the owner for more than seven years after it became payable or distributable;

215.17 (4) a state or municipal bond, bearer bond, or original-issue discount bond, three years
215.18 after the earliest of the date the bond matures or is called or the obligation to pay the principal
215.19 of the bond arises;

215.20 (5) a debt of a business association, three years after the obligation to pay arises;

215.21 (6) demand, savings, or time deposit, including a deposit that is automatically renewable,
215.22 three years after the later of the maturity or the date of the last indication of interest in the
215.23 property by the apparent owner, except a deposit that is automatically renewable is deemed
215.24 matured three years after its initial date of maturity unless the apparent owner consented to
215.25 renewal in a record on file with the holder;

215.26 (7) any instrument on which a financial organization or business association is directly
215.27 liable, three years after issuance;

215.28 (8) money or a credit owed to a customer as a result of a retail business transaction, other
215.29 than in-store credit for returned merchandise, three years after the obligation arose;

216.1 (9) an amount owed by an insurance company on a life or endowment insurance policy
216.2 or an annuity contract that has matured or terminated, three years after the obligation to pay
216.3 arose under the terms of the policy or contract or, if a policy or contract for which an amount
216.4 is owed on proof of death has not matured by proof of the death of the insured or annuitant,
216.5 as follows:

216.6 (A) with respect to an amount owed on a life or endowment insurance policy, the earlier
216.7 of:

216.8 i. three years after the death of the insured; or

216.9 ii. two years after the insured has attained, or would have attained if living, the limiting
216.10 age under the mortality table in which the reserve for the policy is based; and

216.11 (B) with respect to an amount owed on an annuity contract, three years after the date of
216.12 the death of the annuitant;

216.13 (10) funds on deposit or held in trust for the prepayment of funeral or other funeral-related
216.14 expenses, the earliest of:

216.15 (A) two years after the date of death of the beneficiary;

216.16 (B) one year after the date the beneficiary has attained, or would have attained if living,
216.17 the age of 105 where the holder does not know whether the beneficiary is deceased; or

216.18 (C) 30 years after the contract for prepayment was executed;

216.19 (11) property distributable by a business association in the course of dissolution, one
216.20 year after the property becomes distributable;

216.21 (12) property held by a court, including property received as proceeds of a class action,
216.22 three years after the property becomes distributable;

216.23 (13) property held by a government or governmental subdivision, agency, or
216.24 instrumentality, including municipal bond interest and unredeemed principal under the
216.25 administration of a paying agent or indenture trustee, one year after the property becomes
216.26 distributable;

216.27 (14) wages, commissions, bonuses, or reimbursements to which an employee is entitled,
216.28 or other compensation for personal services, including amounts held on a payroll card, one
216.29 year after the amount becomes payable;

216.30 (15) a deposit or refund owed to a subscriber by a utility, one year after the deposit or
216.31 refund becomes payable; and

217.1 (16) property not specified in this section or sections 345A.202 to 345A.208, the earlier
217.2 of three years after the owner first has a right to demand the property or the obligation to
217.3 pay or distribute the property arises.

217.4 Notwithstanding any provision in this chapter to the contrary, and subject to section
217.5 345A.210, a deceased owner cannot indicate interest in the owner's property.

217.6 **Sec. 2. [345A.202] WHEN TAX-DEFERRED RETIREMENT ACCOUNT**
217.7 **PRESUMED ABANDONED.**

217.8 (a) Subject to section 345A.210, property held in a pension account or retirement account
217.9 that qualifies for tax deferral under the income tax laws of the United States is presumed
217.10 abandoned if it is unclaimed by the apparent owner after the later of:

217.11 (1) three years after the following dates:

217.12 (A) except as in subparagraph (B), the date a communication sent by the holder by
217.13 first-class United States mail to the apparent owner is returned to the holder undelivered by
217.14 the United States Postal Service; or

217.15 (B) if such communication is re-sent within 30 days after the date the first communication
217.16 is returned undelivered, the date the second communication was returned undelivered by
217.17 the United States Postal Service; or

217.18 (2) the earlier of the following dates:

217.19 (A) three years after the date the apparent owner becomes 70.5 years of age, if
217.20 determinable by the holder; or

217.21 (B) one year after the date of mandatory distribution following death if the Internal
217.22 Revenue Code, as amended, United States Code, title 26, section 1, et seq., requires
217.23 distribution to avoid a tax penalty and the holder:

217.24 (i) receives confirmation of the death of the apparent owner in the ordinary course of
217.25 its business; or

217.26 (ii) confirms the death of the apparent owner under subsection (b).

217.27 (b) If a holder in the ordinary course of its business receives notice or an indication of
217.28 the death of an apparent owner and subsection (a)(2) applies, the holder shall attempt, not
217.29 later than 90 days after receipt of the notice or indication, to confirm whether the apparent
217.30 owner is deceased.

218.1 (c) If the holder does not send communications to the apparent owner of an account
218.2 described in subsection (a) by first-class United States mail, the holder shall attempt to
218.3 confirm the apparent owner's interest in the property by sending the apparent owner an
218.4 e-mail communication not later than two years after the apparent owner's last indication of
218.5 interest in the property; however, the holder promptly shall attempt to contact the apparent
218.6 owner by first-class United States mail if:

218.7 (1) the holder does not have information needed to send the apparent owner an e-mail
218.8 communication or the holder believes that the apparent owner's e-mail address in the holder's
218.9 records is not valid;

218.10 (2) the holder receives notification that the e-mail communication was not received; or

218.11 (3) the apparent owner does not respond to the e-mail communication not later than 30
218.12 days after the communication was sent.

218.13 (d) If first-class United States mail sent under subsection (c) is returned to the holder
218.14 undelivered by the United States Postal Service, the property is presumed abandoned three
218.15 years after the later of:

218.16 (1) except as in paragraph (2), the date a communication to contact the apparent owner
218.17 sent by first-class United States mail is returned to the holder undelivered;

218.18 (2) if such communication is sent later than 30 days after the date the first communication
218.19 is returned undelivered, the date the second communication was returned undelivered; or

218.20 (3) the date established by subsection (a)(2).

218.21 **Sec. 3. [345A.203] WHEN OTHER TAX-DEFERRED ACCOUNT PRESUMED**
218.22 **ABANDONED.**

218.23 Subject to section 345A.210 and except for property described in section 345A.202 and
218.24 property held in a plan described in section 529A of the Internal Revenue Code, as amended;
218.25 United States Code, title 26, section 529A, property held in an account or plan, including
218.26 a health savings account, that qualifies for tax deferral under the income tax laws of the
218.27 United States is presumed abandoned if it is unclaimed by the apparent owner three years
218.28 after the earlier of:

218.29 (1) the date, if determinable by the holder, specified in the income tax laws and
218.30 regulations of the United States by which distribution of the property must begin to avoid
218.31 a tax penalty, with no distribution having been made; or

218.32 (2) 30 years after the date the account was opened.

219.1 Sec. 4. [345A.204] WHEN CUSTODIAL ACCOUNT FOR MINOR PRESUMED
219.2 ABANDONED.

219.3 (a) Subject to section 345A.210, property held in an account established under a state's
219.4 Uniform Gifts to Minors Act or Uniform Transfers to Minors Act is presumed abandoned
219.5 if it is unclaimed by or on behalf of the minor on whose behalf the account was opened
219.6 three years after the later of:

219.7 (1) except as in paragraph (2), the date a communication sent by the holder by first-class
219.8 United States mail to the custodian of the minor on whose behalf the account was opened
219.9 is returned undelivered to the holder by the United States Postal Service;

219.10 (2) if the communication is re-sent later than 30 days after the date the first
219.11 communication is returned undelivered, the date the second communication was returned
219.12 undelivered; or

219.13 (3) the date on which the custodian is required to transfer the property to the minor or
219.14 the minor's estate in accordance with the Uniform Gifts to Minors Act or Uniform Transfers
219.15 to Minors Act of the state in which the account was opened.

219.16 (b) If the holder does not send communications to the custodian of the minor on whose
219.17 behalf an account described in subsection (a) was opened by first-class United States mail,
219.18 the holder shall attempt to confirm the custodian's interest in the property by sending the
219.19 custodian an e-mail communication not later than two years after the custodian's last
219.20 indication of interest in the property; however, the holder promptly shall attempt to contact
219.21 the custodian by first-class United States mail if:

219.22 (1) the holder does not have information needed to send the custodian an e-mail
219.23 communication or the holder believes that the custodian's e-mail address in the holder's
219.24 records is not valid;

219.25 (2) the holder receives notification that the e-mail communication was not received; or

219.26 (3) the custodian does not respond to the e-mail communication not later than 30 days
219.27 after the communication was sent.

219.28 (c) If first-class United States mail sent under subsection (b) is returned undelivered to
219.29 the holder by the United States Postal Service, the property is presumed abandoned three
219.30 years after the later of:

219.31 (1) the date a communication to contact the custodian by first-class United States mail
219.32 is returned to the holder undelivered by the United States Postal Service; or

220.1 (2) the date established by subsection (a)(3).

220.2 (d) When the property in the account described in subsection (a) is transferred to the
220.3 minor on whose behalf an account was opened or to the minor's estate, the property in the
220.4 account is no longer subject to this section.

220.5 **Sec. 5. [345A.205] WHEN CONTENTS OF SAFE DEPOSIT BOX PRESUMED**
220.6 **ABANDONED.**

220.7 Tangible property held in a safe deposit box and proceeds from a sale of the property
220.8 by the holder permitted by law of this state other than this chapter are presumed abandoned
220.9 if the property remains unclaimed by the apparent owner five years after the earlier of the:

220.10 (1) expiration of the lease or rental period for the safe deposit box; or

220.11 (2) earliest date when the lessor of the safe deposit box is authorized by law of this state
220.12 other than this chapter to enter the safe deposit box and remove or dispose of the contents
220.13 without consent or authorization of the lessee.

220.14 **Sec. 6. [345A.206] WHEN STORED-VALUE CARD PRESUMED ABANDONED.**

220.15 (a) Subject to section 345A.210, the net card value of a stored-value card, other than a
220.16 payroll card or a gift card, is presumed abandoned on the latest of three years after:

220.17 (1) December 31 of the year in which the card is issued or additional funds are deposited
220.18 into it;

220.19 (2) the most recent indication of interest in the card by the apparent owner; or

220.20 (3) a verification or review of the balance by or on behalf of the apparent owner.

220.21 (b) The amount presumed abandoned in a stored-value card is the net card value at the
220.22 time it is presumed abandoned.

220.23 (c) If a holder has reported and remitted to the administrator the net card value on a
220.24 stored-value card presumed abandoned under this section and the stored-value card does
220.25 not have an expiration date, then the holder must honor the card on presentation indefinitely
220.26 and may then request reimbursement from the administrator under section 345A.605.

220.27 **Sec. 7. [345A.207] WHEN RELATED PROPERTY PRESUMED ABANDONED.**

220.28 At and after the time property is presumed abandoned under this chapter, any other
220.29 property right or interest accrued or accruing from the property and not previously presumed
220.30 abandoned is also presumed abandoned.

221.1 Sec. 8. [345A.208] INDICATION OF APPARENT OWNER INTEREST IN
221.2 PROPERTY.

221.3 (a) The period after which property is presumed abandoned is measured from the later:

221.4 (1) the date the property is presumed abandoned under sections 345A.201 to 345A.211;

221.5 or

221.6 (2) the latest indication of interest by the apparent owner in the property.

221.7 (b) Under this chapter, an indication of an apparent owner's interest in property includes:

221.8 (1) a record communicated by the apparent owner to the holder or agent of the holder
221.9 concerning the property or the account in which the property is held;

221.10 (2) an oral communication by the apparent owner to the holder or agent of the holder
221.11 concerning the property or the account in which the property is held, if the holder or its
221.12 agent contemporaneously makes and preserves a record of the fact of the apparent owner's
221.13 communication;

221.14 (3) presentment of a check or other instrument of payment of a dividend, interest payment,
221.15 or other distribution, or evidence of receipt of a distribution made by electronic or similar
221.16 means, with respect to an account, underlying security, or interest in a business association.

221.17 (4) activity directed by an apparent owner in the account in which the property is held,
221.18 including accessing the account or information concerning the account, or a direction by
221.19 the apparent owner to increase, decrease, or otherwise change the amount or type of property
221.20 held in the account;

221.21 (5) a deposit into or withdrawal from an account at a financial organization, except for
221.22 an automatic debit or credit previously authorized by the apparent owner or an automatic
221.23 reinvestment of dividends or interest;

221.24 (6) received tax reports or regular statements of the deposit by mail from the banking
221.25 or financial organization regarding the deposit. Receipt of the statement by the owner should
221.26 be presumed if the statement is mailed first class by the banking or financial organization
221.27 and is not returned; and

221.28 (7) subject to subsection (e), payment of a premium on an insurance policy.

221.29 (c) An action by an agent or other representative of an apparent owner, other than the
221.30 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
221.31 apparent owner.

222.1 (d) A communication with an apparent owner by a person other than the holder or the
222.2 holder's representative is not an indication of interest in the property by the apparent owner
222.3 unless a record of the communication evidences the apparent owner's knowledge of a right
222.4 to the property.

222.5 (e) If the insured dies or the insured or beneficiary of an insurance policy otherwise
222.6 becomes entitled to the proceeds before depletion of the cash surrender value of the policy
222.7 by operation of an automatic premium loan provision or other nonforfeiture provision
222.8 contained in the policy, the operation does not prevent the policy from maturing or
222.9 terminating.

222.10 (f) If the apparent owner has other property with the holder to which section 345A.201,
222.11 paragraph (6), applies, the activity directed by the apparent owner toward any other accounts,
222.12 including but not limited to loan accounts, at the financial organization holding an inactive
222.13 account of the apparent owner shall be an indication of interest in all such accounts if:

222.14 (1) the apparent owner engages in one or more of the following activities:

222.15 (A) the apparent owner undertakes one or more of the actions described in subsection
222.16 (b) regarding an account that appears on a consolidated statement with the inactive account;

222.17 (B) the apparent owner increases or decreases the amount of funds in any other account
222.18 the apparent owner has with the financial organization; or

222.19 (C) the apparent owner engages in any other relationship with the financial organization,
222.20 including payment of any amounts due on a loan; or

222.21 (2) the mailing address, Social Security number, employer identification number, or
222.22 individual taxpayer identification number, for the apparent owner in the financial
222.23 organization's records is the same for both the inactive account and the active account.

222.24 **Sec. 9. [345A.209] KNOWLEDGE OF DEATH OF INSURED OR ANNUITANT.**

222.25 (a) In this section, "death master file" ("DMF") means the United States Social Security
222.26 Administration Death Master File or other database or service that is at least as
222.27 comprehensive as the United States Social Security Administration Death Master File for
222.28 determining that an individual reportedly has died.

222.29 (b) With respect to a life or endowment insurance policy or annuity contract for which
222.30 an amount is owed on proof of death, but which has not matured by proof of death of the
222.31 insured or annuitant, the company has knowledge of the death of an insured or annuitant
222.32 when:

223.1 (1) the company receives a death certificate or court order determining that the insured
223.2 or annuitant has died;

223.3 (2) the company receives notice of the death of the insured or annuitant from the
223.4 administrator or an unclaimed property administrator of another state, a beneficiary, a policy
223.5 owner, a relative of the insured, a representative under the Probate Act of 1975, or an
223.6 executor or other legal representative of the insured's or annuitant's estate and validates the
223.7 death of the insured or annuitant;

223.8 (3) the company conducts a comparison for any purpose between a DMF and the names
223.9 of some or all of the company's insureds or annuitants, finds a match that provides notice
223.10 that the insured or annuitant has died, and validates the death; or

223.11 (4) the administrator or the administrator's agent conducts a comparison for the purpose
223.12 of finding matches during an examination conducted under this chapter between a DMF
223.13 and the names of some or all of the company's insureds or annuitants, and finds a match
223.14 that provides notice that the insured or annuitant has died.

223.15 (c) A holder shall perform a comparison of its insureds' in-force policies, annuity
223.16 contracts, and retained asset accounts against a DMF on at least a semiannual basis by using
223.17 the full DMF once and thereafter using DMF updated files for future comparisons to identify
223.18 potential matches of its insureds.

223.19 (d) A death master file match under subsection (b)(3) or (4) occurs if the criteria for an
223.20 exact or partial match are satisfied.

223.21 (1) an exact match occurs when the Social Security number, first and last name, and
223.22 date of birth contained in the holder's records matches exactly to the data contained in the
223.23 DMF;

223.24 (2) a partial match occurs in any of the following circumstances:

223.25 (A) when the Social Security number contained in the data found in the holder's records
223.26 matches exactly or in accordance with the fuzzy match criteria listed below to the Social
223.27 Security number contained in the DMF, the first and last names match either exactly or in
223.28 accordance with the fuzzy match criteria listed below, and the date of birth matches exactly
223.29 or in accordance with the fuzzy match criteria listed below;

223.30 (B) when the holder's records do not include a Social Security number or where the
223.31 Social Security number is incomplete or otherwise invalid, and there is a first name, last
223.32 name, and date of birth combination in the holder's data that is a match against the data
223.33 contained in the DMF where the first and last names match either exactly or in accordance

224.1 with the fuzzy match criteria listed below and the date of birth matches exactly or in
224.2 accordance with the fuzzy match criteria listed below;

224.3 (C) if there is more than one potentially matched individual returned as a result of the
224.4 process described in paragraphs (A) and (B) above, the holder shall search the Social Security
224.5 numbers obtained from the DMF for the potential matched individuals against Accurint for
224.6 Insurance or an equivalent database. If a search of those databases shows that the DMF
224.7 Social Security number is listed at the address in the holder's records for the insured, a
224.8 partial match will be considered to have been made only for individuals with a matching
224.9 address;

224.10 (D) fuzzy match criteria includes the following:

224.11 (i) a first name fuzzy match includes one or more of the following: a nickname; an initial
224.12 instead of a full first name; accepted industry standard phonetic name-matching algorithm;
224.13 data entry mistakes with a maximum difference of one character with at least five characters
224.14 in length; a first and last name are provided and cannot be reliably distinguished from one
224.15 another; use of interchanged first name and middle name; a misused compound name; and
224.16 the use of a "Mrs." in conjunction with a spouse's name where the date of birth and Social
224.17 Security number match exactly and the last name matches exactly or in accordance with
224.18 the fuzzy match criteria listed herein;

224.19 (ii) a last name fuzzy match includes one or more of the following: Anglicized forms
224.20 of last names; compound last name; blank spaces in last name; accepted industry standard
224.21 phonetic name-matching algorithm; a first and last name are provided and cannot be reliably
224.22 distinguished from one another; use of apostrophe or other punctuation; data entry mistakes
224.23 with a maximum difference of one character for last name with at least eight characters in
224.24 length; and married female last name variations;

224.25 (iii) a date of birth fuzzy match includes one of the following: two dates with a maximum
224.26 of two digits in difference, but only one entry mistake per full date is allowable; transposition
224.27 of the month and date portion of the date of birth; if the holder's records do not contain a
224.28 complete date of birth, then a fuzzy match date of birth will be found to exist where the data
224.29 available in the holder's records does not conflict with the data contained in the DMF; if
224.30 the holder provided a first and last name match, either exactly or in accordance with the
224.31 fuzzy match criteria herein and the Social Security number matches exactly against the
224.32 DMF, the date of birth is a fuzzy match if the holder provided a date of birth that is within
224.33 two years of the DMF-listed date of birth;

225.1 (iv) a Social Security number fuzzy match includes one of the following: two Social
225.2 Security numbers with a maximum of two digits in difference, any number position; two
225.3 consecutive numbers are transposed; and the Social Security number is less than nine digits
225.4 in length, but at least seven digits, and is entirely embedded within the other Social Security
225.5 number;

225.6 (3) the DMF match does not constitute proof of death for the purpose of submission to
225.7 an insurance company of a claim by a beneficiary, annuitant, or owner of the policy or
225.8 contract for an amount due under an insurance policy or annuity contract;

225.9 (4) the DMF match or validation of the insured's or annuitant's death does not alter the
225.10 requirements for a beneficiary, annuitant, or owner of the policy or contract to make a claim
225.11 to receive proceeds under the terms of the policy or contract;

225.12 (5) an insured or an annuitant is presumed dead if the date of the person's death is
225.13 indicated by the DMF match under either subsection (b)(3) or (4), unless the insurer has
225.14 competent and substantial evidence that the person is living, including but not limited to a
225.15 contact made by the insurer with the person or the person's legal representation.

225.16 (e) This chapter does not affect the determination of the extent to which an insurance
225.17 company before the effective date of this chapter had knowledge of the death of an insured
225.18 or annuitant or was required to conduct a DMF comparison to determine whether amounts
225.19 owed by the company on a life or endowment insurance policy or annuity contract were
225.20 presumed abandoned or unclaimed.

225.21 **Sec. 10. [345A.210] DEPOSIT ACCOUNT FOR PROCEEDS OF INSURANCE**
225.22 **POLICY OR ANNUITY CONTRACT.**

225.23 If proceeds payable under a life or endowment insurance policy or annuity contract are
225.24 deposited into an account with check or draft-writing privileges for the beneficiary of the
225.25 policy or contract and, under a supplementary contract not involving annuity benefits other
225.26 than death benefits, the proceeds are retained by the insurance company or the financial
225.27 organization where the account is held, the policy or contract includes the assets in the
225.28 account.

ARTICLE 19

**UNCLAIMED PROPERTY; RULES FOR TAKING CUSTODY OF PROPERTY
PRESUMED ABANDONED****Section 1. [345A.301] ADDRESS OF APPARENT OWNER TO ESTABLISH
PRIORITY.**

In sections 345A.301 to 345A.307, the following rules apply:

(1) The last known address of an apparent owner is any description, code, or other indication of the location of the apparent owner which identifies the state, even if the description, code, or indication of location is not sufficient to direct the delivery of first-class United States mail to the apparent owner.

(2) If the United States postal zip code associated with the apparent owner is for a post office located in this state, this state is deemed to be the state of the last known address of the apparent owner unless other records associated with the apparent owner specifically identify the physical address of the apparent owner to be in another state.

(3) If the address under paragraph (2) is in another state, the other state is deemed to be the state of the last known address of the apparent owner.

(4) The address of the apparent owner of a life or endowment insurance policy or annuity contract or its proceeds is presumed to be the address of the insured or annuitant if a person other than the insured or annuitant is entitled to the amount owed under the policy or contract and the address of the other person is not known by the insurance company and cannot be determined under section 345A.302.

Sec. 2. [345A.302] ADDRESS OF APPARENT OWNER IN THIS STATE.

The administrator may take custody of property that is presumed abandoned, whether located in this state, another state, or a foreign country, if:

(1) the last known address of the apparent owner in the records of the holder is in this state; or

(2) the records of the holder do not reflect the identity or last known address of the apparent owner, but the administrator has determined that the last known address of the apparent owner is in this state.

227.1 Sec. 3. **[345A.303] IF RECORDS SHOW MULTIPLE ADDRESSES OF APPARENT**
227.2 **OWNER.**

227.3 (a) Except as provided in subsection (b), if records of a holder reflect multiple addresses
227.4 for an apparent owner and this state is the state of the last known address, this state may
227.5 take custody of property presumed abandoned, whether located in this state or another state.

227.6 (b) If it appears from records of the holder that the last known address of the apparent
227.7 owner under subsection (a) is a temporary address and this state is the state of the next most
227.8 recently recorded address that is not a temporary address, this state may take custody of the
227.9 property presumed abandoned.

227.10 Sec. 4. **[345A.304] HOLDER DOMICILED IN THIS STATE.**

227.11 (a) Except as provided in subsection (b) or section 345A.302 or 345A.303, the
227.12 administrator may take custody of property presumed abandoned, whether located in this
227.13 state, another state, or a foreign country, if the holder is domiciled in this state, another state,
227.14 or a governmental subdivision, agency, or instrumentality of this state and:

227.15 (1) another state or foreign country is not entitled to the property because there is no last
227.16 known address of the apparent owner or other person entitled to the property in the records
227.17 of the holder; or

227.18 (2) the state or foreign country of the last known address of the apparent owner or other
227.19 person entitled to the property does not provide for custodial taking of the property.

227.20 (b) Property is not subject to custody of the administrator under subsection (a) if the
227.21 property is specifically exempt from custodial taking under the law of this state, another
227.22 state, or foreign country of the last known address of the apparent owner.

227.23 (c) If a holder's state of domicile has changed since the time the property was presumed
227.24 abandoned, the holder's state of domicile in this section is deemed to be the state where the
227.25 holder was domiciled at the time the property was presumed abandoned.

227.26 Sec. 5. **[345A.305] CUSTODY IF TRANSACTION TOOK PLACE IN THIS STATE.**

227.27 Except as provided in sections 345A.302 to 345A.304, the administrator may take custody
227.28 of property presumed abandoned whether located in this state or another state if:

227.29 (1) the transaction out of which the property arose took place in this state;

227.30 (2) the holder is domiciled in a state that does not provide for the custodial taking of the
227.31 property, except that if the property is specifically exempt from custodial taking under the

228.1 law of the state of the holder's domicile, the property is not subject to the custody of the
228.2 administrator; and

228.3 (3) the last known address of the apparent owner or other person entitled to the property
228.4 is unknown or in a state that does not provide for the custodial taking of the property, except
228.5 that if the property is specifically exempt from custodial taking under the law of the state
228.6 of the last known address, the property is not subject to the custody of the administrator.

228.7 **Sec. 6. [345A.306] TRAVELER'S CHECK, MONEY ORDER, OR SIMILAR**
228.8 **INSTRUMENT.**

228.9 The administrator may take custody of sums payable on a traveler's check, money order,
228.10 or similar instrument presumed abandoned to the extent permissible under United States
228.11 Code, title 12, sections 2501 through 2503, as amended.

228.12 **Sec. 7. [345A.307] BURDEN OF PROOF TO ESTABLISH ADMINISTRATOR'S**
228.13 **RIGHT TO CUSTODY.**

228.14 Subject to this chapter, if the administrator asserts a right to custody of unclaimed
228.15 property and there is a dispute concerning such property, the administrator has the initial
228.16 burden to prove:

228.17 (1) the amount of the property;

228.18 (2) the property is presumed abandoned; and

228.19 (3) the property is subject to the custody of the administrator.

228.20 **ARTICLE 20**

228.21 **UNCLAIMED PROPERTY; REPORT BY HOLDER**

228.22 **Section 1. [345A.401] REPORT REQUIRED BY HOLDER.**

228.23 (a) A holder of property presumed abandoned and subject to the custody of the
228.24 administrator shall submit an electronic report in a format prescribed by, and acceptable to,
228.25 the administrator.

228.26 (b) A holder may contract with a third party to make the report required under subsection
228.27 (a).

228.28 (c) Whether or not a holder contracts with a third party under subsection (b), the holder
228.29 is responsible:

229.1 (1) to the administrator for the complete, accurate, and timely reporting of property
229.2 presumed abandoned; and

229.3 (2) for paying or delivering to the administrator property described in the report.

229.4 **Sec. 2. [345A.402] CONTENT OF REPORT.**

229.5 (a) The report required under section 345A.401 must:

229.6 (1) be signed by or on behalf of the holder and verified as to its completeness and
229.7 accuracy;

229.8 (2) be filed electronically, unless exception is granted, and be in a secure format approved
229.9 by the administrator which protects confidential information of the apparent owner;

229.10 (3) describe the property including whether the property is interest bearing and, if so,
229.11 the rate of interest;

229.12 (4) except for a traveler's check, money order, or similar instrument, contain the name,
229.13 if known, last known address, if known, and Social Security number or taxpayer identification
229.14 number, if known or readily ascertainable, of the apparent owner of property with a value
229.15 of \$50 or more;

229.16 (5) for an amount held or owing under a life or endowment insurance policy or annuity
229.17 contract, contain the name and last known address of the insured, annuitant, or other apparent
229.18 owner of the policy or contract and of the beneficiary;

229.19 (6) for property held in or removed from a safe deposit box, indicate the location of the
229.20 property, and where it may be inspected by the administrator;

229.21 (7) contain the commencement date for determining abandonment under sections
229.22 345A.201 to 345A.211;

229.23 (8) state that the holder has complied with the notice requirements of section 345A.501;

229.24 (9) identify property that is a nonfreely transferable security and explain why it is a
229.25 nonfreely transferable security; and

229.26 (10) contain other information prescribed by the administrator.

229.27 (b) A report under section 345A.401 may include in the aggregate items valued under
229.28 \$50 each. If the report includes items in the aggregate valued under \$50 each, the
229.29 administrator may not require the holder to provide the name and address of an apparent
229.30 owner of an item unless the information is necessary to verify or process a claim in progress
229.31 by the apparent owner.

230.1 (c) A report under section 345A.401 may include personal information as defined in
230.2 section 345A.401(a) about the apparent owner or the apparent owner's property.

230.3 (d) If a holder has changed its name while holding property presumed abandoned or is
230.4 a successor to another person that previously held the property for the apparent owner, the
230.5 holder must include in the report under section 345A.401 its former name or the name of
230.6 the previous holder, if any, and the known name and address of each previous holder of the
230.7 property.

230.8 **Sec. 3. [345A.403] WHEN REPORT TO BE FILED.**

230.9 (a) Except as otherwise provided in subsection (b) and subject to subsection (c), the
230.10 report under section 345A.401 must be filed before November 1 of each year and cover the
230.11 12 months preceding July 1 of that year.

230.12 (b) Subject to subsection (c), the report under section 345A.401 to be filed by an insurance
230.13 company must be filed before May 1 of each year for the immediately preceding calendar
230.14 year.

230.15 (c) Before the date for filing the report under section 345A.401, the holder of property
230.16 presumed abandoned may request the administrator to extend the time for filing. The
230.17 administrator may grant an extension. If the extension is granted, the holder may pay or
230.18 make a partial payment of the amount the holder estimates ultimately will be due. The
230.19 payment or partial payment terminates accrual of interest on the amount paid.

230.20 **Sec. 4. [345A.404] RETENTION OF RECORDS BY HOLDER.**

230.21 A holder required to file a report under section 345A.401 shall retain records for ten
230.22 years after the later of the date the report was filed or the last date a timely report was due
230.23 to be filed, unless a shorter period is provided by rule of the administrator. The holder may
230.24 satisfy the requirement to retain records under this section through an agent. The records
230.25 must contain:

230.26 (1) the information required to be included in the report;

230.27 (2) the date, place, and nature of the circumstances that gave rise to the property right;

230.28 (3) the amount or value of the property;

230.29 (4) the last known address of the apparent owner, if known to the holder; and

230.30 (5) if the holder sells, issues, or provides to others for sale or issue in this state traveler's
230.31 checks, money orders, or similar instruments, other than third-party bank checks, on which

231.1 the holder is directly liable, a record of the instruments while they remain outstanding,
231.2 indicating the state and date of issue.

231.3 **ARTICLE 21**

231.4 **UNCLAIMED PROPERTY; NOTICE TO APPARENT OWNER OF PROPERTY**
231.5 **PRESUMED ABANDONED**

231.6 Section 1. **[345A.501] NOTICE TO APPARENT OWNER BY HOLDER.**

231.7 (a) Subject to subsection (b), the holder of property presumed abandoned shall send to
231.8 the apparent owner notice by first-class United States mail that complies with section
231.9 345A.502 in a format acceptable to the administrator not more than 180 days nor less than
231.10 60 days before filing the report under section 345A.401 if:

231.11 (1) the holder has in its records an address for the apparent owner which the holder's
231.12 records do not disclose to be invalid and is sufficient to direct the delivery of first-class
231.13 United States mail to the apparent owner; and

231.14 (2) the value of the property is \$50 or more.

231.15 (b) If an apparent owner has consented to receive e-mail delivery from the holder, the
231.16 holder shall send the notice described in subsection (a) both by first-class United States
231.17 mail to the apparent owner's last known mailing address and by e-mail, unless the holder
231.18 believes that the apparent owner's e-mail address is invalid.

231.19 (c) The holder of securities presumed abandoned under sections 345A.202, 345A.203,
231.20 or 345A.208 shall send the apparent owner notice by certified United States mail that
231.21 complies with section 345A.502, and in a format acceptable to the administrator, not less
231.22 than 60 days before filing the report under section 345A.401, if:

231.23 (1) the holder has in its records an address for the apparent owner which the holder's
231.24 records do not disclose to be invalid and is sufficient to direct the delivery of United States
231.25 mail to the apparent owner; and

231.26 (2) the value of the property is \$1,000 or more.

231.27 (d) In addition to other indications of an apparent owner's interest in property pursuant
231.28 to section 345A.210, a signed return receipt in response to a notice sent pursuant to this
231.29 section by certified United States mail shall constitute a record communicated by the apparent
231.30 owner to the holder concerning the property or the account in which the property is held.

232.1 Sec. 2. **[345A.502] CONTENTS OF NOTICE BY HOLDER.**

232.2 (a) Notice under section 345A.501 must contain a heading that reads substantially as
232.3 follows: "Notice. The State of Minnesota requires us to notify you that your property may
232.4 be transferred to the custody of the commissioner of commerce if you do not contact us
232.5 before (insert date that is 30 days after the date of this notice)."

232.6 (b) The notice under section 345A.501 must:

232.7 (1) identify the nature and, except for property that does not have a fixed value, the value
232.8 of the property that is the subject of the notice;

232.9 (2) state that the property will be turned over to the administrator;

232.10 (3) state that after the property is turned over to the administrator an apparent owner
232.11 that seeks return of the property must file a claim with the administrator;

232.12 (4) state that property that is not legal tender of the United States may be sold by the
232.13 administrator; and

232.14 (5) provide instructions that the apparent owner must follow to prevent the holder from
232.15 reporting and paying or delivering the property to the administrator.

232.16 Sec. 3. **[345A.503] NOTICE BY ADMINISTRATOR.**

232.17 (a) The administrator shall give notice to an apparent owner that property presumed
232.18 abandoned and that appears to be owned by the apparent owner is held by the administrator
232.19 under this chapter.

232.20 (b) In providing notice under subsection (a), the administrator shall:

232.21 (1) publish every 12 months in at least one newspaper of general circulation in each
232.22 county in this state notice of property held by the administrator which must include:

232.23 (A) the total value of property received by the administrator during the preceding
232.24 12-month period, taken from the reports under section 345A.401;

232.25 (B) the total value of claims paid by the administrator during the preceding 12-month
232.26 period;

232.27 (C) the Internet address of the unclaimed property website maintained by the
232.28 administrator;

232.29 (D) a telephone number and e-mail address to contact the administrator to inquire about
232.30 or claim property; and

233.1 (E) a statement that a person may access the Internet by a computer to search for
233.2 unclaimed property and a computer may be available as a service to the public at a local
233.3 public library; and

233.4 (2) maintain a website or database accessible by the public and electronically searchable
233.5 which contains the names reported to the administrator of all apparent owners for whom
233.6 property is being held by the administrator. The administrator need not list property on such
233.7 website when:

233.8 (A) no owner name was reported;

233.9 (B) a claim has been initiated or is pending for the property;

233.10 (C) the administrator has made direct contact with the apparent owner of the property;
233.11 and

233.12 (D) other instances exist where the administrator reasonably believes exclusion of the
233.13 property is in the best interests of both the state and the owner of the property.

233.14 (c) The website or database maintained under subsection (b)(2) must include instructions
233.15 for filing with the administrator a claim to property and a printable claim form with
233.16 instructions for its use.

233.17 (d) In addition to giving notice under subsection (b), publishing the information under
233.18 subsection (b)(1), and maintaining the website or database under subsection (b)(2), the
233.19 administrator may use other printed publication, telecommunication, the Internet, or other
233.20 media to inform the public of the existence of unclaimed property held by the administrator.

233.21 **ARTICLE 22**

233.22 **UNCLAIMED PROPERTY; TAKING CUSTODY OF PROPERTY BY** 233.23 **ADMINISTRATOR**

233.24 **Section 1. [345A.601] CREDITING INCOME OR GAIN TO OWNER'S ACCOUNT.**

233.25 If property other than money is delivered to the administrator, the owner is entitled to
233.26 receive from the administrator income or gain realized or accrued on the property before
233.27 the property is sold. If the property was interest-bearing, the administrator shall pay interest
233.28 at the lesser of the rate of the weekly average one-year constant maturity treasury yield, as
233.29 published by the Board of Governors of the Federal Reserve System, for the calendar week
233.30 preceding the beginning of the fiscal quarter in which the property was sold or the rate the
233.31 property earned while in the possession of the holder. Interest begins to accrue when the
233.32 property is delivered to the administrator and ends on the earlier of the expiration of ten
233.33 years after its delivery or the date on which payment is made to the owner.

234.1 **Sec. 2. [345A.602] ADMINISTRATOR'S OPTIONS AS TO CUSTODY.**

234.2 (a) The administrator may decline to take custody of property reported under section
234.3 345A.401 if the administrator determines that:

234.4 (1) the property has a value less than the estimated expenses of notice and sale of the
234.5 property; or

234.6 (2) taking custody of the property would be unlawful.

234.7 (b) A holder may pay or deliver property to the administrator before the property is
234.8 presumed abandoned under this chapter if the holder:

234.9 (1) sends the apparent owner of the property notice required by section 345A.501 and
234.10 provides the administrator evidence of the holder's compliance with this paragraph;

234.11 (2) includes with the payment or delivery a report regarding the property conforming to
234.12 section 345A.402; and

234.13 (3) first obtains the administrator's written consent to accept payment or delivery.

234.14 (c) A holder's request for the administrator's consent under subsection (b)(3) must be in
234.15 a record. If the administrator fails to respond to the request not later than 30 days after
234.16 receipt of the request, the administrator is deemed to consent to the payment or delivery of
234.17 the property and the payment or delivery is considered to have been made in good faith.

234.18 (d) On payment or delivery of property under subsection (b), the property is presumed
234.19 abandoned.

234.20 **Sec. 3. [345A.603] DISPOSITION OF PROPERTY HAVING NO SUBSTANTIAL**
234.21 **VALUE; IMMUNITY FROM LIABILITY.**

234.22 (a) If the administrator takes custody of property delivered under this chapter and later
234.23 determines that the property has no substantial commercial value or that the cost of disposing
234.24 of the property will exceed the value of the property, the administrator may return the
234.25 property to the holder or destroy or otherwise dispose of the property.

234.26 (b) An action or proceeding may not be commenced against the state, an agency of the
234.27 state, the administrator, another officer, employee, or agent of the state, or a holder for or
234.28 because of an act of the administrator under this section, except for intentional misconduct
234.29 or malfeasance.

ARTICLE 23**UNCLAIMED PROPERTY; SALE OF PROPERTY BY ADMINISTRATOR****Section 1. [345A.701] PUBLIC SALE OF PROPERTY.**

(a) Subject to section 345A.702, not earlier than three years after receipt of property presumed abandoned, the administrator may sell the property.

(b) Before selling property under subsection (a), the administrator shall give notice to the public of:

(1) the date of the sale; and

(2) a reasonable description of the property.

(c) A sale under subsection (a) must be to the highest bidder:

(1) at public sale at a location in this state which the administrator determines to be the most favorable market for the property;

(2) on the Internet; or

(3) on another forum the administrator determines is likely to yield the highest net proceeds of sale.

(d) The administrator may decline the highest bid at a sale under this section and reoffer the property for sale if the administrator determines the highest bid is insufficient.

(e) If a sale held under this section is to be conducted other than on the Internet, the administrator must publish at least one notice of the sale, at least two weeks but not more than five weeks before the sale, in a newspaper of general circulation in the county in which the property is sold. For purposes of this subsection, the reasonable description of property to be sold required by subsection (b) may be satisfied by posting such information on the administrator's website so long as the newspaper notice includes the website address where such information is posted.

Sec. 2. [345A.702] DISPOSAL OF SECURITIES.

(a) The administrator may not sell or otherwise liquidate a security until one year after the administrator receives the security, unless requested to do so by the owner of the security in making a claim for the property.

(b) The administrator may not sell a security listed on an established stock exchange for less than the price prevailing on the exchange at the time of sale. The administrator may sell a security not listed on an established exchange by any commercially reasonable method.

236.1 Sec. 3. **[345A.703] PURCHASER OWNS PROPERTY AFTER SALE.**

236.2 A purchaser of property at a sale conducted by the administrator under this chapter takes
236.3 the property free of all claims of the owner, a previous holder, or a person claiming through
236.4 the owner or holder. The administrator shall execute documents necessary to complete the
236.5 transfer of ownership to the purchaser.

236.6 **ARTICLE 24**

236.7 **UNCLAIMED PROPERTY; ADMINISTRATION OF PROPERTY**

236.8 Section 1. **[345A.801] DEPOSIT OF FUNDS BY ADMINISTRATOR.**

236.9 (a) The administrator shall deposit in the general fund all funds received under this
236.10 chapter, including proceeds from the sale of property under sections 345A.701 to 345A.704,
236.11 except:

236.12 (1) expenses of disposition of property delivered to the administrator under this chapter;

236.13 (2) expenses incurred in examining records of or collecting property from a putative
236.14 holder or holder; and

236.15 (3) as otherwise provided in this chapter.

236.16 Sec. 2. **[345A.802] ADMINISTRATOR TO RETAIN RECORDS OF PROPERTY.**

236.17 The administrator shall:

236.18 (1) record and retain the name and last known address of each person shown on a report
236.19 filed under section 345A.401 to be the apparent owner of property delivered to the
236.20 administrator;

236.21 (2) record and retain the name and last known address of each insured or annuitant and
236.22 beneficiary shown on the report;

236.23 (3) for each policy of insurance or annuity contract listed in the report of an insurance
236.24 company, record and retain the policy or account number, the name of the company, and
236.25 the amount due or paid; and

236.26 (4) for each apparent owner listed in the report, record and retain the name of the holder
236.27 that filed the report and the amount due or paid.

237.1

ARTICLE 25

237.2

UNCLAIMED PROPERTY; FINDERS; RECORD RETENTION

237.3

Section 1. Minnesota Statutes 2018, section 345.515, is amended to read:

237.4

345.515 AGREEMENTS TO LOCATE REPORTED PROPERTY.

237.5

237.6

237.7

237.8

It is unlawful for a person to seek or receive from another person or contract with a person for a fee or compensation for locating property, ~~knowing it to have been reported or paid or delivered to the commissioner pursuant to chapter 345~~ prior to 24 months after the date the property is paid or delivered to the ~~commissioner~~ administrator.

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~~No~~ An agreement entered into after 24 months after the date the property is paid or delivered to the commissioner is valid only if a person thereby undertakes to locate property included in a report for a fee or other compensation exceeding ten percent of the value of the recoverable property unless the agreement is in writing and, is signed by the owner and, discloses the nature and value of the property and the name and address of the holder thereof as such facts have been reported, and provides for compensation in an amount that is no more than 15 percent of the amount collected. Nothing in this section shall be construed to prevent an owner from asserting at any time that an agreement to locate property is based upon an excessive or unjust consideration.

237.18

237.19

Sec. 2. Minnesota Statutes 2018, section 345.53, is amended by adding a subdivision to read:

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Subd. 3. Failure of person examined to retain records. If a person subject to examination under this chapter does not retain the records required by section 345A.404, the administrator may determine the value of property due using a reasonable method of estimation based on all information available to the administrator, including extrapolation and use of statistical sampling when appropriate and necessary. A payment made based on estimation under this section is a penalty for failure to maintain the records required by section 345A.404, and does not relieve a person from an obligation to report and deliver property to a state in which the holder is domiciled.

237.28

ARTICLE 26

237.29

BROADBAND GRANT PROGRAM

237.30

Section 1. **BROADBAND GRANT PROGRAM; APPROPRIATION.**

237.31

237.32

\$35,000,000 in fiscal year 2020 and \$35,000,000 in fiscal year 2021 are appropriated from the general fund to the commissioner of employment and economic development for

- 239.1 (c) \$525,000 the first year is for
239.2 reimbursement of litigation costs resulting
239.3 from the lawsuit filed by North Dakota over
239.4 provisions in chapter 216H.
- 239.5 (d) \$8,000 the first year is for transfer to the
239.6 commissioner of natural resources to develop
239.7 a plan for converting brome and other
239.8 grasslands on state-owned lands to restored
239.9 prairie to provide additional carbon
239.10 sequestration. The plan must:
- 239.11 (1) identify lands available for conversion,
239.12 excluding tax-forfeited lands;
- 239.13 (2) require that the prairie restorations meet
239.14 applicable Board of Water and Soil Resources'
239.15 native vegetation establishment and
239.16 enhancement guidelines; and
- 239.17 (3) identify the funding and activities
239.18 necessary to achieve all initial plantings by
239.19 2030.
- 239.20 (e) \$300,000 the first year and \$300,000 the
239.21 second year are for grants to schools to install
239.22 solar energy systems on or adjacent to schools
239.23 located outside the electric retail service
239.24 territory of the public utility subject to
239.25 Minnesota Statutes, section 116C.779,
239.26 subdivision 1. In fiscal year 2022 and beyond,
239.27 the base amount is \$391,000.
- 239.28 (f) \$30,000 the first year and \$29,000 the
239.29 second year are for the development of a
239.30 financial incentive to encourage utilities to
239.31 invest in energy conservation measures in
239.32 residences after achieving their 1.75 percent
239.33 energy-savings goal.

240.1 (g) \$547,000 the first year is for transfer to the
240.2 Board of Regents of the University of
240.3 Minnesota to conduct a study producing
240.4 climate model projections through the rest of
240.5 this century for three-square-mile blocks
240.6 covering the entire state of Minnesota. This is
240.7 a onetime appropriation.

240.8 (h) \$100,000 the first year is for a study by an
240.9 independent consultant selected through a
240.10 request for proposal process to produce a
240.11 report analyzing the potential costs and
240.12 benefits of energy storage systems, as defined
240.13 in Minnesota Statutes, section 216B.2422,
240.14 subdivision 1, in Minnesota. The study may
240.15 also include scenarios examining energy
240.16 storage systems that are not capable of being
240.17 controlled by a utility. The commissioner must
240.18 engage a broad group of Minnesota
240.19 stakeholders, including electric utilities and
240.20 others, to develop and provide information for
240.21 the report. The study must:

240.22 (1) identify and measure the different potential
240.23 costs and savings produced by energy storage
240.24 system deployment, including but not limited
240.25 to:

240.26 (i) generation, transmission, and distribution
240.27 facilities asset deferral or substitution;

240.28 (ii) impacts on ancillary services costs;

240.29 (iii) impacts on transmission and distribution
240.30 congestion;

240.31 (iv) impacts on peak power costs;

240.32 (v) impacts on emergency power supplies
240.33 during outages;

- 241.1 (vi) impacts on curtailment of renewable
241.2 energy generators; and
- 241.3 (vii) reduced greenhouse gas emissions;
- 241.4 (2) analyze and estimate the:
- 241.5 (i) costs and savings to customers that deploy
241.6 energy storage systems;
- 241.7 (ii) impact on the utility's ability to integrate
241.8 renewable resources;
- 241.9 (iii) impact on grid reliability and power
241.10 quality; and
- 241.11 (iv) effect on retail electric rates over the
241.12 useful life of a given energy storage system
241.13 compared to providing the same services using
241.14 other facilities or resources;
- 241.15 (3) consider the findings of the analysis
241.16 conducted by the Midcontinent Independent
241.17 System Operator on energy storage capacity
241.18 accreditation and participation in regional
241.19 energy markets, including updates of the
241.20 analysis; and
- 241.21 (4) include case studies of existing energy
241.22 storage applications currently providing the
241.23 benefits described in clauses (1) and (2).
- 241.24 The commissioner of commerce must submit
241.25 the study to the chairs and ranking minority
241.26 members of the senate and house of
241.27 representatives committees with jurisdiction
241.28 over energy policy and finance by December
241.29 31, 2019.
- 241.30 (i) \$31,000 the first year and \$31,000 the
241.31 second year are for grants for electric vehicle
241.32 charging stations under Minnesota Statutes,

242.1 section 216C.403. In fiscal year 2022 and
 242.2 beyond, the base amount is \$30,000.

242.3 **Subd. 3. Petroleum Tank Release Compensation**
 242.4 **Board** 1,056,000 1,056,000

242.5 This appropriation is from the petroleum tank
 242.6 fund.

242.7 **Sec. 3. PUBLIC UTILITIES COMMISSION** **\$** **7,793,000** **\$** **7,793,000**

242.8 (a) \$21,000 each year is to process utility
 242.9 applications to install equipment crossing a
 242.10 railroad right-of-way.

242.11 (b) \$300,000 each year is to enhance the
 242.12 commission's decision-making capability.

242.13 **ARTICLE 28**

242.14 **ENERGY PROGRAMS**

242.15 Section 1. Minnesota Statutes 2018, section 216B.62, subdivision 3b, is amended to read:

242.16 Subd. 3b. **Assessment for department regional and national duties.** In addition to
 242.17 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal
 242.18 year for performing its duties under section 216A.07, subdivision 3a. The amount in this
 242.19 subdivision shall be assessed to energy utilities in proportion to their respective gross
 242.20 operating revenues from retail sales of gas or electric service within the state during the last
 242.21 calendar year and shall be deposited into an account in the special revenue fund and is
 242.22 appropriated to the commissioner of commerce for the purposes of section 216A.07,
 242.23 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
 242.24 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
 242.25 an "energy utility" means public utilities, generation and transmission cooperative electric
 242.26 associations, and municipal power agencies providing natural gas or electric service in the
 242.27 state. ~~This subdivision expires June 30, 2018.~~

242.28 **EFFECTIVE DATE.** This section is revived and reenacted retroactively from June 29,
 242.29 2018, except that the department is prohibited from making an assessment under this
 242.30 subdivision to finance the performance of any duties that occurred between June 30, 2018,
 242.31 and the date this section is enacted.

243.1 Sec. 2. [216C.375] SOLAR FOR SCHOOLS PROGRAM.

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

243.4 (b) "Developer" means an entity that installs a solar energy system on a school building
243.5 awarded a grant under this section.

243.6 (c) "Energy storage system" means a commercially available technology capable of:

243.7 (1) absorbing and storing electrical energy; and

243.8 (2) dispatching stored electrical energy at a later time.

243.9 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

243.10 (e) "School" means a school that operates as part of an independent or special school
243.11 district.

243.12 (f) "School district" means an independent or special school district.

243.13 (g) "Solar energy system" means photovoltaic or solar thermal devices installed alone
243.14 or in combination with an energy storage system.

243.15 Subd. 2. Establishment; purpose. A solar for schools program is established in the
243.16 Department of Commerce. The purpose of the program is to provide grants to (1) stimulate
243.17 the installation of solar energy systems on or adjacent to school buildings by reducing the
243.18 cost of solar energy systems, and (2) enable schools to use the solar energy system as a
243.19 teaching tool that is integrated into the school's curriculum.

243.20 Subd. 3. Establishment of account. A solar for schools program account is established
243.21 in the special revenue fund. Money received from the general fund must be transferred to
243.22 the commissioner of commerce and credited to the account.

243.23 Subd. 4. Expenditures. (a) Money in the account may be used only:

243.24 (1) for grant awards made under this section; and

243.25 (2) to pay the reasonable costs incurred by the department to administer this section.

243.26 (b) Grant awards made with funds in the account must be used only for grants for solar
243.27 energy systems installed on or adjacent to school buildings receiving retail electric service
243.28 from a utility that is not subject to section 116C.779, subdivision 1.

243.29 Subd. 5. Eligible system. (a) A grant may be awarded to a school under this section
243.30 only if the solar energy system that is the subject of the grant:

244.1 (1) is installed on or adjacent to the school building that consumes the electricity generated
244.2 by the solar energy system, on property within the service territory of the utility currently
244.3 providing electric service to the school building; and

244.4 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
244.5 estimated annual electricity consumption of the school building where the solar energy
244.6 system is installed.

244.7 (b) A school district that receives a rebate or other financial incentive under section
244.8 216B.241 for a solar energy system and that demonstrates considerable need for financial
244.9 assistance, as determined by the commissioner, is eligible for a grant under this section for
244.10 the same solar energy system.

244.11 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
244.12 to utilities, schools, and developers who wish to apply for a grant under this section on
244.13 behalf of a school.

244.14 (b) A utility or developer must submit an application to the commissioner on behalf of
244.15 a school on a form prescribed by the commissioner. The form must include, at a minimum,
244.16 the following information:

244.17 (1) the capacity of the proposed solar energy system and the amount of electricity that
244.18 is expected to be generated;

244.19 (2) the current energy demand of the school building where the solar energy generating
244.20 system is to be installed and information regarding any distributed energy resource, including
244.21 subscription to a community solar garden, that currently provides electricity to the school
244.22 building;

244.23 (3) the size of any energy storage system that is proposed to be installed as part of a
244.24 solar energy system;

244.25 (4) a description of any solar thermal devices proposed as part of the solar energy system;

244.26 (5) the total cost to purchase and install the solar energy system and its life-cycle cost,
244.27 including the cost to remove and dispose the system at the end of its life;

244.28 (6) a copy of the proposed contract agreement between the school and the public utility
244.29 or developer, including provisions addressing responsibility for maintenance of the solar
244.30 energy system;

245.1 (7) the school's plan to make the solar energy system serve as a visible learning tool for
245.2 students, teachers, and visitors to the school, including how the solar energy system may
245.3 be integrated into the school's curriculum;

245.4 (8) information that demonstrates the school district's level of need for financial assistance
245.5 available under this section;

245.6 (9) information that demonstrates the readiness of the school to implement the project,
245.7 including but not limited to the availability of the site where the solar energy system is to
245.8 be installed, and the level of the school's engagement with the utility providing electric
245.9 service to the school building where the solar energy system is to be installed on issues
245.10 relevant to the implementation of the project, including metering and other issues;

245.11 (10) with respect to the installation and operation of the solar energy system, the
245.12 willingness and ability of the developer or the public utility to:

245.13 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
245.14 subdivision 6; and

245.15 (ii) adhere to the provisions of section 177.43;

245.16 (11) how the developer or public utility plans to reduce the school's initial capital expense
245.17 to purchase and install the solar energy system, and to provide financial benefits to the
245.18 school from the utilization of federal and state tax credits, utility incentives, and other
245.19 financial incentives; and

245.20 (12) any other information deemed relevant by the commissioner.

245.21 (c) The commissioner must administer an open application process under this section
245.22 at least twice annually.

245.23 (d) The commissioner must develop administrative procedures governing the application
245.24 and grant award process.

245.25 Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded
245.26 a grant under this section must provide the commissioner information regarding energy
245.27 conservation measures implemented at the school building where the solar energy system
245.28 is to be installed. The commissioner may make recommendations to the school regarding
245.29 cost-effective conservation measures it can implement, and may provide technical assistance
245.30 and direct the school to available financial assistance programs.

245.31 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
245.32 schools to develop and execute projects under this section.

246.1 Subd. 9. **Grant payments.** The commissioner must award a grant from the account
246.2 established under subdivision 3 to a school for the necessary costs associated with the
246.3 purchase and installation of a solar energy system. The amount of the grant must be based
246.4 on the commissioner's assessment of the school's need for financial assistance.

246.5 Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to
246.6 schools under this section may be awarded to schools where the proportion of students
246.7 eligible for free and reduced-price lunch under the National School Lunch Program is less
246.8 than 50 percent.

246.9 (b) No more than ten percent of the total amount of grants awarded under this section
246.10 may be awarded to schools that are part of the same school district.

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

246.12 Sec. 3. **[216C.403] ELECTRIC VEHICLE PUBLIC CHARGING STATION GRANT**
246.13 **PROGRAM.**

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

246.16 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

246.17 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
246.18 vehicle's batteries by connecting the electric vehicle to:

246.19 (1) a level two charger that provides a 208- or 240-volt alternating current power source;
246.20 or

246.21 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

246.22 (d) "Park-and-ride facility" has the meaning given in section 174.256, subdivision 2,
246.23 paragraph (b).

246.24 (e) "Public electric vehicle charging station" means an electric vehicle charging station
246.25 located at a publicly available parking space.

246.26 Subd. 2. **Program.** (a) The commissioner must award grants to help fund the installation
246.27 of a network of public electric vehicle charging stations in areas located outside the retail
246.28 electric service area of the public utility subject to section 116C.779, subdivision 1, including
246.29 locations in state and regional parks, trailheads, and park-and-ride facilities. The
246.30 commissioner must issue a request for proposals to entities that have experience installing,
246.31 owning, operating, and maintaining electric vehicle charging stations. The request for

247.1 proposal must establish technical specifications that electric vehicle charging stations are
247.2 required to meet.

247.3 (b) The commissioner must consult with (1) the commissioner of natural resources to
247.4 develop optimal locations for electric vehicle charging stations in state and regional parks,
247.5 and (2) the commissioner of transportation to develop optimal locations for electric vehicle
247.6 charging stations at park-and-ride facilities.

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

247.8 Sec. 4. **RESIDENTIAL ENERGY CONSERVATION FINANCIAL INCENTIVE.**

247.9 (a) In addition to any financial incentive approved under Minnesota Statutes, section
247.10 216B.16, subdivision 6c, the Public Utilities Commission must approve a financial incentive
247.11 designed to encourage a public utility to continue investing in cost-effective conservation
247.12 measures that result in energy savings to residential customers after the public utility has
247.13 achieved annual energy savings for all customers equivalent to 1.75 percent of gross retail
247.14 electric energy sales or 1.2 percent of gross annual retail natural gas sales. A public utility
247.15 is eligible to receive the new incentive developed under this section if the amount of energy
247.16 savings by residential customers contributing to the 1.75 or 1.2 percent level, as applicable,
247.17 equals or exceeds the average amount residential customers saved over the most recent
247.18 three-year period, not counting any savings resulting from the new incentive developed
247.19 under this section. When reviewing and approving the incentive, the Public Utilities
247.20 Commission must ensure the effective involvement of interested parties and must apply the
247.21 criteria established in Minnesota Statutes, section 216B.16, subdivision 6c, paragraph (b).

247.22 (b) By November 1, 2019, the commissioner of commerce must develop and submit to
247.23 the Public Utilities Commission for approval a financial incentive that meets the requirements
247.24 under paragraph (a). The Public Utilities Commission may modify the financial incentive
247.25 submitted under this paragraph.

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

247.27 Sec. 5. **SMALL-AREA CLIMATE MODEL PROJECTIONS FOR MINNESOTA.**

247.28 (a) The Board of Regents of the University of Minnesota must conduct a study that
247.29 produces climate model projections for the entire state of Minnesota, in blocks as small as
247.30 three square miles in area.

247.31 (b) At a minimum, the study must:

248.1 (1) use resources at the Minnesota Supercomputing Institute to analyze high-performing
248.2 climate models under moderate and high greenhouse gas emissions scenarios and develop
248.3 a series of projections of temperature, wind speed, precipitation, snow cover, and a variety
248.4 of other climate parameters over the rest of this century;

248.5 (2) downscale the climate impact results under clause (1) to areas as small as three square
248.6 miles;

248.7 (3) develop a publicly accessible data portal website to (i) allow other universities,
248.8 nonprofit organizations, businesses, and government agencies to use the model projections,
248.9 and (ii) educate and train users how to make best use of the data;

248.10 (4) incorporate information on how to use the model results in the University of
248.11 Minnesota Extension existing online climate adaptation training; and

248.12 (5) hold at least two "train the trainer" workshops for state agencies, municipalities, and
248.13 others to educate colleagues how to use and interpret the data for climate adaptation efforts.

248.14 (c) Beginning July 1, 2020, and continuing each July 1 through 2022, the University of
248.15 Minnesota must provide a written report to the chairs and ranking minority members of the
248.16 senate and house of representatives committees with primary jurisdiction over agriculture,
248.17 energy, and environment. The report must document the progress made on the study and
248.18 study results, and must note any obstacles encountered that could prevent successful
248.19 completion of the study.

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

248.21 **ARTICLE 29**

248.22 **CLEAN ENERGY AND ENERGY CONSERVATION**

248.23 Section 1. Minnesota Statutes 2018, section 13.685, is amended to read:

248.24 **13.685 MUNICIPAL UTILITY CUSTOMER DATA.**

248.25 Data on customers of municipal electric utilities are private data on individuals or
248.26 nonpublic data, but may be released to:

248.27 (1) a law enforcement agency that requests access to the data in connection with an
248.28 investigation;

248.29 (2) a school for purposes of compiling pupil census data;

248.30 (3) the Metropolitan Council for use in studies or analyses required by law;

249.1 (4) a public child support authority for purposes of establishing or enforcing child support;
249.2 ~~or~~

249.3 (5) a person authorized to receive the data under section 216B.078; or

249.4 ~~(5)~~ (6) a person where use of the data directly advances the general welfare, health, or
249.5 safety of the public; the commissioner of administration may issue advisory opinions
249.6 construing this clause pursuant to section 13.072.

249.7 Sec. 2. Minnesota Statutes 2018, section 116C.7792, is amended to read:

249.8 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

249.9 The utility subject to section 116C.779 shall operate a program to provide solar energy
249.10 production incentives for solar energy systems of no more than a total aggregate nameplate
249.11 capacity of 40 kilowatts ~~direct~~ alternating current per premise. The owner of a solar energy
249.12 system installed before June 1, 2018, is eligible to receive a production incentive under this
249.13 section for any additional solar energy systems constructed at the same customer location,
249.14 provided that the aggregate capacity of all systems at the customer location does not exceed
249.15 40 kilowatts. The program shall be operated for ~~eight~~ nine consecutive calendar years
249.16 commencing in 2014. \$5,000,000 shall be allocated in each of the first four years,
249.17 \$15,000,000 in each of the fifth year, \$10,000,000 and sixth years, \$14,000,000 in each of
249.18 the ~~sixth and seventh~~ and eighth years, and \$5,000,000 in the ~~eighth~~ ninth year from funds
249.19 withheld from transfer to the renewable development account under section 116C.779,
249.20 subdivision 1, paragraphs (b) and (e), and placed in a separate account for the purpose of
249.21 the solar production incentive program operated by the utility and not for any other program
249.22 or purpose. Any unspent amount allocated in the fifth year is available until December 31
249.23 of the sixth year. Any unspent amount remaining at the end of any other allocation year
249.24 must be transferred to the renewable development account. The solar system must be sized
249.25 to less than 120 percent of the customer's on-site annual energy consumption when combined
249.26 with other distributed generation resources and subscriptions provided under section
249.27 216B.1641 associated with the premise. The production incentive must be paid for ten years
249.28 commencing with the commissioning of the system. The utility must file a plan to operate
249.29 the program with the commissioner of commerce. The utility may not operate the program
249.30 until it is approved by the commissioner. A change to the program to include projects up
249.31 to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with
249.32 the commissioner. Any plan approved by the commissioner of commerce must not provide
249.33 an increased incentive scale over prior years unless the commissioner demonstrates that
249.34 changes in the market for solar energy facilities require an increase.

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

250.2 Sec. 3. **[216B.078] CUSTOMER ENERGY DATA.**

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

250.5 (b) "Customer" means a person contracting for or purchasing electric or natural gas
250.6 service from a utility.

250.7 (c) "Customer data" means all data a utility collects, creates, receives, or maintains in
250.8 which a customer is identified or can be identified as the subject of the data. Customer data
250.9 includes energy usage data.

250.10 (d) "Energy usage data" means a customer's account information and the data a utility
250.11 collects from the customer's meter that reflects the quantity, quality, or timing of the
250.12 customer's natural gas use, electricity use, or electricity production. Customer energy usage
250.13 data includes but is not limited to data regarding:

250.14 (1) the amount and timing of energy use and production;

250.15 (2) energy outages, frequency, intermittency, or shutoffs;

250.16 (3) pricing and rate data applicable to the customer; and

250.17 (4) any other energy usage data used to calculate the customer's bill.

250.18 (e) "Summary energy usage data" means statistical records and reports derived from
250.19 energy usage data that do not contain a customer's personally identifiable information.

250.20 (f) "Personally identifiable information" means any data in which a customer is identified
250.21 or can be identified as the subject of the data.

250.22 (g) "Third party" means a person, other than a customer, who requests customer energy
250.23 usage data or summary energy usage data from the utility that maintains the data.

250.24 (h) "Utility" means a public utility, retail municipal utility, or retail cooperative
250.25 association that provides electric or natural gas service to Minnesota customers.

250.26 Subd. 2. **Customer access to energy usage data.** (a) A utility must provide a customer
250.27 with access to the customer's own energy usage data.

250.28 (b) Access must be convenient for the typical customer. A utility's procedure to access
250.29 energy usage data must be user-friendly. The utility must present the energy usage data in
250.30 a format comprehensible to the typical customer.

251.1 (c) A utility must provide access to energy usage data in as close to real-time as
251.2 practicable.

251.3 (d) Access to energy usage data must be provided free of charge to the customer, except
251.4 that a utility may charge a fee if a customer requests access to energy usage data in a format
251.5 or standard that differs from the format or standard the utility generally offers to customers.

251.6 (e) A utility must notify a customer if it substantially modifies the customer's energy
251.7 usage data. The notification must include a detailed explanation of the changes made to the
251.8 customer's energy usage data.

251.9 Subd. 3. **Third-party access to energy usage data.** (a) If a customer provides
251.10 authorization, a utility must provide one or more third parties with access to the customer's
251.11 energy usage data.

251.12 (b) The procedure a utility uses to allow a customer to authorize third-party access to
251.13 energy usage data must be (1) convenient for the typical customer, and (2) available on the
251.14 utility's website and in physical form by mail.

251.15 (c) The scope of the authorization may limit a third party's access to specific elements
251.16 of the customer's energy usage data.

251.17 (d) An authorization to access energy usage data is valid for the period of time specified
251.18 in the written authorization. An authorization may include a period without a specified end
251.19 date.

251.20 (e) A customer may revoke an authorization for third-party access at any time. The
251.21 utility's procedure to revoke authorization must be (1) convenient for the typical customer,
251.22 and (2) available on the utility's website and in physical form by mail.

251.23 (f) Subject to the scope of the authorization, an authorized third party must have the
251.24 same level of access to the customer's energy usage data as the customer.

251.25 (g) To the extent a third party with access to energy usage data under this subdivision
251.26 maintains the data independent of the utility providing access, the third party is subject to
251.27 the data security and privacy requirements under subdivision 6.

251.28 Subd. 4. **Public access to summary energy data.** (a) A utility must prepare and make
251.29 available summary energy usage data upon the written request of any person. The procedure
251.30 a utility uses to allow a person to request summary energy data must be (1) convenient for
251.31 the typical customer, and (2) available on the utility's website. A utility may charge the
251.32 requester a fee to prepare and supply summary energy data.

252.1 (b) Summary energy usage data provided under this subdivision may include aggregated
252.2 sets of customer energy usage data from no less than 15 customers. A single customer's
252.3 energy use must not constitute more than 15 percent of total energy consumption for the
252.4 requested data set. Summary energy usage data may be disaggregated on a per-customer
252.5 basis, provided that the customer's identity is not ascertainable.

252.6 (c) Within ten days of the date a request for summary energy data is received, a utility
252.7 must respond by providing the requester with:

252.8 (1) the summary energy data requested or a reference to responsive summary energy
252.9 data published under paragraph (d);

252.10 (2) a written statement that describes any fee charged and a time schedule for preparing
252.11 the requested summary energy data, including reasons for any time delays; or

252.12 (3) a written statement stating reasons why the utility has determined the requested
252.13 summary energy data cannot be prepared.

252.14 (d) A utility may make summary energy data publicly available on its website.

252.15 Subd. 5. **Fees charged for data.** A utility charging a data access fee authorized by this
252.16 section must:

252.17 (1) base the fee amount on the actual costs incurred by the utility to create and deliver
252.18 the requested data;

252.19 (2) consider the reasonable value to the utility of the data prepared and, if appropriate,
252.20 reduce the fee assessed to the requesting person;

252.21 (3) provide the requesting person with an estimate and explanation of the fee; and

252.22 (4) collect the fee before preparing or supplying the requested data.

252.23 Subd. 6. **Data security and privacy.** (a) A utility must establish appropriate,
252.24 industry-standard safeguards to protect the security of energy usage data it maintains. A
252.25 utility is prohibited from selling, sharing, licensing, or disseminating energy usage data,
252.26 except as authorized under this section or by state or federal law.

252.27 (b) Utilities must implement risk management practices to protect customer data. Risk
252.28 management practices must include but are not limited to practices that:

252.29 (1) identify, analyze, and mitigate cybersecurity risks to customer data;

252.30 (2) reasonably protect against loss and unauthorized use, access, or dissemination of
252.31 customer data;

253.1 (3) implement employee training measures to preserve data integrity; and

253.2 (4) maintain a comprehensive data breach response program to identify, mitigate, and
253.3 resolve an incident that causes or results in the unauthorized use, access, or dissemination
253.4 of customer data. The data breach response program must provide for complete, accurate,
253.5 and timely notice to customers whose customer data may have been compromised.

253.6 (c) If a utility uses a third-party service to maintain or store customer data, the utility
253.7 must ensure that the third-party service implements risk management practices that meet
253.8 the requirements under paragraph (b).

253.9 Subd. 7. **Enforcement.** The commissioner may enforce this section as provided under
253.10 section 45.027.

253.11 Sec. 4. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to
253.12 read:

253.13 Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the
253.14 commission under this section to recover costs associated with implementing an energy
253.15 storage system pilot project. As part of the petition, the public utility must submit a report
253.16 to the commission containing, at a minimum, the following information regarding the
253.17 proposed energy storage system pilot project:

253.18 (1) the storage technology utilized;

253.19 (2) the energy storage capacity and the duration of output at that capacity;

253.20 (3) the proposed location;

253.21 (4) the purchase and installation costs;

253.22 (5) how the project will interact with existing distributed generation resources on the
253.23 utility's grid; and

253.24 (6) the goals the project proposes to achieve, which may include controlling frequency
253.25 or voltage, mitigating transmission congestion, providing emergency power supplies during
253.26 outages, reducing curtailment of existing renewable energy generators, and reducing peak
253.27 power costs.

253.28 (b) A utility may petition the commission to approve a rate schedule that provides for
253.29 the automatic adjustment of charges to recover prudently incurred investments, expenses,
253.30 or costs associated with energy storage system pilot projects approved by the commission
253.31 under this subdivision. A petition filed under this subdivision must include the elements

254.1 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must
254.2 describe the benefits of the pilot project.

254.3 (c) The commission may approve, or approve as modified, a rate schedule filed under
254.4 this subdivision. The rate schedule filed by the public utility may include the elements listed
254.5 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

254.6 (d) For each pilot project that the commission has determined is in the public interest,
254.7 the commission must determine the specific amounts that are eligible for recovery under
254.8 the approved rate schedule within 90 days of the date the specific pilot program receives
254.9 final approval or within 90 days of the date the public utility files for approval of cost
254.10 recovery for the specific pilot program, whichever is later.

254.11 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage
254.12 systems.

254.13 (f) For the purposes of this subdivision:

254.14 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
254.15 1; and

254.16 (2) "pilot project" means a project that is (i) owned, operated, and controlled by a public
254.17 utility to optimize safe and reliable system operations, and (ii) deployed at a limited number
254.18 of locations in order to assess the technical and economic effectiveness of its operations.

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

254.20 Sec. 5. Minnesota Statutes 2018, section 216B.16, subdivision 13, is amended to read:

254.21 Subd. 13. **Economic and community development.** The commission may allow a
254.22 public utility to recover from ratepayers the expenses incurred (1) for economic and
254.23 community development, and (2) to employ local workers to construct and maintain
254.24 generation facilities that supply power to the utility's customers.

254.25 Sec. 6. Minnesota Statutes 2018, section 216B.1641, is amended to read:

254.26 **216B.1641 COMMUNITY SOLAR GARDEN.**

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

254.29 (b) "Subscriber" means a retail customer of a utility who owns one or more subscriptions
254.30 to a community solar garden interconnected with that utility.

255.1 (c) "Subscription" means a contract between a subscriber and the owner of a community
255.2 solar garden.

255.3 Subd. 2. Solar garden; project requirements. (a) The public utility subject to section
255.4 116C.779 shall file by September 30, 2013, a plan with the commission to operate a
255.5 community solar garden program which shall begin operations within 90 days after
255.6 commission approval of the plan. Other public utilities may file an application at their
255.7 election. The community solar garden program must be designed to offset the energy use
255.8 of not less than five subscribers in each community solar garden facility of which no single
255.9 subscriber has more than a 40 percent interest. The owner of the community solar garden
255.10 may be a public utility or any other entity or organization that contracts to sell the output
255.11 from the community solar garden to the utility under section 216B.164. There shall be no
255.12 limitation on the number or cumulative generating capacity of community solar garden
255.13 facilities other than the limitations imposed under section 216B.164, subdivision 4c, or
255.14 other limitations provided in law or regulations.

255.15 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
255.16 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
255.17 electricity generated in proportion to the size of their subscription. The solar garden must
255.18 have a nameplate capacity of no more than ~~one megawatt~~ three megawatts. Each subscription
255.19 shall be sized to represent at least 200 watts of the community solar garden's generating
255.20 capacity and to supply, when combined with other distributed generation resources serving
255.21 the premises, no more than 120 percent of the average annual consumption of electricity
255.22 by each subscriber at the premises to which the subscription is attributed.

255.23 (c) The solar generation facility must be located in the service territory of the public
255.24 utility filing the plan. Subscribers must be retail customers of the public utility. Subscribers
255.25 must be located in the same county as the solar garden or in a contiguous county ~~contiguous~~
255.26 ~~to where the facility is located.~~, unless:

255.27 (1) the solar garden has a minimum setback of 100 feet from the nearest residential
255.28 property; and

255.29 (2) the owner or operator of the solar garden provides written certification to the
255.30 commission that at least ten percent of the solar garden's electric generating capacity is
255.31 reserved for residential subscribers.

255.32 (d) The public utility must purchase from the community solar garden all energy generated
255.33 by the solar garden. Except as provided under subdivision 7, the purchase shall be at the
255.34 most recent three-year average of the rate calculated annually under section 216B.164,

256.1 subdivision 10, or, until that rate for the public utility has been approved by the commission,
256.2 the applicable retail rate. A solar garden is eligible for any incentive programs offered under
256.3 ~~either section 116C.7792 or section 216C.415~~. A subscriber's portion of the purchase shall
256.4 be provided by a credit on the subscriber's bill.

256.5 (e) Beginning January 1, 2020, any solar garden application filed with a utility must
256.6 certify that all workers constructing the solar garden will be paid at the prevailing wage
256.7 rate, as defined in section 177.42, subdivision 6.

256.8 **Subd. 3. Solar garden plan; requirements; nonutility status.** ~~(e)~~ (a) The commission
256.9 may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan
256.10 approved by the commission must:

256.11 (1) reasonably allow for the creation, financing, and accessibility of community solar
256.12 gardens;

256.13 (2) establish uniform standards, fees, and processes for the interconnection of community
256.14 solar garden facilities that allow the utility to recover reasonable interconnection costs for
256.15 each community solar garden;

256.16 (3) not apply different requirements to utility and nonutility community solar garden
256.17 facilities;

256.18 (4) be consistent with the public interest;

256.19 (5) identify the information that must be provided to potential subscribers to ensure fair
256.20 disclosure of future costs and benefits of subscriptions;

256.21 (6) include a program implementation schedule;

256.22 (7) identify all proposed rules, fees, and charges; and

256.23 (8) identify the means by which the program will be promoted.

256.24 ~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a
256.25 community solar garden facility shall be considered a utility solely as a result of their
256.26 participation in the community solar garden facility.

256.27 ~~(g)~~ (c) Within 180 days of commission approval of a plan under this section, a utility
256.28 shall begin crediting subscriber accounts for each community solar garden facility in its
256.29 service territory, and shall file with the commissioner of commerce a description of its
256.30 crediting system.

256.31 ~~(h) For the purposes of this section, the following terms have the meanings given:~~

257.1 ~~(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions~~
257.2 ~~of a community solar garden facility interconnected with that utility; and~~

257.3 ~~(2) "subscription" means a contract between a subscriber and the owner of a solar garden.~~

257.4 Subd. 4. **Program administration; enforcement.** (a) The Department of Commerce
257.5 must administer the community solar garden program and is responsible for implementing
257.6 all elements of the program. The department's duties under this section include:

257.7 (1) processing community solar garden applications;

257.8 (2) establishing and accepting program fees from applicants and solar garden managers;

257.9 (3) calculating the rate paid to subscribers and submitting the rate to the commission for
257.10 approval;

257.11 (4) ensuring that community solar garden program documents and protocols are available
257.12 to subscribers;

257.13 (5) ensuring that solar garden managers provide adequate notice to subscribers of changes
257.14 in solar garden operations, including but not limited to adjustments in subscriber bill credit
257.15 rates;

257.16 (6) ensuring that a utility conducts the interconnection process in a timely fashion;

257.17 (7) ensuring that the actions of solar garden owners, operators, and subscribers comply
257.18 with this section and orders of the commission; and

257.19 (8) other administrative tasks as determined by the commissioner.

257.20 (b) The commissioner may use the authority granted under section 45.027 to enforce
257.21 any violations related to the duties and responsibilities entrusted to the commissioner under
257.22 this subdivision.

257.23 Subd. 5. **Account established.** A solar garden administrative account is established in
257.24 the special revenue fund. Fees collected under this section must be deposited in and credited
257.25 to the account. Money in the account, including interest, is appropriated to the commissioner
257.26 to administer this section.

257.27 Subd. 6. **Community access project; eligibility.** Any community solar garden established
257.28 under a plan approved by the commission may petition the commission to be designated as
257.29 a community access project. The commission must designate a solar garden as a community
257.30 access project if the solar garden meets the following conditions:

258.1 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential
258.2 customers;

258.3 (2) the contract between an owner of the solar garden and the public utility that purchases
258.4 the garden's electricity, and any agreement between the utility or owner of the solar garden
258.5 and subscribers, states (i) the owner of the solar garden does not discriminate against or
258.6 screen subscribers based on income or credit score, and (ii) any customer of a utility whose
258.7 community solar garden plan has been approved by the commission under subdivision 3 is
258.8 eligible to become a subscriber;

258.9 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota
258.10 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

258.11 (4) the agreement between the owner of the solar garden and subscribers states the owner
258.12 will adequately publicize and convene at least one meeting annually to provide an opportunity
258.13 for subscribers to address questions to the manager or owner.

258.14 Subd. 7. **Community access project; financial arrangements.** (a) If a solar garden is
258.15 approved by the commission as a community access project:

258.16 (1) the public utility purchasing the electricity generated by the community access project
258.17 may charge the owner of the community access project no more than one cent per watt
258.18 alternating current, based on the solar garden's generating capacity, for any refundable
258.19 deposit the utility requires of a solar garden during the application process;

258.20 (2) the public utility must purchase all energy generated by the community access project
258.21 at the retail rate;

258.22 (3) a subscriber's portion of the energy purchased from a community access project by
258.23 a public utility must be credited to the subscriber's bill; and

258.24 (4) all renewable energy credits generated by the community access project belong to
258.25 subscribers unless the operator:

258.26 (i) contracts to sell the renewable energy credits to a third party, or sell or transfer the
258.27 renewable energy credits to the utility; and

258.28 (ii) discloses the sale or transfer to a subscriber at the time the subscriber enters into a
258.29 subscription.

258.30 (b) If at any time a solar garden approved by the commission as a community access
258.31 project fails to meet the conditions under subdivision 6, the solar garden is no longer subject

259.1 to subdivisions 7 and 8 and must operate under the program rules established by the
259.2 commission for a solar garden that does not qualify as a community access project.

259.3 (c) An owner of a solar garden whose designation as a community access project is
259.4 revoked under this subdivision may reapply to the commission at any time to have its
259.5 designation as a community access project reinstated under subdivision 6.

259.6 Subd. 8. **Community access project; reporting.** (a) The owner of a community access
259.7 project must include the following information in an annual report to the subscribers of the
259.8 community access project and the utility:

259.9 (1) a description of the process by which subscribers can provide input to solar garden
259.10 policy and decision-making;

259.11 (2) the amount of revenues received by the solar garden in the previous year that were
259.12 allocated to categories that include but are not limited to operating costs, debt service, profits
259.13 distributed to subscribers, and profits distributed to others; and

259.14 (3) an analysis of the proportion of subscribers that are low- and moderate-income, and
259.15 a description of one or more of the following methods used to calculate that proportion:

259.16 (i) income verification by subscribers;

259.17 (ii) subscriber evidence that the subscriber or a member of the subscriber's household
259.18 receives assistance from any of the following sources:

259.19 (A) the low-income home energy assistance program;

259.20 (B) Section 8 housing assistance;

259.21 (C) medical assistance;

259.22 (D) the Supplemental Nutrition Assistance Program; or

259.23 (E) the National School Lunch Program;

259.24 (iii) characterization of the census tract in which the subscriber resides as low- or
259.25 moderate-income by the Federal Financial Institutions Examination Council; or

259.26 (iv) other methods approved by the commission.

259.27 Subd. 9. **Commission order.** Within 180 days of the effective date of this act, the
259.28 commission must issue an order incorporating the provisions of this act.

259.29 **EFFECTIVE DATE.** Subdivisions 4 and 5 are effective January 1, 2020. Subdivisions
259.30 1 to 3 and 6 to 9 are effective the day following final enactment.

260.1 Sec. 7. [216B.1643] SOLAR GARDEN GRANT PROGRAM FOR LOW-INCOME
260.2 HOUSEHOLDS.

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

260.5 (b) "Eligible entity" means a community action agency, as defined in section 256E.31,
260.6 a tribal or county governmental agency, or a non-profit governmental organization that
260.7 administers low-income energy programs for the Department of Commerce.

260.8 (c) "Income-eligible residential household" means a household with an annual income
260.9 that is (1) 50 percent or less of the state median household income, or (2) 200 percent or
260.10 less of the federal poverty level.

260.11 (d) "Solar garden" has the meaning given in section 216B.1641.

260.12 Subd. 2. Establishment; purpose. A solar garden grant program for income-eligible
260.13 residential households is established in the Department of Commerce to award grants that
260.14 promote the development of solar gardens for income-eligible residential households. Funds
260.15 in the account are reserved for the purpose of this section and do not lapse.

260.16 Subd. 3. Eligibility. (a) A solar garden owner is eligible to receive a grant under this
260.17 section if:

260.18 (1) the new solar garden capacity is 500 kilowatts or less;

260.19 (2) all of the solar garden subscribers are income-eligible residential households, as
260.20 defined through a yearly application provided by the Department of Commerce; and

260.21 (3) the solar garden is operated by an eligible entity or by a third party performing the
260.22 duties under a contract with an eligible entity.

260.23 (b) An eligible entity is responsible for managing the solar garden and must annually
260.24 certify to the commissioner that the solar garden complies with paragraph (a).

260.25 Subd. 4. Application process; content. (a) An eligible applicant must submit an
260.26 application to the commissioner on a form designated by the commissioner. The
260.27 commissioner must develop administrative procedures that govern the application, grant
260.28 award process, and ongoing solar garden management requirements.

260.29 (b) An application for a grant under this section must include:

260.30 (1) evidence that the solar garden meets the eligibility requirements under subdivision
260.31 3; and

261.1 (2) any other information requested by the commissioner.

261.2 Subd. 5. **Account established.** A low-income community solar account is established
261.3 as a separate account in the special revenue fund. Money transferred from the renewable
261.4 development account to the commissioner must be deposited in the account. Money from
261.5 the account is appropriated to the commissioner for the purposes of this section.

261.6 Subd. 6. **Limitations.** A grant awarded under this section must not exceed 60 percent
261.7 of the total cost to develop the community solar garden.

261.8 Subd. 7. **Eligible expenditures.** Money from the account established in subdivision 5
261.9 may be expended to: (1) finance, purchase, and install facilities necessary to operate a solar
261.10 garden; and (2) pay reasonable expenses incurred by the department to administer the
261.11 program and certify applicant eligibility on an ongoing basis.

261.12 Sec. 8. Minnesota Statutes 2018, section 216B.1645, subdivision 1, is amended to read:

261.13 Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public
261.14 Utilities Commission shall approve or disapprove power purchase contracts, investments,
261.15 or expenditures entered into or made by the utility to satisfy the wind and biomass mandates
261.16 contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable
261.17 energy objectives and standards set forth in section 216B.1691, including reasonable
261.18 investments and expenditures, net of revenues, made to:

261.19 (1) transmit the electricity generated from sources developed under those sections that
261.20 is ultimately used to provide service to the utility's retail customers, including studies
261.21 necessary to identify new transmission facilities needed to transmit electricity to Minnesota
261.22 retail customers from generating facilities constructed to satisfy the renewable energy
261.23 objectives and standards, provided that the costs of the studies have not been recovered
261.24 previously under existing tariffs and the utility has filed an application for a certificate of
261.25 need or for certification as a priority project under section 216B.2425 for the new
261.26 transmission facilities identified in the studies;

261.27 (2) provide storage facilities for renewable energy generation facilities that contribute
261.28 to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

261.29 (3) develop renewable energy sources from the account required in section 116C.779.

261.30 Sec. 9. Minnesota Statutes 2018, section 216B.1645, subdivision 2, is amended to read:

261.31 Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the
261.32 approved contract or useful life of the investment ~~and~~₂ expenditures made pursuant to section

262.1 ~~116C.779 shall be,~~ and employment of local workers to construct and maintain generation
262.2 facilities that supply power to the utility's customers are recoverable from the ratepayers of
262.3 the utility, to the extent they are not offset by utility revenues attributable to the contracts,
262.4 investments, or expenditures. Upon petition by a public utility, the commission shall approve
262.5 or approve as modified a rate schedule providing for the automatic adjustment of charges
262.6 to recover the expenses or costs approved by the commission under subdivision 1, which,
262.7 in the case of transmission expenditures, are limited to the portion of actual transmission
262.8 costs that are directly allocable to the need to transmit power from the renewable sources
262.9 of energy. The commission may not approve recovery of the costs for that portion of the
262.10 power generated from sources governed by this section that the utility sells into the wholesale
262.11 market.

262.12 Sec. 10. Minnesota Statutes 2018, section 216B.1691, subdivision 1, is amended to read:

262.13 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
262.14 technology" means an energy technology that generates electricity from the following
262.15 renewable energy sources:

262.16 (1) solar;

262.17 (2) wind;

262.18 (3) hydroelectric with a capacity of less than 100 megawatts;

262.19 (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from
262.20 the resources listed in this paragraph; or

262.21 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
262.22 system; the predominantly organic components of wastewater effluent, sludge, or related
262.23 by-products from publicly owned treatment works, but not including incineration of
262.24 wastewater sludge to produce electricity; and an energy recovery facility used to capture
262.25 the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal
262.26 solid waste as a primary fuel.

262.27 (b) "Electric utility" means a public utility providing electric service, a generation and
262.28 transmission cooperative electric association, a municipal power agency, or a power district.

262.29 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
262.30 an electric utility to retail customers of the electric utility or to a distribution utility for
262.31 distribution to the retail customers of the distribution utility. "Total retail electric sales"
262.32 does not include the sale of hydroelectricity supplied by a federal power marketing
262.33 administration or other federal agency, regardless of whether the sales are directly to a

263.1 distribution utility or are made to a generation and transmission utility and pooled for further
263.2 allocation to a distribution utility.

263.3 (d) "Carbon-free" means a technology that generates electricity without emitting carbon
263.4 dioxide.

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

263.6 Sec. 11. Minnesota Statutes 2018, section 216B.1691, subdivision 2b, is amended to read:

263.7 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay
263.8 the implementation of a standard obligation, in whole or in part, if the commission determines
263.9 it is in the public interest to do so. The commission, when requested to modify or delay
263.10 implementation of a standard, must consider:

263.11 (1) the impact of implementing the standard on its customers' utility costs, including the
263.12 economic and competitive pressure on the utility's customers;

263.13 (2) the environmental costs incurred as a result of a delay or modification, based on the
263.14 environmental cost values established in section 216B.2422, subdivision 3;

263.15 (3) the effects of implementing the standard on the reliability of the electric system;

263.16 ~~(3)~~ (4) technical advances or technical concerns;

263.17 ~~(4)~~ (5) delays in acquiring sites or routes due to rejection or delays of necessary siting
263.18 or other permitting approvals;

263.19 ~~(5)~~ (6) delays, cancellations, or nondelivery of necessary equipment for construction or
263.20 commercial operation of an eligible energy technology facility;

263.21 ~~(6)~~ (7) transmission constraints preventing delivery of service; and

263.22 ~~(7)~~ (8) other statutory obligations imposed on the commission or a utility.

263.23 (b) The commission may modify or delay implementation of a standard obligation under
263.24 paragraph (a), clauses (1) to ~~(3)~~ (4), only if it finds implementation would cause significant
263.25 rate impact, requires significant measures to address reliability, would not cause significant
263.26 environmental costs, or raises significant technical issues. The commission may modify or
263.27 delay implementation of a standard obligation under paragraph (a), clauses ~~(4)~~ (5) to ~~(6)~~
263.28 (7), only if it finds that the circumstances described in those clauses were due to
263.29 circumstances beyond an electric utility's control and make compliance not feasible.

263.30 (c) When evaluating transmission capacity constraints under paragraph (a), clause (7),
263.31 the commission must consider:

264.1 (1) whether the utility has, in a timely fashion, undertaken reasonable measures under
 264.2 its control and consistent with its obligations under local, state, and federal laws and
 264.3 regulations, and its obligations as a member of the Midcontinent Independent System
 264.4 Operator, to acquire sites, necessary permit approvals, and necessary equipment to develop
 264.5 and construct new transmission lines or upgrade existing transmission lines to transmit
 264.6 electricity generated by eligible energy technologies; and

264.7 (2) whether the utility has taken all reasonable operational measures to maximize
 264.8 cost-effective electricity delivery from eligible energy technologies in advance of
 264.9 transmission availability.

264.10 ~~(b)~~ (d) When considering whether to delay or modify implementation of a standard
 264.11 obligation, the commission must give due consideration to a preference for electric generation
 264.12 through use of eligible energy technology and to the achievement of the standards set by
 264.13 this section.

264.14 ~~(e)~~ (e) An electric utility requesting a modification or delay in the implementation of a
 264.15 standard must file a plan to comply with its standard obligation in the same proceeding that
 264.16 it is requesting the delay.

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

264.18 Sec. 12. Minnesota Statutes 2018, section 216B.1691, is amended by adding a subdivision
 264.19 to read:

264.20 Subd. 2g. **Carbon-free standard.** Each electric utility subject to subdivision 2a shall
 264.21 generate or procure sufficient electricity generated by carbon-free technologies to provide
 264.22 its retail customers in Minnesota, or the retail customers of a distribution utility to which
 264.23 the electric utility provides wholesale electric service, so that 100 percent of the electric
 264.24 utility's total retail electric sales to retail customers in Minnesota is generated by carbon-free
 264.25 technologies by the end of 2050.

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

264.27 Sec. 13. Minnesota Statutes 2018, section 216B.1691, subdivision 9, is amended to read:

264.28 Subd. 9. **Local benefits.** (a) The commission shall take all reasonable actions within its
 264.29 statutory authority to ensure this section is implemented ~~to maximize~~ in a manner that
 264.30 maximizes benefits to all Minnesota citizens, ~~balancing~~ and local workers throughout the
 264.31 state. Benefits under this subdivision include but are not limited to:

264.32 (1) the creation of high-quality jobs in Minnesota that pay wages that support families;

- 265.1 (2) recognition of the rights of workers to organize and unionize;
- 265.2 (3) ensuring workers have the necessary tools, opportunities, and economic assistance
- 265.3 to adapt successfully during the energy transition, particularly in communities that host
- 265.4 retiring power plants or that contain historically marginalized and underrepresented
- 265.5 populations;
- 265.6 (4) ensuring all Minnesotans share (i) the benefits of clean and renewable energy, and
- 265.7 (ii) the opportunity to participate fully in the clean energy economy;
- 265.8 (5) ensuring air emissions are reduced in communities historically burdened by pollution
- 265.9 and the impacts of climate change; and
- 265.10 (6) the provision of affordable electric service to Minnesotans, and particularly to
- 265.11 low-income consumers.

265.12 (b) The commission must also implement this section in a manner that balances factors

265.13 such as local ownership of or participation in energy production, local job impacts,

265.14 development and ownership of eligible energy technology facilities by independent power

265.15 producers, Minnesota utility ownership of eligible energy technology facilities, the costs

265.16 of energy generation to satisfy the renewable ~~standard~~ and carbon-free standards, and the

265.17 reliability of electric service to Minnesotans.

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

265.19 Sec. 14. **[216B.1697] ENERGY STORAGE SYSTEM; APPLICATION.**

265.20 **Subdivision 1. Definition.** For the purposes of this section, "energy storage system"

265.21 means a commercially available technology that uses mechanical, chemical, or thermal

265.22 processes to:

- 265.23 (1) store energy and deliver the stored energy for use at a later time; or
- 265.24 (2) store thermal energy for direct use for heating or cooling at a later time in a manner
- 265.25 that reduces the demand for electricity at the later time.

265.26 **Subd. 2. Application requirement.** No later than January 1, 2021, each public utility

265.27 providing retail electric service in Minnesota must submit to the commission for review

265.28 and approval an application to install one or more energy storage systems.

265.29 **Subd. 3. Application contents.** (a) Each application submitted under this section must

265.30 contain the following information:

- 265.31 (1) technical specifications of the energy storage system, including but not limited to:

- 266.1 (i) the maximum amount of electric output that the energy storage system can provide;
- 266.2 (ii) the length of time the energy storage system can sustain its maximum output;
- 266.3 (iii) the location of the project and a description of the analysis conducted to determine
- 266.4 the location;
- 266.5 (iv) the needs of the public utility's electric system the proposed energy storage system
- 266.6 addresses;
- 266.7 (v) a description of the types of services the energy storage system is expected to provide;
- 266.8 and
- 266.9 (vi) a description of the technology required to construct, operate, and maintain the
- 266.10 energy storage system, including any data or communication system necessary to operate
- 266.11 the energy storage system;
- 266.12 (2) the estimated cost of the project, including:
- 266.13 (i) capital costs;
- 266.14 (ii) the estimated cost per unit of energy delivered by the energy storage system; and
- 266.15 (iii) an evaluation of the energy storage system's cost-effectiveness;
- 266.16 (3) the estimated benefits of the energy storage system to the public utility's electric
- 266.17 system, including but not limited to:
- 266.18 (i) deferred investments in generation, transmission, or distribution capacity;
- 266.19 (ii) reduced need for electricity during times of peak demand;
- 266.20 (iii) improved reliability of the public utility's transmission or distribution system; and
- 266.21 (iv) improved integration of the public utility's renewable energy resources;
- 266.22 (4) how the addition of an energy storage system complements proposed actions of the
- 266.23 public utility described in its most recent integrated resource plan submitted under section
- 266.24 216B.2422, to meet expected demand with the lowest-cost combination of resources; and
- 266.25 (5) any additional information required by the commission.
- 266.26 (b) A public utility must include in its application an evaluation of the potential to store
- 266.27 energy in the public utility's electric system, and must identify geographic areas in the public
- 266.28 utility's service area where the deployment of energy storage systems has the greatest
- 266.29 potential to achieve the economic benefits identified in paragraph (a), clause (3).

267.1 Subd. 4. **Commission review.** The commission must review each proposal submitted
267.2 under this section, and may approve, reject, or modify the proposal. The commission must
267.3 approve a proposal it determines is in the public interest and reasonably balances the value
267.4 derived from the deployment of an energy storage system for ratepayers and the public
267.5 utility's operations with the costs of procuring, constructing, operating, and maintaining the
267.6 energy storage system.

267.7 Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently
267.8 incurred by the public utility to deploy an energy storage system approved by the commission
267.9 under this section, net of any revenues generated by the operation of the energy storage
267.10 system.

267.11 Subd. 6. **Commission authority; orders.** The commission may issue orders necessary
267.12 to implement and administer this section.

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

267.14 Sec. 15. **[216B.1698] INNOVATIVE CLEAN TECHNOLOGIES.**

267.15 (a) For purposes of this section, "innovative clean technology" means advanced energy
267.16 technology that is:

267.17 (1) environmentally superior to technologies currently in use;

267.18 (2) expected to offer energy-related, environmental, or economic benefits; and

267.19 (3) not widely deployed by the utility industry.

267.20 (b) A public utility may petition the commission for authorization to invest in a project
267.21 or projects to deploy one or more innovative clean technologies to further the development,
267.22 commercialization, and deployment of innovative clean technologies for the benefit of utility
267.23 customers.

267.24 (c) The commission may approve a petition under paragraph (b) if it finds:

267.25 (1) the technologies proposed to be deployed are innovative clean technologies;

267.26 (2) the utility is meeting its energy conservation goals under section 216B.241; and

267.27 (3) the petition does not result in a utility spending more than \$5,000,000 per year on
267.28 innovative clean technologies under this section.

267.29 (d) The commission may also permit a public utility to file rate schedules containing
267.30 provisions to automatically adjust charges for public utility service in direct relation to
267.31 changes in prudent costs incurred by a utility under this section, up to \$5,000,000 each year.

268.1 To the extent the utility investment under this section is for a capital asset, the utility may
268.2 request that the asset be included in the utility's rate base.

268.3 Sec. 16. Minnesota Statutes 2018, section 216B.2401, is amended to read:

268.4 **216B.2401 ENERGY SAVINGS AND OPTIMIZATION POLICY GOAL.**

268.5 (a) The legislature finds that energy savings are an energy resource, and that cost-effective
268.6 energy savings are preferred over all other energy resources. In addition, the legislature
268.7 finds that optimizing when and how energy consumers manage energy use can provide
268.8 significant benefits to the consumers and to the utility system as a whole. The legislature
268.9 further finds that cost-effective energy savings and load management programs should be
268.10 procured systematically and aggressively in order to reduce utility costs for businesses and
268.11 residents, improve the competitiveness and profitability of businesses, create more
268.12 energy-related jobs, reduce the economic burden of fuel imports, and reduce pollution and
268.13 emissions that cause climate change. Therefore, it is the energy policy of the state of
268.14 Minnesota to achieve annual energy savings equal equivalent to at least ~~1.5~~ 2.5 percent of
268.15 annual retail energy sales of electricity and natural gas through cost-effective energy
268.16 conservation improvement programs and rate design, energy efficiency achieved by energy
268.17 consumers without direct utility involvement, energy codes and appliance standards, programs
268.18 designed to transform the market or change consumer behavior, energy savings resulting
268.19 from efficiency improvements to the utility infrastructure and system, and other efforts to
268.20 promote energy efficiency and energy conservation. multiple means, including but not
268.21 limited to:

268.22 (1) cost-effective energy conservation improvement programs and efficient fuel-switching
268.23 utility programs under sections 216B.2402 to 216B.241;

268.24 (2) rate design;

268.25 (3) energy efficiency achieved by energy consumers without direct utility involvement;

268.26 (4) advancements in statewide energy codes and cost-effective appliance and equipment
268.27 standards;

268.28 (5) programs designed to transform the market or change consumer behavior;

268.29 (6) energy savings resulting from efficiency improvements to the utility infrastructure
268.30 and system; and

268.31 (7) other efforts to promote energy efficiency and energy conservation.

269.1 (b) A utility is encouraged to design and offer to its customers load management programs
269.2 that enable (1) customers to maximize the economic value gained from the energy purchased
269.3 from the customer's utility service provider, and (2) utilities to optimize the infrastructure
269.4 and generation capacity needed to effectively serve customers and facilitate the integration
269.5 of renewable energy into the energy system. The commissioner must provide a reasonable
269.6 estimate for progress toward this statewide energy-savings goal in the annual report required
269.7 under section 216B.241, subdivision 1c, along with recommendations for administrative or
269.8 legislative initiatives to increase energy savings toward that goal. The commissioner must
269.9 also annually report on the energy productivity of the state's economy by providing an
269.10 estimate of the ratio of economic output produced in the most recently completed calendar
269.11 year to the primary energy inputs used in that year.

269.12 Sec. 17. [216B.2402] DEFINITIONS.

269.13 (a) For the purposes of section 216B.16, subdivision 6b, and sections 216B.2401 to
269.14 216B.241, the terms defined in this section have the meanings given them.

269.15 (b) "Consumer-owned utility" means a municipal utility or a cooperative electric
269.16 association.

269.17 (c) "Cumulative lifetime savings" means the total electric energy or natural gas savings
269.18 in a given year from energy conservation improvements installed in the given year or in
269.19 previous years that are still operational have not reached the end of the improvement's useful
269.20 life.

269.21 (d) "Efficient fuel-switching improvement" means a project that: replaces a fuel used
269.22 by a customer with electricity or natural gas delivered at retail by a utility subject to this
269.23 section, resulting in a net increase in the use of electricity or natural gas and a net decrease
269.24 in source energy consumption on a fuel-neutral basis; and otherwise meets the criteria
269.25 established in section 216B.2403, subdivision 8. An efficient fuel-switching improvement
269.26 requires the installation of equipment that utilizes electricity or natural gas, resulting in a
269.27 reduction or elimination of use of the previous fuel. An efficient fuel-switching improvement
269.28 is not an energy conservation improvement even if it results in a net reduction in electricity
269.29 or natural gas.

269.30 (e) "Energy conservation" means an action that results in a net reduction in electricity
269.31 or natural gas consumption. Energy conservation does not include an efficient fuel-switching
269.32 improvement.

270.1 (f) "Energy conservation improvement" means a project that results in energy efficiency
270.2 or energy conservation. Energy conservation improvement may include waste heat that is
270.3 recovered and converted into electricity, but does not include electric utility infrastructure
270.4 projects approved by the commission under section 216B.1636. Energy conservation
270.5 improvement includes waste heat recovered and used as thermal energy.

270.6 (g) "Energy efficiency" means measures or programs, including energy conservation
270.7 measures or programs, that target consumer behavior, equipment, processes, or devices and
270.8 are designed to produce either an absolute decrease in consumption of electricity or natural
270.9 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
270.10 basis, without reducing the quality or level of service provided to the energy consumer.

270.11 (h) "Fuel" means energy consumed by a retail utility customer. Fuel includes electricity,
270.12 propane, natural gas, heating oil, gasoline, diesel fuel, or steam.

270.13 (i) "Fuel neutral" means an approach that compares the use of various fuels for a given
270.14 end use, using a common metric.

270.15 (j) "Gross annual retail energy sales" means the annual electric sales to all retail customers
270.16 in a utility's or association's Minnesota service territory or natural gas throughput to all retail
270.17 customers, including natural gas transportation customers, on a utility's distribution system
270.18 in Minnesota. Gross annual retail energy sales does not include:

270.19 (1) gas sales to:

270.20 (i) a large energy facility;

270.21 (ii) a large customer facility whose natural gas utility has been exempted by the
270.22 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural
270.23 gas sales made to the large customer facility; and

270.24 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
270.25 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to
270.26 natural gas sales made to the commercial gas customer facility; or

270.27 (2) electric sales to a large customer facility whose electric utility has been exempted
270.28 by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect
270.29 to electric sales made to the large facility.

270.30 (k) "Investments and expenses of a public utility" means the investments and expenses
270.31 incurred by a public utility in connection with an energy conservation improvement.

271.1 (l) "Large customer facility" means all buildings, structures, equipment, and installations
271.2 at a single site that collectively (1) impose a peak electrical demand on an electric utility's
271.3 system of at least 20,000 kilowatts, measured in the same way as the utility that serves the
271.4 customer facility measures electric demand for billing purposes, or (2) consume at least
271.5 500,000,000 cubic feet of natural gas annually. When calculating peak electrical demand,
271.6 a large customer facility may include demand offset by on-site cogeneration facilities and,
271.7 if engaged in mineral extraction, may aggregate peak energy demand from the large customer
271.8 facility's mining processing operations.

271.9 (m) "Large energy facility" has the meaning given in section 216B.2421, subdivision 2,
271.10 clause (1).

271.11 (n) "Lifetime energy savings" means the amount of savings a particular energy
271.12 conservation improvement produces over the improvement's effective useful lifetime.

271.13 (o) "Load management" means an activity, service, or technology to change the timing
271.14 or the efficiency of a customer's use of energy that allows a utility or a customer to (1)
271.15 respond to local and regional energy system conditions, or (2) reduce peak demand for
271.16 electricity or natural gas. Load management that reduces the customer's net annual energy
271.17 consumption is also energy conservation.

271.18 (p) "Low-income household" means a household whose household income is 60 percent
271.19 or less of the state median household income.

271.20 (q) "Low-income programs" means energy conservation improvement programs that
271.21 directly serve the needs of low-income persons, including low-income renters. Multifamily
271.22 buildings of five units or more that are rented by low-income persons are eligible to be
271.23 served through low-income programs, which may include upgrading appliances, upgrading
271.24 heating and air conditioning equipment, and building envelope improvements.

271.25 (r) "Member" has the meaning given in section 308B.005, subdivision 15.

271.26 (s) "Qualifying utility" means a utility that supplies a customer with energy that enables
271.27 the customer to qualify as a large customer facility.

271.28 (t) "Source energy" means the total amount of fuel required for a given purpose,
271.29 considering energy losses in the production, transmission, and delivery of the energy.

271.30 (u) "Waste heat recovered and used as thermal energy" means capturing heat energy
271.31 that would be exhausted or dissipated to the environment from machinery, buildings, or
271.32 industrial processes, and productively using the recovered thermal energy where it was

272.1 captured or distributing it as thermal energy to other locations where it is used to reduce
272.2 demand-side consumption of natural gas, electric energy, or both.

272.3 (v) "Waste heat recovery converted into electricity" means an energy recovery process
272.4 that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines
272.5 or manufacturing or industrial processes, or the reduction of high pressure in water or gas
272.6 pipelines.

272.7 **Sec. 18. [216B.2403] CUSTOMER-OWNED UTILITIES; ENERGY**
272.8 **CONSERVATION AND OPTIMIZATION.**

272.9 Subdivision 1. **Applicability.** This section applies to:

272.10 (1) a cooperative electric association that provides retail service to more than 5,000
272.11 members;

272.12 (2) a municipality that provides electric service to more than 1,000 retail customers; and

272.13 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales
272.14 to natural gas retail customers.

272.15 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual
272.16 consumer-owned utility subject to this section has an annual energy-savings goal equivalent
272.17 to 1.5 percent of gross annual retail energy sales. The annual energy-savings goal must be
272.18 met with a minimum of energy savings from energy conservation improvements equivalent
272.19 to at least one percent of the consumer-owned utility's gross annual retail energy sales. The
272.20 balance of energy savings toward the annual energy-savings goal must be achieved by the
272.21 following utility activities:

272.22 (1) energy savings from additional energy conservation improvements;

272.23 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision
272.24 1; or

272.25 (3) net energy savings from efficient fuel-switching improvements that meet the criteria
272.26 under subdivision 8.

272.27 (b) Nothing in this section limits a utility's ability to report and recognize savings from
272.28 activities under paragraph (a), clauses (2) and (3), in excess of the utility's annual energy
272.29 savings, provided the utility has met the minimum energy-savings goal from energy
272.30 conservation improvements.

272.31 (c) The energy-savings goals specified in this section must be calculated based on the
272.32 most recent three-year, weather-normalized average. A consumer-owned utility that elects

273.1 to file annual plans may carry forward for up to three years any energy savings in excess
273.2 of its 1.5 percent energy-savings goal in a single year.

273.3 (d) A consumer-owned utility subject to this section is not required to make energy
273.4 conservation improvements that are not cost-effective, even if the improvement is necessary
273.5 to attain the energy-savings goal. A consumer-owned utility subject to this section must
273.6 make reasonable efforts to implement energy conservation improvements above the minimum
273.7 level set under this subdivision if cost-effective opportunities and utility funding are available,
273.8 considering other potential investments the utility plans to make for the benefit of customers
273.9 during the term of the plan filed under subdivision 4.

273.10 (e) A consumer-owned utility may request that the commissioner adjust its minimum
273.11 goal for energy savings from energy conservation improvements specified under paragraph
273.12 (a) for the period of the plan filed under subdivision 4. The request must be made by January
273.13 1 of a year when the utility must file a plan under subdivision 4. The request must be based
273.14 on:

273.15 (1) historical energy conservation improvement program achievements;

273.16 (2) customer class makeup;

273.17 (3) projected load growth;

273.18 (4) an energy conservation potential study that estimates the amount of cost-effective
273.19 energy conservation potential that exists in the utility's service territory;

273.20 (5) the cost-effectiveness and quality of the energy conservation programs offered by
273.21 the utility; and

273.22 (6) other factors the commissioner and consumer-owned utility determine warrant an
273.23 adjustment.

273.24 The commissioner must adjust the savings goal to a level the commissioner determines is
273.25 supported by the record, but must not approve a minimum energy-savings goal from energy
273.26 conservation improvements that is less than one percent of gross annual retail energy sales.

273.27 Subd. 3. **Consumer-owned utility; energy savings investments.** (a) Each cooperative
273.28 electric association and municipality subject to subdivision 2 must spend and invest in the
273.29 following amounts for energy conservation improvements under this subdivision:

273.30 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas
273.31 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross

274.1 operating revenues from electric and gas service provided in Minnesota to large electric
274.2 customer facilities; and

274.3 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues
274.4 from service provided in the state, excluding gross operating revenues from service provided
274.5 in the state to large electric customer facilities indirectly through a distribution cooperative
274.6 electric association.

274.7 (b) Each municipality and cooperative electric association subject to this subdivision
274.8 must identify and implement energy conservation improvement spending and investments
274.9 that are appropriate for the municipality or association, except that a municipality or
274.10 association must not spend or invest for energy conservation improvements that directly
274.11 benefit a large energy facility or a large electric customer facility that the commissioner has
274.12 issued an exemption to under section 216B.241, subdivision 1a, paragraph (a).

274.13 Subd. 4. **Consumer-owned utility; energy conservation and optimization plans.** (a)
274.14 By June 1, 2021, each consumer-owned utility must file with the commissioner an energy
274.15 conservation and optimization plan that describes the programs for energy conservation,
274.16 efficient fuel-switching improvements and load management programs, and other processes
274.17 and programs the utility plans to use to achieve its energy-savings goal. The plan may cover
274.18 a period not to exceed two years. The plan must provide an analysis of the cost-effectiveness
274.19 of the consumer-owned utility's programs offered under the plan, using a list of baseline
274.20 energy- and capacity-savings assumptions developed in consultation with the department.
274.21 An individual utility program may combine elements of energy conservation, load
274.22 management, or efficient fuel-switching. Plans received by June 1 must be evaluated by the
274.23 commissioner based on how well the plan meets the goals set under subdivision 2 by
274.24 December 1 of the same year, including the commissioner's assessment of whether the plan
274.25 is likely to achieve the goals. Beginning June 1, 2022, and every June 1 thereafter, each
274.26 consumer-owned utility must file: (1) an annual update identifying the status of its annual
274.27 plan filed under this subdivision, including (i) total expenditures and investments made to
274.28 date, and (ii) any intended changes to the plan; and (2) a summary of the annual
274.29 energy-savings achievements under a completed plan and a new plan that complies with
274.30 this section.

274.31 (b) In the filings required under paragraph (a), a consumer-owned utility must describe
274.32 and evaluate the programs offered by the utility under the plan, including:

274.33 (1) energy conservation improvements in the previous period and its progress toward
274.34 the minimum energy-savings goal from energy conservation improvements described in

275.1 subdivision 2, including accounting for lifetime savings and cumulative lifetime energy
275.2 savings under the plan. The evaluation must briefly describe each conservation program
275.3 the utility offers or plans to offer, and must specify the energy savings or increased efficiency
275.4 in the use of energy within the service territory of the utility that is the result of the program.
275.5 The commissioner must review each evaluation and make recommendations, where
275.6 appropriate, to the consumer-owned utility to increase the effectiveness of conservation
275.7 improvement activities. The commissioner must consider and may require a consumer-owned
275.8 utility to undertake a cost-effective program suggested by an outside source, including a
275.9 political subdivision, nonprofit corporation, or community organization;

275.10 (2) load management activities, including an analysis of the reduction in peak load
275.11 resulting from the program and an assessment of the cost-effectiveness of each program;
275.12 and

275.13 (3) efficient fuel-switching improvement activities, including an analysis regarding how
275.14 each program meets the criteria specified in subdivision 8 and an assessment of the
275.15 cost-effectiveness of each program. For improvements requiring the deployment of electric
275.16 technologies, the plan must also provide an analysis regarding how the fuel-switching
275.17 improvement is operated in order to facilitate the integration of variable renewable energy
275.18 into the electric system.

275.19 (c) When evaluating the cost-effectiveness of utility programs, the consumer-owned
275.20 utility and the commissioner must consider the costs and benefits to ratepayers, the utility,
275.21 participants, and society. In addition, the commissioner must consider the rate at which the
275.22 consumer-owned utility is increasing its energy savings and expenditures on energy
275.23 conservation, and its lifetime energy savings and cumulative energy savings.

275.24 (d) Each consumer-owned utility subject to this subdivision may annually spend and
275.25 invest up to ten percent of the total amount spent and invested on energy conservation
275.26 improvements under this subdivision on research and development projects that meet the
275.27 definition of energy conservation improvement and that are funded directly by the
275.28 consumer-owned utility.

275.29 (e) A generation and transmission cooperative electric association or municipal power
275.30 agency that provides energy services to consumer-owned utilities may invest in energy
275.31 conservation improvements on behalf of consumer-owned utilities it serves and may fulfill
275.32 the conservation, reporting, and energy-savings goals for any of those consumer-owned
275.33 utilities on an aggregate basis. For consumer-owned utilities electing to aggregate services
275.34 under this paragraph, multiyear plans up to three years may be filed with the commissioner.

276.1 (f) A consumer-owned utility is prohibited from spending for or investing in energy
276.2 conservation improvements that directly benefit a large energy facility or a large electric
276.3 customer facility the commissioner has issued an exemption to under section 216B.241,
276.4 subdivision 1a.

276.5 (g) The energy conservation and optimization plan of each consumer-owned utility
276.6 subject to this section must include activities to improve energy efficiency in the public
276.7 schools served by the utility. At a minimum, those activities must consist of programs to
276.8 update lighting in the school, update the heating and cooling systems of the school, provide
276.9 for building recommissioning, provide building operator training, and provide opportunities
276.10 to educate students, teachers, and staff regarding energy efficiency measures implemented
276.11 at that school.

276.12 Subd. 5. **Low-income programs.** (a) Each consumer-owned utility subject to this section
276.13 must provide energy conservation programs to low-income households. The commissioner
276.14 must evaluate a utility's plans under this section, considering the utility's historic spending
276.15 and participation levels, energy savings resulting from low-income programs, and the number
276.16 of low-income persons residing in the utility's service territory. A municipal utility that
276.17 furnishes gas service must spend at least 0.4 percent of its most recent three-year average
276.18 gross operating revenue from residential customers in Minnesota on low-income programs.
276.19 A consumer-owned utility that furnishes electric service must spend at least 0.4 percent of
276.20 its gross operating revenue from residential customers in Minnesota on low-income programs.
276.21 This requirement applies to each generation and transmission cooperative association's
276.22 members' aggregate gross operating revenue from the sale of electricity to residential
276.23 customers in Minnesota.

276.24 (b) To meet the requirements of paragraph (a), a consumer-owned utility may contribute
276.25 money to the energy and conservation account in section 216B.241, subdivision 2a. An
276.26 energy conservation improvement plan must state the amount, if any, of low-income energy
276.27 conservation improvement funds the utility plans to contribute to the energy and conservation
276.28 account. Contributions must be remitted to the commissioner by February 1 each year.

276.29 (c) The commissioner must establish low-income programs to use money contributed
276.30 to the energy and conservation account under paragraph (b). When establishing low-income
276.31 programs, the commissioner must consult political subdivisions, utilities, and nonprofit and
276.32 community organizations, including organizations engaged in providing energy and
276.33 weatherization assistance to low-income households. Money contributed to the energy and
276.34 conservation account under paragraph (b) must provide programs for low-income households,
276.35 including low-income renters, located in the service territory of the utility or association

277.1 providing the money. The commissioner must record and report expenditures and energy
277.2 savings achieved as a result of low-income programs funded through the energy and
277.3 conservation account in the report required under section 216B.241, subdivision 1c, paragraph
277.4 (f). The commissioner may contract with a political subdivision, nonprofit or community
277.5 organization, public utility, municipality, or cooperative electric association to implement
277.6 low-income programs funded through the energy and conservation account.

277.7 (d) A consumer-owned utility may petition the commissioner to modify its required
277.8 spending under this subdivision if the utility and the commissioner were unable to expend
277.9 the amount required for three consecutive years.

277.10 (e) For purposes of this subdivision, "multifamily building" means a residential building
277.11 with five or more dwelling units. Notwithstanding the definition of low-income household
277.12 in section 216B.2402, for purposes of determining eligibility for multifamily buildings in
277.13 low-income programs, a utility or association may use one or more of the following:

277.14 (1) information demonstrating a multifamily building's units are rented to households
277.15 meeting one of the following criteria:

277.16 (i) household income at or below 200 percent of federal poverty level;

277.17 (ii) household income at or below 60 percent of area median income;

277.18 (iii) occupancy within a building that is certified on the Low Income Rental Classification
277.19 (LIRC) Assessor Report compiled annually by the Minnesota Housing Finance Agency; or

277.20 (iv) occupancy within a building that has a declaration against the property requiring
277.21 that a portion of the units are rented to tenants with an annual household income less than
277.22 or equal to 60 percent of area median income;

277.23 (2) a property's participation in an affordable housing program, including low-income
277.24 housing tax credits (LIHTC), United States Department of Housing and Urban Development
277.25 (HUD) assistance, United States Department of Agriculture (USDA) assistance, Minnesota
277.26 Housing Finance Agency assistance, or local tax abatement for low-income properties; or

277.27 (3) documentation demonstrating that the property is on the waiting list for or currently
277.28 participating in the United States Department of Energy Weatherization Assistance Program.

277.29 Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric
277.30 association subject to rate regulation under section 216B.026 to recover expenses resulting
277.31 from (1) a plan under this subdivision, and (2) assessments and contributions to the energy
277.32 and conservation account under section 216B.241, subdivision 2a.

278.1 Subd. 7. **Ownership of energy conservation improvement.** An energy conservation
278.2 improvement to or installed in a building under this section, excluding a system owned by
278.3 the consumer-owned utility that is designed to turn off, limit, or vary the delivery of energy,
278.4 is the exclusive property of the building owner, except to the extent that the improvement
278.5 is subject to a security interest in favor of the utility in case of a loan to the building owner.

278.6 Subd. 8. **Criteria for efficient fuel-switching improvements.** A fuel-switching
278.7 improvement is deemed efficient if the commissioner finds the improvement, relative to
278.8 the fuel being displaced:

278.9 (1) results in a net reduction in the cost and amount of source energy consumed for a
278.10 particular use, measured on a fuel-neutral basis;

278.11 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
278.12 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
278.13 improvement installed by an electric utility, the reduction in emissions must be measured
278.14 based on the hourly emissions profile of the utility or the utility's wholesale provider. Where
278.15 applicable, the hourly emissions profile used must be the most recent resource plan approved
278.16 by the commission under section 216B.2422;

278.17 (3) is cost-effective from a societal perspective, considering the costs associated with
278.18 both the old and replacement fuels; and

278.19 (4) is installed and operated in a manner that does not unduly increase the utility's system
278.20 peak demand or require significant new investment in utility infrastructure.

278.21 Subd. 9. **Manner of filing and service.** (a) A consumer-owned utility must submit the
278.22 filings required by this section to the department using the department's electronic filing
278.23 system.

278.24 (b) The submission of a document to the department's electronic filing system constitutes
278.25 service on the department. If a department rule requires service of a notice, order, or other
278.26 document by the department, utility, or interested party upon persons on a service list
278.27 maintained by the department, service may be made by personal delivery, mail, or electronic
278.28 service. Electronic service may be made only to persons on the service list that have
278.29 previously agreed in writing to accept electronic service at an electronic address provided
278.30 to the department for electronic service purposes.

278.31 Subd. 10. **Assessment.** The commission or department may assess utilities subject to
278.32 this section to carry out the purposes of section 216B.241, subdivisions 1d, 1e, and 1f. An
278.33 assessment under this paragraph must be proportionate to the utility's respective gross

279.1 operating revenue from sales of gas or electric service in Minnesota during the previous
279.2 calendar year. Assessments under this subdivision are not subject to the cap on assessments
279.3 under section 216B.62 or any other law.

279.4 Subd. 11. **Waste heat recovery; thermal energy distribution.** Subject to department
279.5 approval, demand-side natural gas or electric energy displaced by use of waste heat recovered
279.6 and used as thermal energy, including the recovered thermal energy from a cogeneration
279.7 or combined heat and power facility, is eligible to be counted toward a consumer-owned
279.8 utility's natural gas or electric savings goals.

279.9 Sec. 19. Minnesota Statutes 2018, section 216B.241, subdivision 1a, is amended to read:

279.10 Subd. 1a. ~~Investment, expenditure, and contribution; public utility~~ Large customer
279.11 facility. ~~(a) For purposes of this subdivision and subdivision 2, "public utility" has the~~
279.12 ~~meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and~~
279.13 ~~invest for energy conservation improvements under this subdivision and subdivision 2 the~~
279.14 ~~following amounts:~~

279.15 ~~(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues~~
279.16 ~~from service provided in the state;~~

279.17 ~~(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues~~
279.18 ~~from service provided in the state; and~~

279.19 ~~(3) for a utility that furnishes electric service and that operates a nuclear-powered electric~~
279.20 ~~generating plant within the state, two percent of its gross operating revenues from service~~
279.21 ~~provided in the state.~~

279.22 ~~For purposes of this paragraph (a), "gross operating revenues" do not include revenues~~
279.23 ~~from large customer facilities exempted under paragraph (b), or from commercial gas~~
279.24 ~~customers that are exempted under paragraph (c) or (e).~~

279.25 ~~(b)~~ (a) The owner of a large customer facility may petition the commissioner to exempt
279.26 both electric and gas utilities serving the large customer facility from the investment and
279.27 expenditure requirements of ~~paragraph (a)~~ a utility's plan under this section or section
279.28 216B.2403 with respect to retail revenues attributable to the large customer facility. The
279.29 filing must include a discussion of the competitive or economic pressures facing the owner
279.30 of the facility and the efforts taken by the owner to identify, evaluate, and implement energy
279.31 conservation and efficiency improvements. A filing submitted on or before October 1 of
279.32 any year must be approved within 90 days and become effective January 1 of the year
279.33 following the filing, unless the commissioner finds that the owner of the large customer

280.1 facility has failed to take reasonable measures to identify, evaluate, and implement energy
280.2 conservation and efficiency improvements. If a facility qualifies as a large customer facility
280.3 solely due to its peak electrical demand or annual natural gas usage, the exemption may be
280.4 limited to the qualifying utility if the commissioner finds that the owner of the large customer
280.5 facility has failed to take reasonable measures to identify, evaluate, and implement energy
280.6 conservation and efficiency improvements with respect to the nonqualifying utility. Once
280.7 an exemption is approved, the commissioner may request the owner of a large customer
280.8 facility to submit, not more often than once every five years, a report demonstrating the
280.9 large customer facility's ongoing commitment to energy conservation and efficiency
280.10 improvement after the exemption filing. The commissioner may request such reports for
280.11 up to ten years after the effective date of the exemption, unless the majority ownership of
280.12 the large customer facility changes, in which case the commissioner may request additional
280.13 reports for up to ten years after the change in ownership occurs. The commissioner may,
280.14 within 180 days of receiving a report submitted under this paragraph, rescind any exemption
280.15 granted under this paragraph upon a determination that the large customer facility is not
280.16 continuing to make reasonable efforts to identify, evaluate, and implement energy
280.17 conservation improvements. A large customer facility that is, under an order from the
280.18 commissioner, exempt from the investment and expenditure requirements of paragraph (a)
280.19 as of December 31, 2010, is not required to submit a report to retain its exempt status, except
280.20 as otherwise provided in this paragraph with respect to ownership changes. No exempt large
280.21 customer facility may participate in a utility conservation improvement program unless the
280.22 owner of the facility submits a filing with the commissioner to withdraw its exemption.

280.23 ~~(e)~~(b) A commercial gas customer that is not a large customer facility and that purchases
280.24 or acquires natural gas from a public utility having fewer than 600,000 natural gas customers
280.25 in Minnesota may petition the commissioner to exempt gas utilities serving the commercial
280.26 gas customer from the investment and expenditure requirements of ~~paragraph (a)~~ a utility's
280.27 plan under this section or section 216B.2403 with respect to retail revenues attributable to
280.28 the commercial gas customer. The petition must be supported by evidence demonstrating
280.29 that the commercial gas customer has acquired or can reasonably acquire the capability to
280.30 bypass use of the utility's gas distribution system by obtaining natural gas directly from a
280.31 supplier not regulated by the commission. The commissioner shall grant the exemption if
280.32 the commissioner finds that the petitioner has made the demonstration required by this
280.33 paragraph.

280.34 ~~(d)~~(c) The commissioner may require investments or spending greater than the amounts
280.35 required under this subdivision for a public utility whose most recent advance forecast

281.1 required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100
 281.2 megawatts or greater within five years under midrange forecast assumptions.

281.3 ~~(e)~~ (d) A public utility or owner of a large customer facility may appeal a decision of
 281.4 the commissioner under paragraph (a) or (b), ~~(e), or (d)~~ to the commission under subdivision
 281.5 2. In reviewing a decision of the commissioner under paragraph (a) or (b), ~~(e), or (d)~~, the
 281.6 commission shall rescind the decision if it finds ~~that the required investments or spending~~
 281.7 ~~will:~~

281.8 ~~(1) not result in cost-effective energy conservation improvements; or~~

281.9 ~~(2) otherwise~~ the decision is not be in the public interest.

281.10 (e) A public utility is prohibited from spending for or investing in energy conservation
 281.11 improvements that directly benefit a large energy facility or a large electric customer facility
 281.12 the commissioner has issued an exemption to under this section.

281.13 Sec. 20. Minnesota Statutes 2018, section 216B.241, subdivision 1c, is amended to read:

281.14 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
 281.15 energy-saving goals for energy conservation improvement expenditures and shall evaluate
 281.16 an energy conservation improvement program on how well it meets the goals set.

281.17 (b) Each individual public utility and association shall have providing electric service
 281.18 has an annual energy-savings goal equivalent to 1.75 percent of gross annual retail
 281.19 energy sales unless modified by the commissioner under paragraph ~~(d)~~ (c). A public utility
 281.20 providing natural gas service has an annual energy-savings goal equivalent to one percent
 281.21 of gross annual retail energy sales, which cannot be lowered by the commissioner. The
 281.22 savings goals must be calculated based on the most recent three-year weather-normalized
 281.23 average. A public utility or association providing electric service may elect to carry forward
 281.24 energy savings in excess of 1.75 percent for a year to the succeeding three calendar
 281.25 years, except that savings from electric utility infrastructure projects allowed under paragraph
 281.26 ~~(d)~~ may be carried forward for five years. A public utility providing natural gas service may
 281.27 elect to carry forward energy savings in excess of one percent for a year to the succeeding
 281.28 three calendar years. A particular energy savings can be used only for one year's goal.

281.29 ~~(e) The commissioner must adopt a filing schedule that is designed to have all utilities~~
 281.30 ~~and associations operating under an energy-savings plan by calendar year 2010.~~

281.31 ~~(d)~~ (c) In its energy conservation improvement and optimization plan filing, a public
 281.32 utility or association may request the commissioner to adjust its annual energy-savings
 281.33 percentage goal based on its historical conservation investment experience, customer class

282.1 makeup, load growth, a conservation potential study, or other factors the commissioner
282.2 determines warrants an adjustment. The commissioner may not approve a plan of a public
282.3 utility that provides for an annual energy-savings goal of less than one percent of gross
282.4 annual retail energy sales from energy conservation improvements.

282.5 (d) A public utility or association may include in its energy conservation and optimization
282.6 plan energy savings from electric utility infrastructure projects approved by the commission
282.7 under section 216B.1636 or waste heat recovery converted into electricity projects that may
282.8 count as energy savings in addition to a minimum energy-savings goal of at least one percent
282.9 for energy conservation improvements. The balance of energy savings contributing toward
282.10 the annual energy savings goal must be achieved by: (1) energy savings from additional
282.11 energy conservation improvements; or (2) electric utility infrastructure projects, as defined
282.12 in section 216B.1636, subdivision 1, that Energy savings from electric utility infrastructure
282.13 projects, as defined in section 216B.1636, may be included in the energy conservation plan
282.14 of a municipal utility or cooperative electric association. Electric utility infrastructure projects
282.15 must result in increased energy efficiency greater than that which would have occurred
282.16 through normal maintenance activity.

282.17 ~~(e) An energy-savings goal is not satisfied by attaining the revenue expenditure~~
282.18 ~~requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the~~
282.19 ~~energy-savings goal established in this subdivision.~~

282.20 ~~(f) An association or~~ (e) A public utility is not required to make energy conservation
282.21 investments to attain the energy-savings goals of this subdivision that are not cost-effective
282.22 even if the investment is necessary to attain the energy-savings goals. For the purpose of
282.23 this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs
282.24 and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner
282.25 shall consider the rate at which ~~an association or municipal~~ a public utility is increasing its
282.26 energy savings and its expenditures on energy conservation, as well as the public utility's
282.27 lifetime energy savings and cumulative energy savings.

282.28 ~~(g) (f)~~ (f) On an annual basis, the commissioner shall produce and make publicly available
282.29 a report on the annual energy and capacity savings and estimated carbon dioxide reductions
282.30 achieved by the ~~energy conservation improvement~~ programs under this section and section
282.31 216B.2403 for the two most recent years for which data is available. The report must also
282.32 include information regarding any annual energy sales or generation capacity increases
282.33 resulting from efficient fuel-switching improvements. The commissioner shall report on
282.34 program performance both in the aggregate and for each entity filing an energy conservation

283.1 improvement plan for approval or review by the commissioner, and must provide an estimate
283.2 for progress toward the statewide energy-savings goal under section 216B.2401.

283.3 ~~(h) By January 15, 2010, the commissioner shall report to the legislature whether the~~
283.4 ~~spending requirements under subdivisions 1a and 1b are necessary to achieve the~~
283.5 ~~energy-savings goals established in this subdivision.~~

283.6 ~~(i) This subdivision does not apply to:~~

283.7 ~~(1) a cooperative electric association with fewer than 5,000 members;~~

283.8 ~~(2) a municipal utility with fewer than 1,000 retail electric customers; or~~

283.9 ~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales~~
283.10 ~~to retail natural gas customers.~~

283.11 Sec. 21. Minnesota Statutes 2018, section 216B.241, subdivision 1d, is amended to read:

283.12 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
283.13 improvement programs under this section and section 216B.2403 on the basis of
283.14 cost-effectiveness and the reliability of the technologies employed. The commissioner shall,
283.15 by order, establish, maintain, and update energy-savings assumptions that must be used
283.16 when filing energy conservation improvement programs. The department must track a public
283.17 utility's or consumer-owned utility's lifetime energy savings and cumulative lifetime energy
283.18 savings provided to the commissioner in plans submitted under this section. The
283.19 commissioner shall establish an inventory of the most effective energy conservation
283.20 programs, techniques, and technologies, and encourage all Minnesota utilities to implement
283.21 them, where appropriate, in their service territories. The commissioner shall describe these
283.22 programs in sufficient detail to provide a utility reasonable guidance concerning
283.23 implementation. The commissioner shall prioritize the opportunities in order of potential
283.24 energy savings and in order of cost-effectiveness. The commissioner may contract with a
283.25 third party to carry out any of the commissioner's duties under this subdivision, and to obtain
283.26 technical assistance to evaluate the effectiveness of any conservation improvement program.
283.27 The commissioner may assess up to \$850,000 annually for the purposes of this subdivision.
283.28 The assessments must be deposited in the state treasury and credited to the energy and
283.29 conservation account created under subdivision 2a. An assessment made under this
283.30 subdivision is not subject to the cap on assessments provided by section 216B.62, or any
283.31 other law.

283.32 ~~(b) Of the assessment authorized under paragraph (a), the commissioner may expend~~
283.33 ~~up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing~~

284.1 ~~technical support for a uniform electronic data reporting and tracking system available to~~
284.2 ~~all utilities subject to this section, in order to enable accurate measurement of the cost and~~
284.3 ~~energy savings of the energy conservation improvements required by this section. This~~
284.4 ~~paragraph expires June 30, 2018. By March 15 of the year following the enactment of this~~
284.5 ~~section, the commissioner must, by order, develop and publish technical information~~
284.6 ~~necessary to evaluate whether deployment of a fuel-switching improvement meets the~~
284.7 ~~criteria established under subdivision 11, paragraph (c), and section 216B.2403, subdivision~~
284.8 ~~8, including the formula to account for the energy saved by a fuel-switching improvement~~
284.9 ~~on a fuel-neutral basis. The commissioner must update the technical information as necessary.~~

284.10 Sec. 22. Minnesota Statutes 2018, section 216B.241, subdivision 1f, is amended to read:

284.11 Subd. 1f. **Facilities energy efficiency.** (a) The commissioner of administration and the
284.12 commissioner of commerce shall maintain and, as needed, revise the sustainable building
284.13 design guidelines developed under section 16B.325.

284.14 (b) The commissioner of administration and the commissioner of commerce shall maintain
284.15 and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section
284.16 3, so that all public buildings can use the benchmarking tool to maintain energy use
284.17 information for the purposes of establishing energy efficiency benchmarks, tracking building
284.18 performance, and measuring the results of energy efficiency and conservation improvements.

284.19 (c) The commissioner shall require that utilities include in their conservation improvement
284.20 plans programs that facilitate professional engineering verification to qualify a building as
284.21 Energy Star-labeled, Leadership in Energy and Environmental Design (LEED) certified, or
284.22 Green Globes-certified. ~~The state goal is to achieve certification of 1,000 commercial~~
284.23 ~~buildings as Energy Star-labeled, and 100 commercial buildings as LEED-certified or Green~~
284.24 ~~Globes-certified by December 31, 2010.~~

284.25 (d) The commissioner may assess up to \$500,000 annually for the purposes of this
284.26 subdivision. The assessments must be deposited in the state treasury and credited to the
284.27 energy and conservation account created under subdivision 2a. An assessment made under
284.28 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
284.29 any other law.

284.30 Sec. 23. Minnesota Statutes 2018, section 216B.241, subdivision 2, is amended to read:

284.31 Subd. 2. **Programs Public utility; energy conservation and optimization plans.** (a)
284.32 The commissioner may require public utilities to make investments and expenditures in
284.33 energy conservation improvements, explicitly setting forth the interest rates, prices, and

285.1 terms under which the improvements must be offered to the customers. The required
285.2 programs must cover no more than a three-year period. Public utilities shall file energy
285.3 conservation ~~improvement~~ and optimization plans by June 1, on a schedule determined by
285.4 order of the commissioner, but at least every three years. As provided in subdivision 11,
285.5 plans may include programs for efficient fuel-switching improvements and load management.
285.6 An individual utility program may combine elements of energy conservation, load
285.7 management, or efficient fuel-switching. Plans received by a public utility by June 1 must
285.8 be approved or approved as modified by the commissioner by December 1 of that same
285.9 year. The plan must account for the lifetime energy savings and cumulative lifetime savings
285.10 under the plan. The commissioner shall evaluate the program on the basis of
285.11 cost-effectiveness and the reliability of technologies employed. The commissioner's order
285.12 must provide to the extent practicable for a free choice, by consumers participating in the
285.13 program, of the device, method, material, or project constituting the energy conservation
285.14 improvement and for a free choice of the seller, installer, or contractor of the energy
285.15 conservation improvement, provided that the device, method, material, or project seller,
285.16 installer, or contractor is duly licensed, certified, approved, or qualified, including under
285.17 the residential conservation services program, where applicable.

285.18 (b) The commissioner may require a utility subject to subdivision 1c to make an energy
285.19 conservation improvement investment or expenditure whenever the commissioner finds
285.20 that the improvement will result in energy savings at a total cost to the utility less than the
285.21 cost to the utility to produce or purchase an equivalent amount of new supply of energy.
285.22 ~~The commissioner shall nevertheless ensure that every public utility operate one or more~~
285.23 ~~programs under periodic review by the department.~~

285.24 (c) Each public utility subject to this subdivision ~~1a~~ may spend and invest annually up
285.25 to ten percent of the total amount ~~required to be~~ spent and invested on energy conservation
285.26 improvements under this section by the utility on research and development projects that
285.27 meet the definition of energy conservation improvement in subdivision 1 and that are funded
285.28 directly by the public utility.

285.29 (d) ~~A public utility may not spend for or invest in energy conservation improvements~~
285.30 ~~that directly benefit a large energy facility or a large electric customer facility for which the~~
285.31 ~~commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b).~~ The
285.32 commissioner shall consider and may require a public utility to undertake a program
285.33 suggested by an outside source, including a political subdivision, a nonprofit corporation,
285.34 or community organization.

286.1 (e) A utility, a political subdivision, or a nonprofit or community organization that has
286.2 suggested a program, the attorney general acting on behalf of consumers and small business
286.3 interests, or a utility customer that has suggested a program and is not represented by the
286.4 attorney general under section 8.33 may petition the commission to modify or revoke a
286.5 department decision under this section, and the commission may do so if it determines that
286.6 the program is not cost-effective, does not adequately address the residential conservation
286.7 improvement needs of low-income persons, has a long-range negative effect on one or more
286.8 classes of customers, or is otherwise not in the public interest. The commission shall reject
286.9 a petition that, on its face, fails to make a reasonable argument that a program is not in the
286.10 public interest.

286.11 (f) The commissioner may order a public utility to include, with the filing of the utility's
286.12 annual status report, the results of an independent audit of the utility's conservation
286.13 improvement programs and expenditures performed by the department or an auditor with
286.14 experience in the provision of energy conservation and energy efficiency services approved
286.15 by the commissioner and chosen by the utility. The audit must specify the energy savings
286.16 or increased efficiency in the use of energy within the service territory of the utility that is
286.17 the result of the spending and investments. The audit must evaluate the cost-effectiveness
286.18 of the utility's conservation programs.

286.19 ~~(g) A gas utility may not spend for or invest in energy conservation improvements that~~
286.20 ~~directly benefit a large customer facility or commercial gas customer facility for which the~~
286.21 ~~commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or~~
286.22 ~~(e). The commissioner shall consider and may require a utility to undertake a program~~
286.23 ~~suggested by an outside source, including a political subdivision, a nonprofit corporation,~~
286.24 ~~or a community organization.~~

286.25 (g) The energy conservation and optimization plan for each public utility subject to this
286.26 section must include activities to improve energy efficiency in public schools served by the
286.27 utility. At a minimum, the efficiency in schools component must consist of programs to
286.28 update lighting in schools, update heating and cooling systems in schools, provide for
286.29 building recommissioning, provide building operator training, and provide opportunities to
286.30 educate students, teachers, and staff regarding energy efficiency measures implemented at
286.31 the school.

286.32 Sec. 24. Minnesota Statutes 2018, section 216B.241, subdivision 2b, is amended to read:

286.33 Subd. 2b. **Recovery of expenses.** The commission shall allow a public utility to recover
286.34 expenses resulting from a an energy conservation improvement program required and

287.1 optimization plan approved by the department under this section and contributions and
287.2 assessments to the energy and conservation account, unless the recovery would be
287.3 inconsistent with a financial incentive proposal approved by the commission. ~~The commission~~
287.4 ~~shall allow a cooperative electric association subject to rate regulation under section~~
287.5 ~~216B.026, to recover expenses resulting from energy conservation improvement programs,~~
287.6 ~~load management programs, and assessments and contributions to the energy and~~
287.7 ~~conservation account unless the recovery would be inconsistent with a financial incentive~~
287.8 ~~proposal approved by the commission.~~ In addition, a public utility may file annually, or the
287.9 Public Utilities Commission may require the utility to file, and the commission may approve,
287.10 rate schedules containing provisions for the automatic adjustment of charges for utility
287.11 service in direct relation to changes in the expenses of the utility for real and personal
287.12 property taxes, fees, and permits, the amounts of which the utility cannot control. A public
287.13 utility is eligible to file for adjustment for real and personal property taxes, fees, and permits
287.14 under this subdivision only if, in the year previous to the year in which it files for adjustment,
287.15 it has spent or invested at least 1.75 percent of its gross revenues from provision of electric
287.16 service, excluding gross operating revenues from electric service provided in the state to
287.17 large electric customer facilities for which the commissioner has issued an exemption under
287.18 subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas
287.19 service, excluding gross operating revenues from gas services provided in the state to large
287.20 electric customer facilities for which the commissioner has issued an exemption under
287.21 subdivision 1a, paragraph (b), for that year for energy conservation improvements under
287.22 this section.

287.23 Sec. 25. Minnesota Statutes 2018, section 216B.241, subdivision 3, is amended to read:

287.24 Subd. 3. **Ownership of energy conservation improvement.** ~~An~~ A preweatherization
287.25 measure or energy conservation improvement made to or installed in a building in accordance
287.26 with this section, except systems owned by the utility and designed to turn off, limit, or vary
287.27 the delivery of energy, are the exclusive property of the owner of the building except to the
287.28 extent that the improvement is subjected to a security interest in favor of the utility in case
287.29 of a loan to the building owner. The utility has no liability for loss, damage or injury caused
287.30 directly or indirectly by ~~an~~ a preweatherization measure or energy conservation improvement
287.31 except for negligence by the utility in purchase, installation, or modification of the product.

287.32 Sec. 26. Minnesota Statutes 2018, section 216B.241, subdivision 5, is amended to read:

287.33 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric
287.34 association, and municipal utility that provides electric service to retail customers and is

288.1 subject to subdivision 1c shall include as part of its conservation improvement activities a
288.2 program to strongly encourage the use of ~~fluorescent and high-intensity discharge lamps~~
288.3 LEDs. The program must include at least a public information campaign to encourage use
288.4 of ~~the lamps~~ LEDs and proper management of spent lamps and LEDs by all customer
288.5 classifications.

288.6 (b) A public utility that provides electric service at retail to 200,000 or more customers
288.7 shall establish, either directly or through contracts with other persons, including lamp
288.8 manufacturers, distributors, wholesalers, and retailers and local government units, a system
288.9 to collect for delivery to a reclamation or recycling facility spent fluorescent and
288.10 high-intensity discharge lamps from households and from small businesses as defined in
288.11 section 645.445 that generate an average of fewer than ten spent lamps per year.

288.12 (c) A collection system must include establishing reasonably convenient locations for
288.13 collecting spent lamps from households and financial incentives sufficient to encourage
288.14 spent lamp generators to take the lamps to the collection locations. Financial incentives may
288.15 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash
288.16 back system, or any other financial incentive or group of incentives designed to collect the
288.17 maximum number of spent lamps from households and small businesses that is reasonably
288.18 feasible.

288.19 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,
288.20 a cooperative electric association, or a municipal utility that provides electric service at
288.21 retail to customers may establish a collection system under paragraphs (b) and (c) as part
288.22 of conservation improvement activities required under this section.

288.23 (e) The commissioner of the Pollution Control Agency may not, unless clearly required
288.24 by federal law, require a public utility, cooperative electric association, or municipality that
288.25 establishes a household fluorescent and high-intensity discharge lamp collection system
288.26 under this section to manage the lamps as hazardous waste as long as the lamps are managed
288.27 to avoid breakage and are delivered to a recycling or reclamation facility that removes
288.28 mercury and other toxic materials contained in the lamps prior to placement of the lamps
288.29 in solid waste.

288.30 (f) If a public utility, cooperative electric association, or municipal utility contracts with
288.31 a local government unit to provide a collection system under this subdivision, the contract
288.32 must provide for payment to the local government unit of all the unit's incremental costs of
288.33 collecting and managing spent lamps.

289.1 (g) All the costs incurred by a public utility, cooperative electric association, or municipal
289.2 utility for promotion and collection of fluorescent and high-intensity discharge lamps under
289.3 this subdivision are conservation improvement spending under this section.

289.4 (h) For the purposes of this section, "LED" means a light-emitting diode bulb or lighting
289.5 product.

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

289.7 Sec. 27. Minnesota Statutes 2018, section 216B.241, subdivision 7, is amended to read:

289.8 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public
289.9 utility and association subject to subdivision 1c provides low-income energy conservation
289.10 programs to low-income households. When approving spending and energy-savings goals
289.11 for low-income programs, the commissioner shall consider historic spending and participation
289.12 levels, energy savings for low-income programs, and the number of low-income persons
289.13 residing in the utility's service territory. ~~A municipal utility that furnishes gas service must~~
289.14 ~~spend at least 0.2 percent, and a public utility furnishing gas service must spend at least 0.4~~
289.15 0.8 percent, of its most recent three-year average gross operating revenue from residential
289.16 customers in the state on low-income programs. A public utility or association that furnishes
289.17 electric service must spend at least 0.4 0.4 percent of its gross operating revenue from
289.18 residential customers in the state on low-income programs. For a generation and transmission
289.19 cooperative association, this requirement shall apply to each association's members' aggregate
289.20 gross operating revenue from sale of electricity to residential customers in the state.
289.21 ~~Beginning in 2010, A utility or association that furnishes electric service must spend 0.2~~
289.22 ~~percent of its gross operating revenue from residential customers in the state on low-income~~
289.23 ~~programs.~~

289.24 (b) To meet the requirements of paragraph (a), a public utility or association may
289.25 contribute money to the energy and conservation account. An energy conservation
289.26 improvement plan must state the amount, if any, of low-income energy conservation
289.27 improvement funds the public utility or association will contribute to the energy and
289.28 conservation account. Contributions must be remitted to the commissioner by February 1
289.29 of each year.

289.30 (c) The commissioner shall establish low-income programs to utilize money contributed
289.31 to the energy and conservation account under paragraph (b). In establishing low-income
289.32 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
289.33 community organizations, especially organizations engaged in providing energy and
289.34 weatherization assistance to low-income ~~persons~~ households. Money contributed to the

290.1 energy and conservation account under paragraph (b) must provide programs for low-income
290.2 ~~persons~~ households, including low-income renters, in the service territory of the public
290.3 utility or association providing the money. The commissioner shall record and report
290.4 expenditures and energy savings achieved as a result of low-income programs funded
290.5 through the energy and conservation account in the report required under subdivision 1c,
290.6 paragraph (g). The commissioner may contract with a political subdivision, nonprofit or
290.7 community organization, public utility, municipality, or cooperative electric association to
290.8 implement low-income programs funded through the energy and conservation account.

290.9 (d) A public utility or association may petition the commissioner to modify its required
290.10 spending under paragraph (a) if the utility or association and the commissioner have been
290.11 unable to expend the amount required under paragraph (a) for three consecutive years.

290.12 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
290.13 building with five or more dwelling units. Notwithstanding the definition of low-income
290.14 household in section 216B.2402, for purposes of determining eligibility for multifamily
290.15 buildings in low-income programs, a utility or association may use one or more of the
290.16 following:

290.17 (1) information demonstrating a multifamily building's units are rented to households
290.18 meeting one of the following criteria:

290.19 (i) household income at or below 200 percent of federal poverty level;

290.20 (ii) household income at or below 60 percent of area median income;

290.21 (iii) occupancy within a building that is certified on the Low Income Renter Classification
290.22 (LIRC) Assessor Report compiled annually by Minnesota Housing Finance Agency; or

290.23 (iv) occupancy within a building which has a declaration against the property requiring
290.24 that a portion of the units are rented to tenants with an annual household income less than
290.25 or equal to 60 percent of area median income;

290.26 (2) a property's participation in an affordable housing program, including low-income
290.27 housing tax credits (LIHTC), United States Department of Housing and Urban Development
290.28 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
290.29 finance agency assistance, or local tax abatement for low-income properties; or

290.30 (3) documentation demonstrating that the property is on the waiting list for or currently
290.31 participating in the United States Department of Energy Weatherization Assistance Program.

290.32 (f) Up to 15 percent of a public utility's spending on low-income programs may be spent
290.33 on preweatherization measures. For purposes of this section and section 216B.241,

291.1 subdivision 3, "preweatherization measure" means an improvement that is necessary to
291.2 allow energy conservation improvements to be installed in a home.

291.3 (1) The commissioner must, by order, establish a list of qualifying preweatherization
291.4 measures eligible for inclusion in low-income programs no later than March 15 of the year
291.5 following enactment of this section.

291.6 (2) A public utility may elect to contribute money to the Healthy Asbestos Insulation
291.7 Removal (AIR) program administered by the department. Money contributed to the fund
291.8 counts toward the minimum low-income spending requirement in paragraph (a) and toward
291.9 the cap on preweatherization measures.

291.10 ~~(e)~~ (g) The costs and benefits associated with any approved low-income gas or electric
291.11 conservation improvement program that is not cost-effective when considering the costs
291.12 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
291.13 of net economic benefits for purposes of calculating the financial incentive to the utility.
291.14 The energy and demand savings may, at the discretion of the utility, be applied toward the
291.15 calculation of overall portfolio energy and demand savings for purposes of determining
291.16 progress toward annual goals and in the financial incentive mechanism.

291.17 Sec. 28. Minnesota Statutes 2018, section 216B.241, subdivision 9, is amended to read:

291.18 Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The purpose
291.19 of this subdivision is to establish cost-effective energy-efficiency performance standards
291.20 for new and substantially reconstructed commercial, industrial, and institutional buildings
291.21 that can significantly reduce carbon dioxide emissions by lowering energy use in new and
291.22 substantially reconstructed buildings. For the purposes of this subdivision, the establishment
291.23 of these standards may be referred to as Sustainable Building 2030.

291.24 (b) The commissioner shall contract with the Center for Sustainable Building Research
291.25 at the University of Minnesota to coordinate development and implementation of
291.26 energy-efficiency performance standards, strategic planning, research, data analysis,
291.27 technology transfer, training, and other activities related to the purpose of Sustainable
291.28 Building 2030. The commissioner and the Center for Sustainable Building Research shall,
291.29 in consultation with utilities, builders, developers, building operators, and experts in building
291.30 design and technology, develop a Sustainable Building 2030 implementation plan that must
291.31 address, at a minimum, the following issues:

291.32 (1) training architects to incorporate the performance standards in building design;

292.1 (2) incorporating the performance standards in utility conservation improvement
292.2 programs; and

292.3 (3) developing procedures for ongoing monitoring of energy use in buildings that have
292.4 adopted the performance standards.

292.5 The plan must be submitted to the chairs and ranking minority members of the senate and
292.6 house of representatives committees with primary jurisdiction over energy policy by July
292.7 1, 2009.

292.8 (c) Sustainable Building 2030 energy-efficiency performance standards must be firm,
292.9 quantitative measures of total building energy use and associated carbon dioxide emissions
292.10 per square foot for different building types and uses, that allow for accurate determinations
292.11 of a building's conformance with a performance standard. Performance standards must
292.12 address energy use by electric vehicle charging infrastructure in or adjacent to buildings as
292.13 that infrastructure begins to be made widely available. The energy-efficiency performance
292.14 standards must be updated every three or five years to incorporate all cost-effective measures.
292.15 The performance standards must reflect the reductions in carbon dioxide emissions per
292.16 square foot resulting from actions taken by utilities to comply with the renewable energy
292.17 standards in section 216B.1691. The performance standards should be designed to achieve
292.18 reductions equivalent to the following reduction schedule, measured against energy
292.19 consumption by an average building in each applicable building sector in 2003: (1) 60
292.20 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90 percent in 2025.
292.21 A performance standard must not be established or increased absent a conclusive engineering
292.22 analysis that it is cost-effective based upon established practices used in evaluating utility
292.23 conservation improvement programs.

292.24 (d) The annual amount of the contract with the Center for Sustainable Building Research
292.25 is up to \$500,000. The Center for Sustainable Building Research shall expend no more than
292.26 \$150,000 of this amount each year on administration, coordination, and oversight activities
292.27 related to Sustainable Building 2030. Up to an additional \$150,000 of this amount may be
292.28 used by the Center for Sustainable Building Research to provide technical assistance to
292.29 local jurisdictions that adopt a voluntary stretch code under section 326B.106, subdivision
292.30 16, that conforms to Sustainable Building 2030. The balance of contract funds must be spent
292.31 on substantive programmatic activities allowed under this subdivision that may be conducted
292.32 by the Center for Sustainable Building Research and others, and for subcontracts with
292.33 not-for-profit energy organizations, architecture and engineering firms, and other qualified
292.34 entities to undertake technical projects and activities in support of Sustainable Building
292.35 2030. The primary work to be accomplished each year by qualified technical experts under

293.1 subcontracts is the development and thorough justification of recommendations for specific
293.2 energy-efficiency performance standards. Additional work may include:

293.3 (1) research, development, and demonstration of new energy-efficiency technologies
293.4 and techniques suitable for commercial, industrial, and institutional buildings;

293.5 (2) analysis and evaluation of practices in building design, construction, commissioning
293.6 and operations, and analysis and evaluation of energy use in the commercial, industrial, and
293.7 institutional sectors;

293.8 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable
293.9 Building 2030 performance standards, conservation improvement programs, and building
293.10 energy codes;

293.11 (4) development and delivery of training programs for architects, engineers,
293.12 commissioning agents, technicians, contractors, equipment suppliers, developers, and others
293.13 in the building industries; and

293.14 (5) analysis and evaluation of the effect of building operations on energy use.

293.15 (e) The commissioner shall require utilities to develop and implement conservation
293.16 improvement programs that are expressly designed to achieve energy efficiency goals
293.17 consistent with the Sustainable Building 2030 performance standards. These programs must
293.18 include offerings of design assistance and modeling, financial incentives, and the verification
293.19 of the proper installation of energy-efficient design components in new and substantially
293.20 reconstructed buildings. The programs must be available to customers in local jurisdictions
293.21 that adopt a voluntary stretch code under section 326B.106, subdivision 16. A utility's design
293.22 assistance program must consider the strategic planting of trees and shrubs around buildings
293.23 as an energy conservation strategy for the designed project. A utility making an expenditure
293.24 under its conservation improvement program that results in a building meeting the Sustainable
293.25 Building 2030 performance standards may claim the energy savings toward its energy-savings
293.26 goal established in subdivision 1c.

293.27 (f) The commissioner shall report to the legislature every three years, beginning January
293.28 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable Building
293.29 2030 performance standards and shall make recommendations on the need to continue the
293.30 program as described in this section.

294.1 Sec. 29. Minnesota Statutes 2018, section 216B.241, is amended by adding a subdivision
294.2 to read:

294.3 **Subd. 11. Programs for efficient fuel-switching improvements and load**
294.4 **management.** (a) A public utility subject to this section may include in its plan required
294.5 under subdivision 2 programs for (1) efficient fuel-switching improvements and load
294.6 management, or (2) combinations of energy conservation improvements, fuel-switching
294.7 improvements, and load management. For each program, the utility must provide proposed
294.8 budgets, cost-effectiveness analyses, and estimated net energy and demand savings.

294.9 (b) The department may approve proposed programs for efficient fuel-switching
294.10 improvements if it finds the improvements meet the requirements of paragraph (e). For
294.11 improvements requiring the deployment of electric technologies, the department must also
294.12 consider whether the fuel-switching improvement can be operated in a manner that facilitates
294.13 the integration of variable renewable energy into the electric system. The net benefits from
294.14 an efficient fuel-switching improvement that is integrated with an energy efficiency program
294.15 approved under this section may be counted toward the net benefits of the energy efficiency
294.16 program, provided the department finds the primary purpose and effect of the program is
294.17 energy efficiency.

294.18 (c) The department may approve a proposed program in load management if it finds the
294.19 program investment is cost-effective after considering the costs and benefits of the proposed
294.20 investment to ratepayers, the utility, participants, and society. The net benefits from a load
294.21 management activity that is integrated with an energy efficiency program approved under
294.22 this section may be counted toward the net benefits of the energy efficiency program,
294.23 provided the department finds the primary purpose and effect of the program is energy
294.24 efficiency.

294.25 (d) The commission may permit a public utility to file rate schedules that provide for
294.26 annual cost recovery for efficient fuel-switching improvements and cost-effective load
294.27 management programs approved by the department, including reasonable and prudent costs
294.28 to implement and promote programs approved under this subdivision. The commission may
294.29 approve, modify, or reject a proposal made by the department or a utility for an incentive
294.30 plan to encourage investments in load management programs, applying the considerations
294.31 established under section 216B.16, subdivision 6c, paragraphs (b) and (c). The commission
294.32 must not approve a financial incentive to encourage efficient fuel-switching programs. The
294.33 commission may structure an incentive plan to encourage cost-effective load management
294.34 programs as a regulatory asset on which a public utility could earn a rate of return. A utility

295.1 is not eligible for a financial incentive under this subdivision in any year the utility or
295.2 association does not achieve its minimum energy-savings goal.

295.3 (e) A fuel-switching improvement is deemed efficient if the commissioner finds the
295.4 improvement, relative to the fuel that is being displaced, meets the following criteria:

295.5 (1) results in a net reduction in the cost and amount of source energy consumed for a
295.6 particular use, measured on a fuel-neutral basis;

295.7 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section
295.8 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
295.9 improvement installed by an electric utility, the change in emissions must be measured
295.10 based on the hourly emission profile of the electric utility, using the hourly emissions profile
295.11 in the most recent resource plan approved by the commission under section 216B.2422;

295.12 (3) is cost-effective from a societal perspective, considering the costs associated with
295.13 both the old and replacement fuels; and

295.14 (4) is installed and operated in a manner that does not unduly increase the utility's system
295.15 peak demand or require significant new investment in utility infrastructure.

295.16 Sec. 30. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

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

295.19 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
295.20 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
295.21 customers in Minnesota. Utility does not include federal power agencies.

295.22 (c) "Renewable energy" means electricity generated through use of any of the following
295.23 resources:

295.24 (1) wind;

295.25 (2) solar;

295.26 (3) geothermal;

295.27 (4) hydro;

295.28 (5) trees or other vegetation;

295.29 (6) landfill gas; or

296.1 (7) predominantly organic components of wastewater effluent, sludge, or related
296.2 by-products from publicly owned treatment works, but not including incineration of
296.3 wastewater sludge.

296.4 (d) "Resource plan" means a set of resource options that a utility could use to meet the
296.5 service needs of its customers over a forecast period, including an explanation of the supply
296.6 and demand circumstances under which, and the extent to which, each resource option
296.7 would be used to meet those service needs. These resource options include using,
296.8 refurbishing, and constructing utility plant and equipment, buying power generated by other
296.9 entities, controlling customer loads, and implementing customer energy conservation.

296.10 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
296.11 resource of 30 megawatts or greater.

296.12 (f) "Clean energy resource" means renewable energy, an energy storage system, energy
296.13 efficiency, as defined in section 216B.2402, paragraph (g), or load management, as defined
296.14 in section 216B.2402, paragraph (o).

296.15 (g) "Carbon-free resource" means a generation technology that, when operating, does
296.16 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,
296.17 subdivision 2. Carbon-free resource does not include a nuclear-powered electric generation
296.18 facility operating in Minnesota on the effective date of this act.

296.19 (h) "Energy storage system" means a commercially available technology that:

296.20 (1) uses mechanical, chemical, or thermal processes to:

296.21 (i) store energy and deliver the stored energy for use at a later time; or

296.22 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
296.23 that reduces the demand for energy at the later time;

296.24 (2) if being used for electric grid benefits, is:

296.25 (i) operationally visible to the distribution or transmission entity managing it; and

296.26 (ii) capable of being controlled by the distribution or transmission entity to enable and
296.27 optimize the safe and reliable operation of the electric system; and

296.28 (3) achieves any of the following:

296.29 (i) reduces peak electrical demand;

296.30 (ii) defers the need or substitutes for an investment in electric generation, transmission,
296.31 or distribution assets;

297.1 (iii) improves the reliable operation of the electrical transmission or distribution systems;

297.2 or

297.3 (iv) lowers customer costs by storing energy when the cost of generating or purchasing

297.4 energy is low and delivering energy to customers when costs are high.

297.5 (i) "Nonrenewable energy facility" means a generation facility, other than a nuclear

297.6 facility, that does not use a renewable energy or other clean energy resource.

297.7 (j) "Local job impacts" means the impacts of an integrated resource plan, a certificate

297.8 of need, a power purchase agreement, or commission approval of a new or refurbished

297.9 electric generation facility on the availability of high-quality construction and mining

297.10 employment opportunities for local workers.

297.11 (k) "Local workers" means workers employed to construct and maintain energy

297.12 infrastructure, or employed in a mining industry, that are Minnesota residents, residents of

297.13 the utility's service territory, or who permanently reside within 150 miles of a proposed new

297.14 or refurbished energy facility.

297.15 Sec. 31. Minnesota Statutes 2018, section 216B.2422, subdivision 2, is amended to read:

297.16 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with

297.17 the commission periodically in accordance with rules adopted by the commission. The

297.18 commission shall approve, reject, or modify the plan of a public utility, as defined in section

297.19 216B.02, subdivision 4, consistent with the public interest.

297.20 (b) In the resource plan proceedings of all other utilities, the commission's order shall

297.21 be advisory and the order's findings and conclusions shall constitute prima facie evidence

297.22 which may be rebutted by substantial evidence in all other proceedings. With respect to

297.23 utilities other than those defined in section 216B.02, subdivision 4, the commission shall

297.24 consider the filing requirements and decisions in any comparable proceedings in another

297.25 jurisdiction.

297.26 (c) As a part of its resource plan filing, a utility shall include the least cost plan for

297.27 meeting ~~50 and 75~~, and 100 percent of all energy needs from both new and refurbished

297.28 generating facilities through a combination of ~~conservation~~ clean energy and ~~renewable~~

297.29 ~~energy~~ carbon-free resources.

297.30 Sec. 32. Minnesota Statutes 2018, section 216B.2422, subdivision 3, is amended to read:

297.31 Subd. 3. **Environmental costs.** (a) The commission shall, to the extent practicable,

297.32 quantify and establish a range of environmental costs associated with each method of

298.1 electricity generation. A utility shall use the values established by the commission in
298.2 conjunction with other external factors, including socioeconomic costs, when evaluating
298.3 and selecting resource options in all proceedings before the commission, including power
298.4 purchase agreement, resource plan, and certificate of need proceedings. When evaluating
298.5 resource options, the commission must include and consider the environmental cost values
298.6 adopted under this subdivision. When considering the costs of a nonrenewable energy
298.7 facility under this section, the commission must consider only nonzero values for the
298.8 environmental costs that must be analyzed under this subdivision, including both the low
298.9 and high values of any cost range adopted by the commission.

298.10 ~~(b) The commission shall establish interim environmental cost values associated with~~
298.11 ~~each method of electricity generation by March 1, 1994. These values expire on the date~~
298.12 ~~the commission establishes environmental cost values under paragraph (a).~~

298.13 Sec. 33. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
298.14 to read:

298.15 Subd. 3a. **Favored electricity resources; state policy.** It is the policy of the state that,
298.16 in order to hasten the achievement of the greenhouse gas reduction goals under section
298.17 216H.02, the renewable energy standard under section 216B.1691, subdivision 2a, and the
298.18 solar energy standard under section 216B.1691, subdivision 2f, and given the significant
298.19 and continuing reductions in the cost of wind technologies, solar technologies, energy
298.20 storage systems, and demand-response technologies, the favored method to meet electricity
298.21 demand in Minnesota is a combination of clean energy resources.

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

298.23 Sec. 34. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
298.24 to read:

298.25 Subd. 3b. **Nonrenewable energy facility; required analysis.** (a) In its application
298.26 requesting commission approval of the construction, refurbishing, or purchase of energy or
298.27 capacity from a nonrenewable energy facility in an integrated resource plan, a power purchase
298.28 agreement, or any other proceeding, a utility must include, at a minimum, the information
298.29 required under this subdivision.

298.30 (b) A utility must include plans to meet 50, 75, and 100 percent of the energy or capacity
298.31 provided by the proposed nonrenewable energy facility using the least costly combination
298.32 of clean energy and carbon-free resources.

299.1 (c) When analyzing costs under this subdivision, a utility must include the environmental
 299.2 costs most recently adopted by the commission for carbon dioxide emissions and criteria
 299.3 air pollutants, and socioeconomic costs required under subdivision 3, using both the low
 299.4 and high ends of any cost range adopted by the commission. When considering the costs
 299.5 of a nonrenewable energy facility under this section, the commission must consider only
 299.6 nonzero values for the environmental costs that must be analyzed under subdivision 3,
 299.7 including both the low and high values of any cost range adopted by the commission.

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

299.9 Sec. 35. Minnesota Statutes 2018, section 216B.2422, subdivision 4, is amended to read:

299.10 Subd. 4. **Preference for renewable energy facility clean energy resources.** (a) In order
 299.11 to achieve the greenhouse gas reduction goals under section 216H.02, and the carbon-free
 299.12 standard under section 216B.1691, the commission shall not approve a new or refurbished
 299.13 nonrenewable energy facility in an integrated resource plan or a certificate of need, pursuant
 299.14 to under section 216B.243, or in any proceeding in which a utility seeks to construct an
 299.15 electric generating facility or procure electricity or capacity, nor shall the commission
 299.16 approve a power purchase agreement for power with a nonrenewable energy facility, or
 299.17 allow rate recovery pursuant to under section 216B.16 for such a nonrenewable energy
 299.18 facility, unless the utility has demonstrated by clear and convincing evidence that a renewable
 299.19 energy facility, alone or in combination with other clean energy resources, is not in the
 299.20 public interest. When making the public interest determination, the commission must
 299.21 consider:

299.22 ~~(1) whether the resource plan helps the utility achieve the greenhouse gas reduction~~
 299.23 ~~goals under section 216H.02, the renewable energy standard under section 216B.1691, or~~
 299.24 ~~the solar energy standard under section 216B.1691, subdivision 2f;~~

299.25 ~~(2) impacts on local and regional grid reliability;~~

299.26 ~~(3) utility and ratepayer impacts resulting from the intermittent nature of renewable~~
 299.27 ~~energy facilities, including but not limited to the costs of purchasing wholesale electricity~~
 299.28 ~~in the market and the costs of providing ancillary services; and~~

299.29 ~~(4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility,~~
 299.30 ~~changes in transmission costs, portfolio diversification, and environmental compliance~~
 299.31 ~~costs.~~

299.32 (b) In order to find that a renewable energy facility, alone or in combination with other
 299.33 clean energy resources, is not in the public interest, the commission must find by clear and

300.1 convincing evidence that utilizing renewable or clean energy resources to meet the need
300.2 for resources cannot be done affordably or reliably.

300.3 (c) To determine affordability, the commission must consider utility and ratepayer effects
300.4 resulting from:

300.5 (1) the intermittent nature of renewable energy facilities, including but not limited to
300.6 the costs to purchase wholesale electricity in the market and the costs to provide ancillary
300.7 services;

300.8 (2) reduced exposure to fuel price volatility, changes in transmission and distribution
300.9 costs, portfolio diversification, and environmental compliance costs; and

300.10 (3) other environmental costs of a nonrenewable energy facility, as determined by the
300.11 commission under subdivision 3.

300.12 (d) To determine reliability, the commission must consider:

300.13 (1) effects on regional grid reliability; and

300.14 (2) the ability of the proposed energy resources or facilities to provide:

300.15 (i) essential reliability services, including frequency response, balancing services, and
300.16 voltage control; and

300.17 (ii) energy and capacity.

300.18 (e) When considering the costs of a nonrenewable energy facility under this section, the
300.19 commission must consider only nonzero values for the environmental costs that must be
300.20 analyzed under subdivision 3, including both the low and high values of any cost range
300.21 adopted by the commission.

300.22 (f) The commission must make a written determination of its findings and conclusions
300.23 regarding affordability and reliability under this subdivision. The commission must also
300.24 make a written determination as to whether the energy resources approved by the
300.25 commission: (1) help the state achieve the greenhouse gas reduction goals under section
300.26 216H.02; and (2) help the utility achieve the renewable energy standard under section
300.27 216B.1691, or the solar energy standard under section 216B.1691, subdivision 2f.

300.28 (g) If the commission approves a resource plan that includes the retirement of a
300.29 nonrenewable energy facility owned by a public utility, the public utility shall own at least
300.30 an amount of the accredited capacity of clean energy resources equal to the percentage of
300.31 the retiring nonrenewable energy facility that remains undepreciated multiplied by the

301.1 accredited capacity of the retiring facility, and owns the transmission and other facilities
301.2 necessary to replace the accredited capacity of the retiring facility, provided:

301.3 (1) the utility demonstrates its ownership of replacement resources is in the public
301.4 interest, considering customer impacts and benefits; and

301.5 (2) the resource plan results in the utility meeting the standards described below:

301.6 (i) for an electric utility that owned a nuclear generating facility as of January 1, 2007,
301.7 at least 85 percent of its electric supply by the year 2030 and thereafter, and 100 percent of
301.8 its electric supply by the year 2045, from resources that do not contribute to statewide
301.9 greenhouse gas emissions, as defined in section 216H.01, subdivision 2; and

301.10 (ii) for an electric utility that did not own a nuclear generating facility as of January 1,
301.11 2007, at least 80 percent of its electric supply by the year 2030 and thereafter, and 100
301.12 percent of its electric supply by the year 2050, from resources that do not contribute to
301.13 statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

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

301.15 Sec. 36. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
301.16 to read:

301.17 Subd. 4a. **Preference for local job creation.** As a part of its resource plan filing, a utility
301.18 must report on associated local job impacts and the steps the utility and its energy suppliers
301.19 and contractors are taking to maximize the availability of construction employment
301.20 opportunities for local workers. The commission must consider local job impacts and give
301.21 preference to proposals that maximize the creation of construction employment opportunities
301.22 for local workers, consistent with the public interest, when evaluating any utility proposal
301.23 that involves the selection or construction of facilities used to generate or deliver energy to
301.24 serve the utility's customers, including but not limited to a certificate of need, a power
301.25 purchase agreement, or commission approval of a new or refurbished electric generation
301.26 facility.

301.27 Sec. 37. Minnesota Statutes 2018, section 216B.2422, subdivision 5, is amended to read:

301.28 Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may
301.29 select resources to meet its projected energy demand through a bidding process approved
301.30 or established by the commission. A utility shall use the environmental cost estimates
301.31 determined under subdivision 3 and consider local job impacts in evaluating bids submitted
301.32 in a process established under this subdivision.

302.1 (b) Notwithstanding any other provision of this section, if an electric power generating
302.2 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding
302.3 process approved or established by the commission, a certificate of need proceeding under
302.4 section 216B.243 is not required.

302.5 (c) A certificate of need proceeding is also not required for an electric power generating
302.6 plant that has been selected in a bidding process approved or established by the commission,
302.7 or such other selection process approved by the commission, to satisfy, in whole or in part,
302.8 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

302.9 Sec. 38. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
302.10 to read:

302.11 Subd. 7. Energy storage systems assessment. (a) Each public utility required to file a
302.12 resource plan under subdivision 2 must include in the filing an assessment of energy storage
302.13 systems that analyzes how the deployment of energy storage systems contributes to:

302.14 (1) meeting identified generation and capacity needs; and

302.15 (2) evaluating ancillary services.

302.16 (b) The assessment must employ appropriate modeling methods to enable the analysis
302.17 required in paragraph (a).

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

302.19 Sec. 39. **[216B.2427] ELECTRIC UTILITIES; ANCILLARY SERVICES COST**
302.20 **REPORT.**

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

302.23 (b) "Ancillary services" means services that help maintain the reliability of the electrical
302.24 grid by maintaining the proper flow and direction of electricity, addressing temporary
302.25 imbalances of supply and demand, and helping the electrical grid to recover after a power
302.26 failure. Ancillary services include but are not limited to spinning reserves, nonspinning
302.27 reserves, voltage regulation, load following, and black start capability.

302.28 (c) "Black start capability" means the provision of the initial energy needed to start up
302.29 and begin operation of an electricity generator.

302.30 (d) "Load following" means the matching, within five minutes or less, of electricity
302.31 supply to demand as demand fluctuates.

303.1 (e) "Nonspinning reserves" means electric generation capacity that is not connected to
303.2 the electric grid, but is capable of:

303.3 (1) being connected, ramped to capacity, and synchronized to the electric grid within
303.4 ten minutes; and

303.5 (2) maintaining a specified output level for at least two hours.

303.6 (f) "Spinning reserves" means reserve electric generation capacity that is connected and
303.7 synchronized to the electric grid and can meet electric demand within ten minutes.

303.8 (g) "Voltage regulation" means the maintenance of voltage levels on the electric grid.

303.9 Subd. 2. **Report.** By October 1, 2019, and each April 1 thereafter, each electric utility
303.10 must report to the commission on a form developed by the commission the total cost to
303.11 purchase or self-provide ancillary services throughout the previous calendar year. For each
303.12 type of ancillary service, the utility must report:

303.13 (1) the entity providing the ancillary service;

303.14 (2) the amount, duration, and frequency of the ancillary service provided; and

303.15 (3) the cost to purchase or provide the ancillary service.

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

303.17 Sec. 40. Minnesota Statutes 2018, section 216B.243, subdivision 3, is amended to read:

303.18 **Subd. 3. Showing required for construction.** (a) No proposed large energy facility
303.19 shall be certified for construction unless the applicant can show that demand for electricity
303.20 cannot be met more cost effectively through energy conservation, energy storage, and
303.21 load-management measures and unless the applicant has otherwise justified its need. In
303.22 assessing need, the commission shall evaluate:

303.23 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
303.24 the facility is based;

303.25 (2) the effect of existing or possible energy conservation programs under sections 216C.05
303.26 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

303.27 (3) the relationship of the proposed facility to overall state energy needs, as described
303.28 in the most recent state energy policy and conservation report prepared under section
303.29 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
303.30 line to regional energy needs, as presented in the transmission plan submitted under section
303.31 216B.2425;

304.1 (4) promotional activities that may have given rise to the demand for this facility;

304.2 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
304.3 and to increase reliability of energy supply in Minnesota and the region;

304.4 (6) possible alternatives for satisfying the energy demand or transmission needs including
304.5 but not limited to potential for increased efficiency and upgrading of existing energy
304.6 generation and transmission facilities, energy storage systems, load-management programs,
304.7 and distributed generation;

304.8 (7) the policies, rules, and regulations of other state and federal agencies and local
304.9 governments;

304.10 (8) any feasible combination of energy conservation improvements, required under
304.11 section 216B.241, or energy storage systems that can (i) replace part or all of the energy to
304.12 be provided by the proposed facility, and (ii) compete with it economically;

304.13 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
304.14 reliability, access, or deliverability to the extent these factors improve the robustness of the
304.15 transmission system or lower costs for electric consumers in Minnesota;

304.16 (10) whether the applicant or applicants are in compliance with applicable provisions
304.17 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
304.18 certain an application for certificate of need under this section or for certification as a priority
304.19 electric transmission project under section 216B.2425 for any transmission facilities or
304.20 upgrades identified under section 216B.2425, subdivision 7;

304.21 (11) whether the applicant has made the demonstrations required under subdivision 3a;
304.22 and

304.23 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
304.24 assessment of the risk of environmental costs and regulation on that proposed facility over
304.25 the expected useful life of the plant, including a proposed means of allocating costs associated
304.26 with that risk.

304.27 (b) "Energy storage system" means a commercially available technology that uses
304.28 mechanical, chemical, or thermal processes to:

304.29 (1) store energy and deliver the stored energy for use at a later time; or

304.30 (2) store thermal energy for direct use for heating or cooling at a later time in a manner
304.31 that reduces the demand for electricity at the later time.

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

305.1 Sec. 41. Minnesota Statutes 2018, section 216B.243, subdivision 3a, is amended to read:

305.2 Subd. 3a. **Use of ~~renewable~~ nonrenewable resource.** The commission ~~may~~ must not
305.3 issue a certificate of need under this section for a large energy facility that generates electric
305.4 power by means of a nonrenewable energy source, or that transmits electric power generated
305.5 by means of a nonrenewable energy source, unless the applicant for the certificate has
305.6 demonstrated by clear and convincing evidence to the commission's satisfaction under
305.7 section 216B.2422, subdivision 4, that ~~it~~ the applicant has ~~explored the possibility of~~
305.8 conducted the analysis required under section 216B.2422, subdivision 3b, regarding
305.9 generating power by means of ~~renewable~~ clean energy ~~sources~~ resources, as defined in
305.10 section 216B.2422, subdivision 1, and has demonstrated that the ~~alternative selected is less~~
305.11 ~~expensive (including environmental costs) than power generated by a renewable energy~~
305.12 ~~source. For purposes of this subdivision, "renewable energy source" includes hydro, wind,~~
305.13 ~~solar, and geothermal energy and the use of trees or other vegetation as fuel. nonrenewable~~
305.14 energy source is in the public interest.

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

305.16 Sec. 42. **[216B.247] BENEFICIAL ELECTRIFICATION.**

305.17 (a) It is the goal of the state to promote energy end uses powered by electricity that result
305.18 in a net reduction in greenhouse gas emissions and improvements to public health, consistent
305.19 with the goal established under section 216H.02, subdivision 1.

305.20 (b) To the maximum reasonable extent, the implementation of beneficial electrification
305.21 should prioritize investment and activity in low-income and underresourced communities,
305.22 maintain or improve the quality of electricity service, maximize customer savings, improve
305.23 the integration of renewable and carbon-free resources, and prioritize job creation.

305.24 Sec. 43. **[216B.248] PUBLIC UTILITY BENEFICIAL ELECTRIFICATION.**

305.25 (a) A public utility may submit to the commission a plan to promote energy end uses
305.26 powered by electricity within its service area. To the maximum reasonable extent, the plans
305.27 must:

305.28 (1) maximize consumer savings over the lifetime of the investment;

305.29 (2) maintain or enhance the reliability of electricity service;

305.30 (3) quantify the acres of land that will be needed for new generation, transmission, and
305.31 distribution facilities to provide the additional electricity required under the plan;

306.1 (4) maintain or enhance public health and safety when temperatures fall below 25 degrees
306.2 below zero Fahrenheit;

306.3 (5) support the integration of renewable and carbon-free resources;

306.4 (6) encourage load shape management and energy storage that reduce overall system
306.5 costs;

306.6 (7) prioritize electrification projects in economically disadvantaged communities; and

306.7 (8) produce a net reduction in greenhouse gas emissions, based on the electricity
306.8 generation portfolio of the public utility proposing the plan either over the lifetime of the
306.9 conversion or by 2050, whichever is sooner.

306.10 (b) The commission must approve, reject, or modify the public utility's plan, consistent
306.11 with the public interest. Plans approved by the commission under this subdivision are eligible
306.12 for cost recovery under section 216B.1645.

306.13 **Sec. 44. [216B.515] UTILITY DIVERSITY POLICY; REPORT.**

306.14 (a) Each utility authorized to do business in Minnesota must establish a workplace and
306.15 supplier diversity policy that (1) articulates the utility's workplace and supplier diversity
306.16 goals, and (2) describes the efforts the utility commits to take to increase workplace and
306.17 supplier diversity. The policy must also include a list of certifications the utility recognizes
306.18 and a point of contact for a potential employee or vendor that wishes to work for or do
306.19 business with the utility.

306.20 (b) Beginning March 15, 2021, and each March 15 thereafter, each utility authorized to
306.21 do business in Minnesota must submit to the commissioner a report that details:

306.22 (1) the utility's workplace and supplier diversity goals;

306.23 (2) the utility's current workforce and supplier diversity representation data, expressed
306.24 numerically and as a percentage;

306.25 (3) efforts taken to increase workplace and supplier diversity; and

306.26 (4) procurement goals and actual spending for female-owned, minority-owned,
306.27 veteran-owned, and small business enterprises during the previous calendar year.

306.28 (c) The goals under paragraph (b), clause (4), must be expressed as a percentage of the
306.29 total work performed by the utility submitting the report. The actual spending for
306.30 female-owned, minority-owned, veteran-owned, and small business enterprises must be
306.31 expressed as a percentage of the total work performed by the utility submitting the report.

307.1 Sec. 45. [216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY
307.2 SERVICE TERRITORY.

307.3 Subdivision 1. Establishment; purpose. The utility subject to section 116C.779 must
307.4 operate a program to develop, and to supplement with additional funding, financial
307.5 arrangements that allow schools to benefit from state and federal tax and other financial
307.6 incentives that schools are ineligible to receive directly, in order to enable schools to install
307.7 and operate solar energy systems that can be used as teaching tools and integrated into the
307.8 school curriculum.

307.9 Subd. 2. Required plan. (a) By October 1, 2019, the public utility must file a plan for
307.10 the solar for schools program with the commissioner. The plan must contain but is not
307.11 limited to the following elements:

307.12 (1) a description of how entities that are eligible to take advantage of state and federal
307.13 tax and other financial incentives that reduce the cost to purchase, install, and operate a
307.14 solar energy system that schools are ineligible to take advantage of directly can share a
307.15 portion of the financial benefits with schools where a solar energy system is proposed to
307.16 be installed;

307.17 (2) a description of how the public utility intends to use funds appropriated to the program
307.18 under this section to provide additional financial assistance to schools where a solar energy
307.19 system is proposed to be installed;

307.20 (3) certification that the financial assistance provided under this section to a school by
307.21 the public utility must include the full value of the renewable energy certificates associated
307.22 with the generation of electricity by the solar energy system receiving financial assistance
307.23 under this section over the lifetime of the solar energy system;

307.24 (4) an estimate of the amount of financial assistance that the public utility provides to a
307.25 school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length of time
307.26 financial assistance is provided;

307.27 (5) certification that the transaction between the public utility and the school for electricity
307.28 is the buy-all/sell-all method by which the public utility charges the school for all electricity
307.29 the school consumes at the applicable retail rate schedule for sales to the school based on
307.30 the school's customer class, and credits or pays the school at the rate established in
307.31 subdivision 5;

308.1 (6) administrative procedures governing the application and financial benefit award
308.2 process, and the costs the public utility and the department are projected to incur to administer
308.3 the program;

308.4 (7) the public utility's proposed process for periodic reevaluation and modification of
308.5 the program; and

308.6 (8) any additional information required by the commissioner.

308.7 (b) The public utility must not implement the program until the commissioner approves
308.8 the public utility's plan submitted under this subdivision. The commissioner must approve
308.9 a plan under this subdivision that the commissioner determines is in the public interest no
308.10 later than December 31, 2019. Any proposed modifications to the plan approved under this
308.11 subdivision must be approved by the commissioner.

308.12 Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits
308.13 under this section if it meets all of the following conditions:

308.14 (1) the solar energy system must be located on or adjacent to a school building receiving
308.15 retail electric service from the public utility and completely located within the public utility's
308.16 electric service territory, provided that any land situated between the school building and
308.17 the site where the solar energy system is installed is owned by the school district where the
308.18 school building operates;

308.19 (2) any energy storage system that is part of a solar energy system may only store energy
308.20 generated by an existing solar energy system serving the school or the solar energy system
308.21 receiving financial assistance under this section; and

308.22 (3) the total aggregate nameplate capacity of all distributed generation serving the school
308.23 building, including any subscriptions to a community solar garden under section 216B.1641,
308.24 does not exceed the lesser of one megawatt alternating current or 120 percent of the school
308.25 building's average annual electric energy consumption.

308.26 Subd. 4. **Application process.** (a) A school seeking financial assistance under this section
308.27 must submit an application to the public utility, including a plan for how the school plans
308.28 to use the solar energy system as a visible learning tool for students, teachers, and visitors
308.29 to the school, and how the solar energy system may be integrated into the school's curriculum.

308.30 (b) The public utility must award financial assistance under this section on a first-come,
308.31 first-served basis.

309.1 (c) The public utility must discontinue accepting applications under this section after
309.2 all funds appropriated under subdivision 5 are allocated to program participants, including
309.3 funds from canceled projects.

309.4 Subd. 5. **Benefits information.** Before signing an agreement with the public utility to
309.5 receive financial assistance under this section, a school must obtain from the developer and
309.6 provide to the public utility information the developer shared with potential investors in the
309.7 project regarding future financial benefits to be realized from installation of a solar energy
309.8 system at the school, and potential financial risks.

309.9 Subd. 6. **Purchase rate; cost recovery; renewable energy credits.** (a) The public utility
309.10 must purchase all of the electricity generated by a solar energy system receiving financial
309.11 assistance under this section at a rate of \$0.105 per kilowatt-hour generated.

309.12 (b) Payments by the public utility of the rate established under this subdivision to a
309.13 school receiving financial assistance under this section are fully recoverable by the public
309.14 utility through the public utility's fuel clause adjustment.

309.15 (c) The renewable energy credits associated with the electricity generated by a solar
309.16 energy system installed under this section are the property of the public utility that is subject
309.17 to this section.

309.18 Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided
309.19 by the public utility to schools under this section may be provided to schools where the
309.20 proportion of students eligible for free and reduced-price lunch under the National School
309.21 Lunch Program is less than 50 percent.

309.22 (b) No more than ten percent of the total amount of financial assistance provided by the
309.23 public utility to schools under this section may be provided to schools that are part of the
309.24 same school district.

309.25 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
309.26 schools to develop and execute projects under this section.

309.27 Subd. 9. **Application deadline.** No application may be submitted under this section
309.28 after December 31, 2023.

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

309.30 Sec. 46. **[216C.401] ELECTRIC VEHICLE REBATES.**

309.31 Subdivision 1. **Definition.** (a) For the purposes of this section, the following terms have
309.32 the meanings given.

310.1 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,
310.2 paragraphs (a) and (b), clause (3).

310.3 (c) "New eligible electric vehicle" means an eligible electric vehicle that has not been
310.4 registered in any state.

310.5 (d) "Used eligible electric vehicle" means an eligible electric vehicle that has previously
310.6 been registered in a state.

310.7 Subd. 2. **Eligibility.** The purchaser of an electric vehicle is eligible for a rebate, subject
310.8 to the amounts and limits in subdivisions 3 and 4, if:

310.9 (1) the electric vehicle:

310.10 (i) has not been modified from the original manufacturer's specifications; and

310.11 (ii) is purchased after the effective date of this act for use by the purchaser and not for
310.12 resale;

310.13 (2) the purchaser:

310.14 (i) is a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),
310.15 when the electric vehicle is purchased;

310.16 (ii) is a business that has a valid address in Minnesota from which business is conducted;

310.17 (iii) is a nonprofit corporation incorporated under chapter 317A; or

310.18 (iv) is a political subdivision of the state; and

310.19 (3) the purchaser:

310.20 (i) has not received a rebate or tax credit for the purchase of an electric vehicle from
310.21 Minnesota; and

310.22 (ii) registers the electric vehicle in Minnesota.

310.23 Subd. 3. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an
310.24 eligible purchaser for the purchase of a new eligible electric vehicle.

310.25 (b) A \$500 rebate may be issued under this section to an eligible purchaser for the
310.26 purchase of a used eligible electric vehicle, provided the electric vehicle has not previously
310.27 been registered in Minnesota.

310.28 Subd. 4. **Limits.** (a) The number of rebates allowed under this section are limited to:

310.29 (1) no more than one rebate per resident per household; and

310.30 (2) no more than one rebate per business entity per year.

311.1 (b) A rebate must not be issued under this section for an electric vehicle with a
311.2 manufacturer's suggested retail price that exceeds \$60,000.

311.3 Subd. 5. **Program administration.** (a) Rebate applications under this section must be
311.4 filed with the commissioner on a form developed by the commissioner.

311.5 (b) The commissioner must develop administrative procedures governing the application
311.6 and rebate award process. Applications must be reviewed and rebates awarded by the
311.7 commissioner on a first-come, first-served basis.

311.8 (c) The commissioner may reduce the rebate amounts provided under subdivision 3 or
311.9 restrict program eligibility based on fund availability or other factors.

311.10 Subd. 6. **Expiration.** This section expires June 30, 2024.

311.11 Sec. 47. **[216C.402] ELECTRIC VEHICLE PUBLIC CHARGING GRANT**
311.12 **PROGRAM.**

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

311.15 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

311.16 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
311.17 vehicle's batteries by connecting the electric vehicle to:

311.18 (1) a level two charger that provides a 208- or 240-volt alternating current power source;
311.19 or

311.20 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

311.21 (d) "Park-and-ride facility" has the meaning given in section 174.256, subdivision 2,
311.22 paragraph (b).

311.23 (e) "Public electric vehicle charging station" means an electric charging station located
311.24 at a publicly available parking space.

311.25 Subd. 2. **Program.** (a) The commissioner must award grants to help fund the installation
311.26 of a network of public electric vehicle charging stations in Minnesota, including locations
311.27 in state and regional parks, trailheads, and park-and-ride facilities. The commissioner must
311.28 issue a request for proposals to entities that have experience installing, owning, operating,
311.29 and maintaining electric vehicle charging stations. The request for proposal must establish
311.30 technical specifications that electric vehicle charging stations are required to meet.

312.1 (b) The commissioner must consult with the commissioner of natural resources to develop
 312.2 optimal locations for electric vehicle charging stations in state and regional parks, and with
 312.3 the commissioner of transportation to develop optimal locations for electric vehicle charging
 312.4 stations at park-and-ride facilities.

312.5 Subd. 3. **Electricity supplier.** Electricity dispensed from an electric vehicle charging
 312.6 station funded under this act must be purchased from the public utility subject to section
 312.7 116C.779, subdivision 1.

312.8 Subd. 4. **Electricity charging payment.** Payment for the full cost of electricity dispensed
 312.9 from an electric vehicle charging station whose installation was assisted with a state grant
 312.10 or state funds is the responsibility of the owner or driver of the electric vehicle whose battery
 312.11 is being recharged.

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

312.13 Sec. 48. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

312.14 Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements"
 312.15 mean:

312.16 (1) any new construction, renovation, or retrofitting of:

312.17 ~~(i)~~ qualifying commercial real property to improve energy efficiency that is permanently
 312.18 affixed to the property, results in a net reduction in energy consumption without altering
 312.19 the principal source of energy, and has been identified in an energy audit as repaying the
 312.20 purchase and installation costs in 20 years or less, based on the amount of future energy
 312.21 saved and estimated future energy prices; ~~or~~

312.22 ~~(ii)~~ (2) any renovation or retrofitting of qualifying residential real property that is
 312.23 permanently affixed to the property and is eligible to receive an incentive through a program
 312.24 offered by the electric or natural gas utility that provides service under section 216B.241
 312.25 to the property or is otherwise determined to be a cost-effective energy improvement by
 312.26 the commissioner under section 216B.241, subdivision 1d, paragraph (a);

312.27 ~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment
 312.28 to enable electrical vehicle charging; or

312.29 ~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or
 312.30 proximate to a building that generates electrical or thermal energy from a renewable energy
 312.31 source that has been identified in an energy audit or renewable energy system feasibility

313.1 study as repaying their purchase and installation costs in 20 years or less, based on the
313.2 amount of future energy saved and estimated future energy prices.

313.3 Sec. 49. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

313.4 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
313.5 means a multifamily residential dwelling, or a commercial or industrial building, that the
313.6 implementing entity has determined, after review of an energy audit or renewable energy
313.7 system feasibility study, can be benefited by installation of cost-effective energy
313.8 improvements. Qualifying commercial real property includes new construction.

313.9 Sec. 50. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

313.10 Subd. 4. **Financing terms.** Financing provided under this section must have:

313.11 (1) a cost-weighted average maturity not exceeding the useful life of the energy
313.12 improvements installed, as determined by the implementing entity, but in no event may a
313.13 term exceed 20 years;

313.14 (2) a principal amount not to exceed the lesser of:

313.15 (i) the greater of 20 percent of the assessed value of the real property on which the
313.16 improvements are to be installed or 20 percent of the real property's appraised value, accepted
313.17 or approved by the mortgage lender; or

313.18 (ii) the actual cost of installing the energy improvements, including the costs of necessary
313.19 equipment, materials, and labor, the costs of each related energy audit or renewable energy
313.20 system feasibility study, and the cost of verification of installation; and

313.21 (3) an interest rate sufficient to pay the financing costs of the program, including the
313.22 issuance of bonds and any financing delinquencies.

313.23 Sec. 51. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision
313.24 to read:

313.25 Subd. 10. **Improvements; real property or fixture.** A cost-effective energy improvement
313.26 financed under a PACE loan program, including all equipment purchased in whole or in
313.27 part with loan proceeds under a loan program, is deemed real property or a fixture attached
313.28 to the real property.

314.1 Sec. 52. **[216C.45] POWER PLANT HOST COMMUNITY TRANSITION**
314.2 **PLANNING.**

314.3 The commissioner of commerce must coordinate with the commissioner of labor and
314.4 industry and the commissioner of employment and economic development to develop plans,
314.5 programs, and recommendations to mitigate the impacts on host communities and workers
314.6 resulting from the retirement of large electric generation facilities. The commissioners must
314.7 confer with stakeholders in preparing these plans and programs, including representatives
314.8 of local government units that host large electric generation facilities, workers and contractors
314.9 at large generation facilities, and the utilities that own large electric generation facilities.

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

314.11 Sec. 53. Minnesota Statutes 2018, section 216F.04, is amended to read:

314.12 **216F.04 SITE PERMIT.**

314.13 (a) No person may construct an LWECS without a site permit issued by the Public
314.14 Utilities Commission.

314.15 (b) Any person seeking to construct an LWECS shall submit an application to the
314.16 commission for a site permit in accordance with this chapter and any rules adopted by the
314.17 commission. The permitted site need not be contiguous land.

314.18 (c) The commission shall make a final decision on an application for a site permit for
314.19 an LWECS within 180 days after acceptance of a complete application by the commission.
314.20 The commission may extend this deadline for cause.

314.21 (d) The commission may place conditions in a permit and may deny, modify, suspend,
314.22 or revoke a permit.

314.23 (e) The commission may require, as a condition of permit issuance, that the recipient of
314.24 a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts and
314.25 all of the permit recipient's construction contractors and subcontractors on the project pay
314.26 the prevailing wage rate, as defined in section 177.42. The commission may also require,
314.27 as a condition of modifying a site permit for an LWECS repowering project as defined in
314.28 section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all
314.29 of the recipient's construction contractors and subcontractors on the repowering project pay
314.30 the prevailing wage rate as defined in section 177.42.

315.1 Sec. 54. Minnesota Statutes 2018, section 216F.08, is amended to read:

315.2 **216F.08 PERMIT AUTHORITY; ASSUMPTION BY COUNTIES.**

315.3 (a) A county board may, by resolution and upon written notice to the Public Utilities
315.4 Commission, assume responsibility for processing applications for permits required under
315.5 this chapter for LWECS with a combined nameplate capacity of less than 25,000 kilowatts.
315.6 The responsibility for permit application processing, if assumed by a county, may be
315.7 delegated by the county board to an appropriate county officer or employee. Processing by
315.8 a county shall be done in accordance with procedures and processes established under
315.9 chapter 394.

315.10 (b) A county board that exercises its option under paragraph (a) may issue, deny, modify,
315.11 impose conditions upon, or revoke permits pursuant to this section. The action of the county
315.12 board about a permit application is final, subject to appeal as provided in section 394.27.

315.13 (c) The commission shall, by order, establish general permit standards, including
315.14 appropriate property line set-backs, governing site permits for LWECS under this section.
315.15 The order must consider existing and historic commission standards for wind permits issued
315.16 by the commission. The general permit standards shall apply to permits issued by counties
315.17 and to permits issued by the commission for LWECS with a combined nameplate capacity
315.18 of less than 25,000 kilowatts. The commission or a county may grant a variance from a
315.19 general permit standard if the variance is found to be in the public interest, provided all
315.20 LWECS site permits issued by the commission or a county and all modifications of site
315.21 permits issued by the commission or a county for repowering projects comply with the
315.22 prevailing wage rate requirements under section 216F.04, paragraph (e).

315.23 (d) The commission and the commissioner of commerce shall provide technical assistance
315.24 to a county with respect to the processing of LWECS site permit applications.

315.25 Sec. 55. **[216H.011] GREENHOUSE GAS EMISSIONS; FINDING.**

315.26 The legislature finds and declares that greenhouse gas emissions resulting from human
315.27 activities are a key cause of climate change.

315.28 Sec. 56. Minnesota Statutes 2018, section 326B.106, is amended by adding a subdivision
315.29 to read:

315.30 Subd. 16. **Voluntary adoption of stretch code.** The Construction Codes Advisory
315.31 Council must establish a voluntary code of standards for the construction, reconstruction,
315.32 and alteration of public and private commercial and multifamily residential buildings, as

316.1 an appendix to the State Building Code. This voluntary code of standards must conform to
316.2 Sustainable Building 2030 standards, as defined in section 216B.241, subdivision 9, which
316.3 applies additional performance requirements without altering any underlying codes or safety
316.4 standards. The code sections contained in this appendix may be adopted by a local jurisdiction
316.5 at its election and become an official addendum to the baseline energy code in the
316.6 jurisdictions adopting them. When adopting the code sections contained in the appendix,
316.7 the local jurisdiction must not amend the code sections, but may specify a minimum size
316.8 for the buildings the stretch code will apply to. The minimum size must be at least 10,000
316.9 square feet.

316.10 **Sec. 57. METROPOLITAN COUNCIL; ELECTRIC BUS PURCHASES.**

316.11 After the effective date of this act and until the appropriation made in section 61,
316.12 subdivision 5, is exhausted, any bus purchased by the Metropolitan Council for Metro
316.13 Transit bus service must operate solely on electricity provided by rechargeable on-board
316.14 batteries. The appropriation in section 61, subdivision 5, must be used to pay the incremental
316.15 cost of buses that operate solely on electricity provided by rechargeable on-board batteries
316.16 over diesel-operated buses that are otherwise comparable in size, features, and performance.

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

316.18 **Sec. 58. ELECTRIC SCHOOL BUS DEMONSTRATION GRANT.**

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

316.21 (b) "Electric school bus" means a school bus powered solely by an electric motor drawing
316.22 current from rechargeable storage batteries, fuel cells, or other portable sources of electric
316.23 current.

316.24 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
316.25 vehicle's batteries by connecting the electric vehicle to:

316.26 (1) a level 2 charger that provides a 240-volt alternating current power source; or

316.27 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

316.28 (d) "Private school bus contractor" means a person who contracts with a school district
316.29 to transport school district students to and from school and school activities on school buses
316.30 owned and operated by the person.

317.1 (e) "School bus" has the meaning given in Minnesota Statutes, section 169.011,
317.2 subdivision 71. School bus does not include a Type III vehicle, as defined in Minnesota
317.3 Statutes, section 169.011, paragraph (h).

317.4 (f) "School district" means an independent or special school district.

317.5 Subd. 2. **Purpose.** The commissioner of education must award a grant to a school district
317.6 to purchase an electric school bus as a demonstration project to enable the school district,
317.7 the electric utility serving the school district, and, if applicable, the private school bus
317.8 contractor providing transportation services to the school district to gain experience operating
317.9 an electric school bus and to assess its performance.

317.10 Subd. 3. **Eligibility.** A school district located within the electric retail service area of
317.11 the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, that owns
317.12 and operates school buses or contracts with a private school bus contractor is eligible to
317.13 apply for a grant under this section.

317.14 Subd. 4. **Application process.** An eligible applicant must submit an application to the
317.15 commissioner of education on a form designed by the commissioner of education. The
317.16 commissioner of education must develop administrative procedures governing the application
317.17 and grant award process.

317.18 Subd. 5. **Application content.** An application for a grant under this section must include:

317.19 (1) the name of the school district or districts where the electric school bus is proposed
317.20 to operate;

317.21 (2) a description of the route, timing of operation, number of students to be transported,
317.22 and other factors affecting the performance characteristics that an electric school bus
317.23 performance must meet;

317.24 (3) certification from the electric utility serving the school district, and, if applicable,
317.25 the private school bus contractor providing transportation services to the school district,
317.26 that the electric utility and private school bus contractor fully support and are full partners
317.27 in implementing the demonstration project, including a list of tasks the electric utility and
317.28 private school bus contractor commit to conduct and any voluntary financial contributions
317.29 to the project;

317.30 (4) certification from the electric utility serving the school district that it commits to pay
317.31 the costs to purchase and install an electric vehicle charging station in a convenient location
317.32 to recharge the batteries of the electric school bus;

318.1 (5) evidence that the proposed electric school bus has access to an electric vehicle
318.2 charging station at a convenient location;

318.3 (6) if the school district contracts with a private school bus contractor:

318.4 (i) a copy of a signed agreement between the school district and the private school bus
318.5 contractor that protects the state's interest in the electric school bus purchased with the grant
318.6 in the case of the termination of the private school bus contractor's contract with the school
318.7 district or other contingencies; and

318.8 (ii) written certification that any revenues paid to the private school bus contractor by
318.9 the utility providing retail electric service to the private school bus contractor that result
318.10 from the purchase of or access to the electricity stored in the batteries of the electric school
318.11 bus purchased with a grant under this section must be forwarded to the school district; and

318.12 (7) any additional information required by the commissioner of education.

318.13 Subd. 6. **Eligible expenditures.** Grant funds awarded under this section may be expended
318.14 to:

318.15 (1) purchase an electric school bus;

318.16 (2) pay the cost of electricity to charge the batteries of the electric school bus; and

318.17 (3) pay repair and maintenance costs for the electric school bus.

318.18 Subd. 7. **Reports.** On or before the first anniversary of the initial operation of a school
318.19 bus funded by a grant under this section, and on or before the same date in each of the
318.20 following two years, the school district awarded the grant, in collaboration with the electric
318.21 utility serving the school district, and, if applicable, the private school bus contractor
318.22 providing transportation services to the school district, must submit a report describing the
318.23 performance of the electric school bus to the chairs and ranking minority members of the
318.24 senate and house of representatives committees with primary jurisdiction over energy policy,
318.25 transportation policy, and education policy, and to the commissioner of education. At a
318.26 minimum, the report must contain the following information regarding the performance of
318.27 the electric school bus:

318.28 (1) the number of miles traveled per day and per year;

318.29 (2) the cost of recharging, and any steps taken to minimize the costs by charging at
318.30 off-peak times;

318.31 (3) operating costs per mile;

318.32 (4) miles driven per kilowatt hour;

319.1 (5) the number of days the electric school bus was out of service for repairs;

319.2 (6) discussion of the qualitative aspects of performance, including the impact of extreme
319.3 cold on bus performance; and

319.4 (7) any other information deemed relevant by the school district.

319.5 Sec. 59. **GREENHOUSE GAS EMISSIONS REDUCTION STRATEGY; REPORT.**

319.6 (a) The commissioner of commerce must develop benchmarks and strategies designed
319.7 to significantly accelerate the reduction in greenhouse gas emissions in Minnesota by 2030,
319.8 including strategies to:

319.9 (1) increase energy efficiency in all buildings, including residential;

319.10 (2) provide consumers with tools to manage personal energy use automatically, remotely,
319.11 and electronically;

319.12 (3) present consumers with financial incentives to shift energy use to periods when
319.13 systemwide demand and the cost of generation are low;

319.14 (4) work toward electrifying all sectors of the economy currently powered by fossil
319.15 fuels;

319.16 (5) increase carbon sequestration in Minnesota lands and wetlands;

319.17 (6) incentivize the adoption of energy storage systems to accelerate the use of wind and
319.18 solar resources; and

319.19 (7) modernize the electric grid and promote the use of distributed energy resources.

319.20 (b) By November 30, 2019, the commissioner must submit a report containing the
319.21 benchmarks and strategies to the chairs and ranking minority members of the senate and
319.22 house of representatives committees with primary jurisdiction over energy policy.

319.23 Sec. 60. **PRAIRIE ISLAND RENEWABLE ENERGY.**

319.24 Subdivision 1. **Program established.** The Prairie Island Renewable Energy Project is
319.25 established to enable the Prairie Island Indian Community to develop renewable energy
319.26 systems.

319.27 Subd. 2. **Grant.** The commissioner of employment and economic development must
319.28 enter into a grant contract with the Prairie Island Indian Community to provide funding to
319.29 stimulate implementation of renewable energy projects benefiting the Prairie Island Indian
319.30 Community or its members. Renewable energy projects under this section include but are

320.1 not limited to geothermal energy and on-site community solar gardens at Prairie Island,
320.2 Upper Island, Mount Frontenac, the assisted living center located near the intersection of
320.3 Highway 361 and signed U.S. Highway 61, and any residential development on land owned
320.4 by the Prairie Island Indian Community in West Lakeland Township. Any examination
320.5 conducted by the commissioner of employment and economic development to determine
320.6 the sufficiency of the financial stability and capacity of the Prairie Island Indian Community
320.7 to carry out the purposes of this grant is limited to the Community Services Department of
320.8 the Prairie Island Indian Community.

320.9 Subd. 3. **Report.** The Prairie Island Indian Community must file a report on July 1,
320.10 2020, and each July 1 thereafter until the project is complete, describing the progress made
320.11 in implementing the project and the uses of expended funds. A final report must be completed
320.12 within 90 days of the date the project is complete.

320.13 **EFFECTIVE DATE.** This section is effective June 1, 2019.

320.14 Sec. 61. **COORDINATED ELECTRIC TRANSMISSION STUDY.**

320.15 (a) Each entity subject to Minnesota Statutes, section 216B.2425, must participate in a
320.16 coordinated engineering study to identify transmission network enhancements necessary to
320.17 maintain system reliability in the event large generation resources are retired. Specifically,
320.18 the study must evaluate what enhancements are necessary in the event large generation
320.19 resources that reach the end of the large generation resource's depreciation term or operating
320.20 license term within 20 years of the effective date of this section are retired. The study must
320.21 also evaluate the transmission enhancements that may be necessary to interconnect
320.22 replacement generation, including but not limited to:

320.23 (1) 7,000 megawatts of generation from eligible energy technologies, as defined in
320.24 Minnesota Statutes, section 216B.1691, subdivision 1, by 2025; and

320.25 (2) any replacement generation and renewable resource additions, including generation
320.26 tie lines, anticipated to occur by 2035 in any utility's integrated resource plan filed with or
320.27 approved by the Public Utilities Commission.

320.28 (b) When setting the scope for the study and as needed while the study is being conducted,
320.29 utilities must consult with the commissioner of commerce, technical representatives of
320.30 renewable energy resource developers, and other interested entities to discuss and identify
320.31 needed generation tie lines to support the continued orderly development of renewable
320.32 resources in Minnesota. The study must include any analysis performed by the Midcontinent
320.33 Independent System Operator.

321.1 (c) A report on the study must be completed and submitted to the Public Utilities
321.2 Commission by November 1, 2020, and include a preliminary plan to build the needed
321.3 transmission network enhancements. Reasonable and prudent costs for the study are
321.4 recoverable through the mechanism provided under Minnesota Statutes, section 216B.1645,
321.5 subdivision 2.

321.6 Sec. 62. **ENERGY UTILITY DIVERSITY STAKEHOLDER GROUP; REPORT.**

321.7 (a) The Public Utilities Commission must convene a stakeholder group to examine the
321.8 challenges and opportunities for Minnesota's energy utilities to attract a diverse workforce
321.9 with the skills needed to advance a 21st century industry and to increase the supplier diversity
321.10 of energy utilities. The stakeholder group must include but is not limited to stakeholders
321.11 representative of public utilities as defined in Minnesota Statutes, section 216B.02,
321.12 subdivision 4, municipal, electric, or gas utilities, and electric or gas cooperative associations.
321.13 The executive director of the commission must convene the first meeting of the stakeholder
321.14 group.

321.15 (b) The stakeholder group must:

321.16 (1) examine current and projected employment in the energy utility sector;

321.17 (2) provide information on possible approaches to assist workers and energy utilities to
321.18 develop a diverse workforce that has the skills to build, maintain, and operate the electricity
321.19 system of the future;

321.20 (3) review key trends that have shaped employment in this sector and the demographics
321.21 of the sector, including the underrepresentation of women, veterans, and minorities in
321.22 employment and leadership;

321.23 (4) identify the challenges to replacing retiring workers;

321.24 (5) examine the imbalance of available worker skills to utility workforce needs; and

321.25 (6) identify the challenges and possible approaches to increasing supplier diversity.

321.26 (c) The stakeholder group must also consider whether information regarding workforce
321.27 and supplier diversity should be included and considered as part of any resource plan filed
321.28 by a utility with the commission.

321.29 (d) By January 15, 2020, the stakeholder group must issue a report to the chairs and
321.30 ranking minority members of the house of representatives and senate committees with
321.31 jurisdiction over energy policy and finance identifying its findings and recommendations

322.1 for establishing a more diverse workforce and increasing supplier diversity within the electric
322.2 energy sector.

322.3 Sec. 63. **APPROPRIATION.**

322.4 **Subdivision 1. University of Minnesota renewable energy transition. (a)**

322.5 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
322.6 \$6,000,000 in fiscal year 2020 is appropriated from the renewable development account
322.7 established under Minnesota Statutes, section 116C.779, subdivision 1, to the Board of
322.8 Regents of the University of Minnesota to establish goals and benchmarks and implement
322.9 a rapid transition toward the use of renewable fuels for electricity and thermal energy in
322.10 campus buildings by 2030. This appropriation may only be expended on activities located
322.11 within the electric service area of the public utility subject to Minnesota Statutes, section
322.12 116C.779, subdivision 1. This appropriation is available until December 31, 2024.

322.13 (b) As a condition of receiving the appropriation under paragraph (a), the Board of
322.14 Regents of the University of Minnesota must submit a report by January 15, 2020, and
322.15 biennially thereafter until January 15, 2030, on the progress made toward the goals and
322.16 benchmarks established under paragraph (a) to the chairs and ranking minority members
322.17 of the senate and house of representatives committees and divisions with jurisdiction over
322.18 energy, climate, the environment, and natural resources.

322.19 **Subd. 2. Minnesota State Colleges and Universities renewable energy transition. (a)**

322.20 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
322.21 \$6,000,000 in fiscal year 2020 is appropriated from the renewable development account
322.22 established in Minnesota Statutes, section 116C.779, subdivision 1, to the Board of Trustees
322.23 of the Minnesota State Colleges and Universities to establish goals and benchmarks and
322.24 implement a rapid transition toward the use of renewable fuels for electricity and thermal
322.25 energy in campus buildings by 2030. This appropriation may only be expended on activities
322.26 located within the electric service area of the public utility subject to Minnesota Statutes,
322.27 section 116C.779, subdivision 1. This appropriation is available until December 31, 2024.

322.28 (b) As a condition of receiving the appropriation provided under paragraph (a), the Board
322.29 of Trustees of the Minnesota State Colleges and Universities must submit a report by January
322.30 15, 2020, and biennially thereafter until January 15, 2030, on the steps taken and progress
322.31 made toward achieving the goals and benchmarks established under paragraph (a) to the
322.32 chairs and ranking minority members of the senate and house of representatives committees
322.33 and divisions with jurisdiction over energy, climate, the environment, and natural resources.

323.1 Subd. 3. **Solar devices.** Notwithstanding Minnesota Statutes, section 116C.779,
323.2 subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2020 is appropriated from the
323.3 renewable development account established in Minnesota Statutes, section 116C.779,
323.4 subdivision 1, to the commissioner of natural resources to install and expand solar
323.5 photovoltaic or solar thermal energy devices in state parks served with electricity by the
323.6 public utility subject to Minnesota Statutes, section 116C.779, subdivision 1. The department
323.7 owns any renewable energy credits associated with the electricity generated by a solar
323.8 photovoltaic device funded with this appropriation. This appropriation is available until
323.9 December 31, 2024.

323.10 Subd. 4. **Solar for schools.** Notwithstanding Minnesota Statutes, section 116C.779,
323.11 subdivision 1, paragraph (j), \$16,000,000 in fiscal year 2020 is appropriated from the
323.12 renewable development account established under Minnesota Statutes, section 116C.779,
323.13 subdivision 1, to the commissioner of commerce for transfer to the public utility that is
323.14 subject to Minnesota Statutes, section 216C.376, to award grants and financial assistance
323.15 to schools under the solar for schools program under Minnesota Statutes, section 216C.376.
323.16 This appropriation is available until December 31, 2024.

323.17 Subd. 5. **Metropolitan Council; electric buses.** Notwithstanding Minnesota Statutes,
323.18 section 116C.779, subdivision 1, paragraph (j), \$8,000,000 in fiscal year 2019 is appropriated
323.19 from the renewable development account under Minnesota Statutes, section 116C.779,
323.20 subdivision 1, to the Metropolitan Council to defray the cost of purchasing electric buses,
323.21 as described in section 55. Any funds remaining from this appropriation that are insufficient
323.22 to fully fund the incremental cost of purchasing an electric bus rather than a diesel-operated
323.23 bus cancel back to the renewable development account. This appropriation is available until
323.24 December 31, 2020.

323.25 Subd. 6. **Electric school bus grant.** Notwithstanding Minnesota Statutes, section
323.26 116C.779, subdivision 1, paragraph (j), \$500,000 in fiscal year 2020 is appropriated from
323.27 the renewable development account under Minnesota Statutes, section 116C.779, subdivision
323.28 1, to the commissioner of education to award a grant to a school district located within the
323.29 retail electric service area of the public utility subject to Minnesota Statutes, section
323.30 116C.779, subdivision 1, to purchase an electric school bus. This appropriation is available
323.31 until December 31, 2024.

323.32 Subd. 7. **Community solar garden administration.** (a) Notwithstanding Minnesota
323.33 Statutes, section 116C.779, subdivision 1, paragraph (j), \$750,000 in fiscal year 2020 and
323.34 \$750,000 in fiscal year 2021 are appropriated from the renewable development account
323.35 established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of

324.1 commerce for the purpose of funding the Department of Commerce's administrative and
324.2 enforcement activities under Minnesota Statutes, section 216B.1641, subdivision 4.

324.3 (b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph
324.4 (j), \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated from
324.5 the renewable development account established in Minnesota Statutes, section 116C.779,
324.6 subdivision 1, to the commissioner of commerce for grants under Minnesota Statutes, section
324.7 216B.1643.

324.8 (c) Up to three percent of the appropriation made in paragraph (b) is available to the
324.9 commissioner of commerce for the reasonable costs of administrating the grant program in
324.10 Minnesota Statutes, section 216B.1643.

324.11 Subd. 8. **Prairie Island Renewable Energy project.** Notwithstanding Minnesota
324.12 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2020 and
324.13 \$3,000,000 in fiscal year 2021 are appropriated from the renewable development account
324.14 under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
324.15 employment and economic development for a grant to the Prairie Island Indian Community
324.16 to implement the Prairie Island Renewable Energy project under section 58. This
324.17 appropriation is onetime and is available until December 31, 2024.

324.18 Subd. 9. **Electric vehicle rebates.** Notwithstanding Minnesota Statutes, section 116C.779,
324.19 subdivision 1, paragraph (j), \$10,400,000 in fiscal year 2020 is appropriated from the
324.20 renewable development account established in Minnesota Statutes, section 116C.779,
324.21 subdivision 1, to the commissioner of commerce to award rebates to eligible electric vehicle
324.22 purchasers under Minnesota Statutes, section 216C.401. Appropriations from this paragraph
324.23 must be used to award rebates to eligible purchasers who reside within the retail electric
324.24 service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision
324.25 1. This appropriation is available until December 31, 2024.

324.26 Subd. 10. **Electric vehicle charging stations.** Notwithstanding Minnesota Statutes,
324.27 section 116C.779, subdivision 1, paragraph (j), \$2,500,000 in fiscal year 2020 is appropriated
324.28 from the renewable development account established in Minnesota Statutes, section
324.29 116C.779, subdivision 1, to the commissioner of commerce to award grants to install electric
324.30 vehicle charging stations under Minnesota Statutes, section 216C.402. Appropriations from
324.31 this paragraph must be used to award grants to install electric vehicle charging stations
324.32 within the retail electric service area of the public utility subject to Minnesota Statutes,
324.33 section 116C.779, subdivision 1. Up to \$600,000 of this appropriation may be used to fund
324.34 electric vehicle charging stations in state and regional parks and up to \$100,000 may be

325.1 used to fund electric vehicle charging stations in park-and-ride facilities. Unexpended funds
325.2 from this \$700,000 may be used to fund electric vehicle charging stations in either location.
325.3 This appropriation is available until December 31, 2024.

325.4 Subd. 11. **Stretch code.** Notwithstanding Minnesota Statutes, section 116C.779,
325.5 subdivision 1, paragraph (j), \$100,000 in fiscal year 2020 is appropriated from the renewable
325.6 development account established in Minnesota Statutes, section 116C.779, subdivision 1,
325.7 to the commissioner of commerce for transfer to the Center for Sustainable Building Research
325.8 at the University of Minnesota to provide technical assistance to local jurisdictions that
325.9 adopt a voluntary stretch code under Minnesota Statutes, section 326B.106, subdivision 16.
325.10 This is a onetime appropriation. This appropriation is available until December 31, 2024.

325.11 Subd. 12. **Coordinated electric transmission study.** Notwithstanding Minnesota
325.12 Statutes, section 116C.779, subdivision 1, paragraph (j), \$1,000,000 in fiscal year 2020 is
325.13 appropriated from the renewable development account established in Minnesota Statutes,
325.14 section 116C.779, subdivision 1, to the commissioner of commerce to conduct the
325.15 transmission study required under section 59.

325.16 Subd. 13. **Solar incentive program.** Notwithstanding Minnesota Statutes, section
325.17 116C.779, subdivision 1, paragraph (j), \$5,000,000 in fiscal year 2019 is appropriated from
325.18 the renewable development account under Minnesota Statutes, section 116C.779, subdivision
325.19 1, to the commissioner of commerce for transfer to a public utility that is subject to Minnesota
325.20 Statutes, section 116C.779, subdivision 1, for the purpose of Minnesota Statutes, section
325.21 116C.7792. This appropriation must be expended by December 31, 2019.

325.22 Subd. 14. **Made in Minnesota; administration.** Notwithstanding Minnesota Statutes,
325.23 section 116C.779, subdivision 1, paragraph (j), \$100,000 in fiscal year 2020 and \$100,000
325.24 in fiscal year 2021 are appropriated from the renewable development account under
325.25 Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for
325.26 the purpose of administering the Made in Minnesota program under Minnesota Statutes,
325.27 section 216C.417.

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

325.29 Sec. 64. **REPEALER.**

325.30 (a) Minnesota Statutes 2018, section 216B.241, subdivisions 1, 2c, and 4, are repealed.

325.31 (b) Laws 2017, chapter 94, article 1, section 7, subdivision 7, is repealed.

181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or stalking. For the purpose of this paragraph:

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

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "stalking" has the meaning given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section.

216B.241 ENERGY CONSERVATION IMPROVEMENT.

Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the Public Utilities Commission.

(b) "Commissioner" means the commissioner of commerce.

(c) "Department" means the Department of Commerce.

(d) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(e) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat that is recovered and converted into electricity, but does not include electric utility infrastructure projects approved by the commission under section 216B.1636. Energy conservation improvement also includes waste heat recovered and used as thermal energy.

(f) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer.

APPENDIX
Repealed Minnesota Statutes: H2208-3

(g) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made to the large customer facility; and

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales made to the commercial gas customer facility; and

(2) electric sales to a large customer facility whose electric utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to the large customer facility.

(h) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

(i) "Large customer facility" means all buildings, structures, equipment, and installations at a single site that collectively (1) impose a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes or (2) consume not less than 500 million cubic feet of natural gas annually. In calculating peak electrical demand, a large customer facility may include demand offset by on-site cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy demand from the large customer facility's mining and processing operations.

(j) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).

(k) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

(l) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters.

(m) "Qualifying utility" means a utility that supplies the energy to a customer that enables the customer to qualify as a large customer facility.

(n) "Waste heat recovered and used as thermal energy" means capturing heat energy that would otherwise be exhausted or dissipated to the environment from machinery, buildings, or industrial processes and productively using such recovered thermal energy where it was captured or distributing it as thermal energy to other locations where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

(o) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

Subd. 2c. **Performance incentives.** By December 31, 2008, the commission shall review any incentive plan for energy conservation improvement it has approved under section 216B.16, subdivision 6c, and adjust the utility performance incentives to recognize making progress toward and meeting the energy-savings goals established in subdivision 1c.

Subd. 4. **Federal law prohibitions.** If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

325F.75 ADVERTISING RESTRICTIONS; SCOPE; PENALTIES.

Subdivision 1. **Restrictions.** Except as provided in this section, where a plumbing license is required under section 326B.46, no person offering plumbing services may do any of the following unless the person employs a licensed master plumber or the person is a licensed master or journeyman plumber:

- (1) advertise as a plumbing contractor, master plumber, journeyman plumber, or plumber;
- (2) append the person's name to, or in connection with, the title "plumbing contractor," "master plumber," "journeyman plumber," or "plumber";
- (3) append the person's name to any other words that tend to represent the person as a plumbing contractor, master plumber, journeyman plumber, or plumber.

A person who advertises as a master plumber shall include in the advertisement the number of the person's license as a master plumber. A person who advertises as a journeyman plumber must include in the advertisement the person's master or journeyman plumber license number. A person who advertises as a plumbing contractor shall include in the advertisement the license number of the master plumber employed by the plumbing contractor.

A vehicle used to conduct plumbing business must prominently display on its exterior the license number of the master plumber or journeyman plumber performing plumbing services.

Subd. 2. **Scope.** (a) This section applies to a person advertising plumbing services if that person engages in or works at the business of plumbing or offers plumbing services in a city of 5,000 or more population.

(b) This section also applies to a person advertising plumbing services who engages in or works at the business of plumbing or offers plumbing services in a city of less than 5,000 in population that by ordinance requires licensing to do business as a master or journeyman plumber.

Subd. 3. **Penalties.** (a) A person who is found guilty of violating subdivision 1 is subject to a fine not to exceed \$200 for the first offense.

(b) A person who is found guilty of violating subdivision 1 is subject to a fine not to exceed \$1,000 for the second offense.

(c) A person who is found guilty of violating subdivision 1 is subject to a fine not to exceed \$1,000 or imprisonment not to exceed 30 days, or both, for the third and subsequent offenses.

Laws 2017, chapter 94, article 1, section 7, subdivision 7

Sec. 7. DEPARTMENT OF COMMERCE

<u>Subd. 7. Energy Resources</u>	<u>4,847,000</u>	<u>4,847,000</u>
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Appropriations by Fund

<u>General</u>	<u>4,247,000</u>	<u>4,247,000</u>
<u>Special Revenue</u>	<u>600,000</u>	<u>600,000</u>

(a) \$150,000 each year is to remediate vermiculate insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(b) \$832,000 each year is for energy regulation and planning unit staff.

(c) \$100,000 each year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to administer the "Made in Minnesota" solar energy production incentive program in Minnesota Statutes, section 216C.417. Any remaining unspent funds cancel back to the renewable development account at the end of the biennium.

(d) \$500,000 each year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the renewable development advisory group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (l). No portion of this appropriation may be expended or retained by the commissioner of commerce. Any funds appropriated under this paragraph that are unexpended at the end of a fiscal year cancel to the renewable development account.