

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 1456

1.2 A bill for an act

1.3 relating to economic development; temporarily modifying the restrictions on use  
1.4 of Minnesota investment fund local government loan repayment funds.

1.5 May 22, 2017

1.6 The Honorable Michelle L. Fischbach

1.7 President of the Senate

1.8 The Honorable Kurt L. Daudt

1.9 Speaker of the House of Representatives

1.10 We, the undersigned conferees for S.F. No. 1456 report that we have agreed upon the  
1.11 items in dispute and recommend as follows:

1.12 That the House recede from its amendment and that S.F. No. 1456 be further amended  
1.13 as follows:

1.14 Delete everything after the enacting clause and insert:

1.15 **"ARTICLE 1**

1.16 **APPROPRIATIONS**

1.17 Section 1. **JOBS AND ECONOMIC DEVELOPMENT.**

1.18 (a) The sums shown in the columns marked "Appropriations" are appropriated to the  
1.19 agencies and for the purposes specified in this article. The appropriations are from the  
1.20 general fund, or another named fund, and are available for the fiscal years indicated for  
1.21 each purpose. The figures "2018" and "2019" used in this article mean that the appropriations  
1.22 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,  
1.23 respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The  
1.24 biennium" is fiscal years 2018 and 2019.

1.25 (b) If an appropriation in this article is enacted more than once in the 2017 legislative  
1.26 session, the appropriation must be given effect only once.

2.1 **APPROPRIATIONS**  
 2.2 **Available for the Year**  
 2.3 **Ending June 30**  
 2.4 **2018** **2019**

2.5 **Sec. 2. DEPARTMENT OF EMPLOYMENT**  
 2.6 **AND ECONOMIC DEVELOPMENT**

2.7 **Subdivision 1. Total Appropriation** **\$** **145,400,000** **\$** **119,478,000**

2.8 **Appropriations by Fund**

	<u>2018</u>	<u>2019</u>
2.10 <b><u>General</u></b>	<b><u>\$109,565,000</u></b>	<b><u>\$84,747,000</u></b>
2.11 <b><u>Remediation</u></b>	<b><u>\$700,000</u></b>	<b><u>\$700,000</u></b>
2.12 <b><u>Workforce</u></b>		
2.13 <b><u>Development</u></b>	<b><u>\$34,985,000</u></b>	<b><u>\$34,031,000</u></b>
2.14 <b><u>Special Revenue</u></b>	<b><u>\$150,000</u></b>	<b><u>-0-</u></b>

2.15 **The amounts that may be spent for each**  
 2.16 **purpose are specified in the following**  
 2.17 **subdivisions.**

2.18 **Subd. 2. Business and Community Development** **\$** **46,074,000** **\$** **40,935,000**

2.19 **Appropriations by Fund**

2.20 <b><u>General</u></b>	<b><u>\$43,363,000</u></b>	<b><u>\$38,424,000</u></b>
2.21 <b><u>Remediation</u></b>	<b><u>\$700,000</u></b>	<b><u>\$700,000</u></b>
2.22 <b><u>Workforce</u></b>		
2.23 <b><u>Development</u></b>	<b><u>\$1,861,000</u></b>	<b><u>\$1,811,000</u></b>
2.24 <b><u>Special Revenue</u></b>	<b><u>\$150,000</u></b>	<b><u>-0-</u></b>

2.25 **(a) \$4,195,000 each year is for the Minnesota**  
 2.26 **job skills partnership program under**  
 2.27 **Minnesota Statutes, sections 116L.01 to**  
 2.28 **116L.17. If the appropriation for either year**  
 2.29 **is insufficient, the appropriation for the other**  
 2.30 **year is available. This appropriation is**  
 2.31 **available until spent.**

2.32 **(b) \$750,000 each year is for grants to the**  
 2.33 **Neighborhood Development Center for small**  
 2.34 **business programs:**

2.35 **(1) training, lending, and business services;**

- 3.1 (2) model outreach and training in greater  
3.2 Minnesota; and
- 3.3 (3) development of new business incubators.
- 3.4 This is a onetime appropriation.
- 3.5 (c) \$1,175,000 each year is for a grant to the  
3.6 Metropolitan Economic Development  
3.7 Association (MEDA) for statewide business  
3.8 development and assistance services, including  
3.9 services to entrepreneurs with businesses that  
3.10 have the potential to create job opportunities  
3.11 for unemployed and underemployed people,  
3.12 with an emphasis on minority-owned  
3.13 businesses. This is a onetime appropriation.
- 3.14 (d) \$125,000 each year is for a grant to the  
3.15 White Earth Nation for the White Earth Nation  
3.16 Integrated Business Development System to  
3.17 provide business assistance with workforce  
3.18 development, outreach, technical assistance,  
3.19 infrastructure and operational support,  
3.20 financing, and other business development  
3.21 activities. This is a onetime appropriation.
- 3.22 (e)(1) \$12,500,000 each year is for the  
3.23 Minnesota investment fund under Minnesota  
3.24 Statutes, section 116J.8731. Of this amount,  
3.25 the commissioner of employment and  
3.26 economic development may use up to three  
3.27 percent for administration and monitoring of  
3.28 the program. This appropriation is available  
3.29 until spent.
- 3.30 (2) Of the amount appropriated in fiscal year  
3.31 2018, \$4,000,000 is for a loan to construct and  
3.32 equip a wholesale electronic component  
3.33 distribution center investing a minimum of  
3.34 \$200,000,000 and constructing a facility at

4.1 least 700,000 square feet in size. Loan funds  
4.2 may be used for purchases of materials,  
4.3 supplies, and equipment for the construction  
4.4 of the facility and are available from July 1,  
4.5 2017, to June 30, 2021. The commissioner of  
4.6 employment and economic development shall  
4.7 forgive the loan after verification that the  
4.8 project has satisfied performance goals and  
4.9 contractual obligations as required under  
4.10 Minnesota Statutes, section 116J.8731.

4.11 (3) Of the amount appropriated in fiscal year  
4.12 2018, \$700,000 is for a loan to extend an  
4.13 effluent pipe that will deliver reclaimed water  
4.14 to an innovative waste-to-biofuel project  
4.15 investing a minimum of \$150,000,000 and  
4.16 constructing a facility that is designed to  
4.17 process approximately 400,000 tons of waste  
4.18 annually. Loan funds are available until June  
4.19 30, 2021.

4.20 (f) \$8,500,000 each year is for the Minnesota  
4.21 job creation fund under Minnesota Statutes,  
4.22 section 116J.8748. Of this amount, the  
4.23 commissioner of employment and economic  
4.24 development may use up to three percent for  
4.25 administrative expenses. This appropriation  
4.26 is available until expended. In fiscal year 2020  
4.27 and beyond, the base amount is \$8,000,000.

4.28 (g) \$1,647,000 each year is for contaminated  
4.29 site cleanup and development grants under  
4.30 Minnesota Statutes, sections 116J.551 to  
4.31 116J.558. This appropriation is available until  
4.32 spent. In fiscal year 2020 and beyond, the base  
4.33 amount is \$1,772,000.

4.34 (h) \$12,000 each year is for a grant to the  
4.35 Upper Minnesota Film Office.

5.1 (i) \$163,000 each year is for the Minnesota  
5.2 Film and TV Board. The appropriation in each  
5.3 year is available only upon receipt by the  
5.4 board of \$1 in matching contributions of  
5.5 money or in-kind contributions from nonstate  
5.6 sources for every \$3 provided by this  
5.7 appropriation, except that each year up to  
5.8 \$50,000 is available on July 1 even if the  
5.9 required matching contribution has not been  
5.10 received by that date.

5.11 (j) \$500,000 each year is from the general fund  
5.12 for a grant to the Minnesota Film and TV  
5.13 Board for the film production jobs program  
5.14 under Minnesota Statutes, section 116U.26.  
5.15 This appropriation is available until June 30,  
5.16 2021.

5.17 (k) \$139,000 each year is for a grant to the  
5.18 Rural Policy and Development Center under  
5.19 Minnesota Statutes, section 116J.421.

5.20 (l)(1) \$1,300,000 each year is for the greater  
5.21 Minnesota business development public  
5.22 infrastructure grant program under Minnesota  
5.23 Statutes, section 116J.431. This appropriation  
5.24 is available until spent. If the appropriation  
5.25 for either year is insufficient, the appropriation  
5.26 for the other year is available. In fiscal year  
5.27 2020 and beyond, the base amount is  
5.28 \$1,787,000. Funds available under this  
5.29 paragraph may be used for site preparation of  
5.30 property owned and to be used by private  
5.31 entities.

5.32 (2) Of the amounts appropriated, \$1,600,000  
5.33 in fiscal year 2018 is for a grant to the city of  
5.34 Thief River Falls to support utility extensions,  
5.35 roads, and other public improvements related

6.1 to the construction of a wholesale electronic  
6.2 component distribution center at least 700,000  
6.3 square feet in size and investing a minimum  
6.4 of \$200,000,000. Notwithstanding Minnesota  
6.5 Statutes, section 116J.431, a local match is  
6.6 not required. Grant funds are available from  
6.7 July 1, 2017, to June 30, 2021.

6.8 (m) \$876,000 the first year and \$500,000 the  
6.9 second year are for the Minnesota emerging  
6.10 entrepreneur loan program under Minnesota  
6.11 Statutes, section 116M.18. Funds available  
6.12 under this paragraph are for transfer into the  
6.13 emerging entrepreneur program special  
6.14 revenue fund account created under Minnesota  
6.15 Statutes, chapter 116M, and are available until  
6.16 spent. Of this amount, up to four percent is for  
6.17 administration and monitoring of the program.  
6.18 In fiscal year 2020 and beyond, the base  
6.19 amount is \$1,000,000.

6.20 (n) \$875,000 each year is for a grant to  
6.21 Enterprise Minnesota, Inc. for the small  
6.22 business growth acceleration program under  
6.23 Minnesota Statutes, section 116O.115. This  
6.24 is a onetime appropriation.

6.25 (o) \$250,000 in fiscal year 2018 is for a grant  
6.26 to the Minnesota Design Center at the  
6.27 University of Minnesota for the greater  
6.28 Minnesota community design pilot project.

6.29 (p) \$275,000 in fiscal year 2018 is from the  
6.30 general fund to the commissioner of  
6.31 employment and economic development for  
6.32 a grant to Community and Economic  
6.33 Development Associates (CEDA) for an  
6.34 economic development study and analysis of  
6.35 the effects of current and projected economic

7.1 growth in southeast Minnesota. CEDA shall  
7.2 report on the findings and recommendations  
7.3 of the study to the committees of the house of  
7.4 representatives and senate with jurisdiction  
7.5 over economic development and workforce  
7.6 issues by February 15, 2019. All results and  
7.7 information gathered from the study shall be  
7.8 made available for use by cities in southeast  
7.9 Minnesota by March 15, 2019. This  
7.10 appropriation is available until June 30, 2020.

7.11 (q) \$2,000,000 in fiscal year 2018 is for a  
7.12 grant to Pillsbury United Communities for  
7.13 construction and renovation of a building in  
7.14 north Minneapolis for use as the "North  
7.15 Market" grocery store and wellness center,  
7.16 focused on offering healthy food, increasing  
7.17 health care access, and providing job creation  
7.18 and economic opportunities in one place for  
7.19 children and families living in the area. To the  
7.20 extent possible, Pillsbury United Communities  
7.21 shall employ individuals who reside within a  
7.22 five mile radius of the grocery store and  
7.23 wellness center. This appropriation is not  
7.24 available until at least an equal amount of  
7.25 money is committed from nonstate sources.  
7.26 This appropriation is available until the project  
7.27 is completed or abandoned, subject to  
7.28 Minnesota Statutes, section 16A.642.

7.29 (r) \$1,425,000 each year is for the business  
7.30 development competitive grant program. Of  
7.31 this amount, up to five percent is for  
7.32 administration and monitoring of the business  
7.33 development competitive grant program. All  
7.34 grant awards shall be for two consecutive  
7.35 years. Grants shall be awarded in the first year.

- 8.1 (s) \$875,000 each year is for the host  
8.2 community economic development grant  
8.3 program established in Minnesota Statutes,  
8.4 section 116J.548.
- 8.5 (t) \$700,000 each year is from the remediation  
8.6 fund for contaminated site cleanup and  
8.7 development grants under Minnesota Statutes,  
8.8 sections 116J.551 to 116J.558. This  
8.9 appropriation is available until spent.
- 8.10 (u) \$161,000 each year is from the workforce  
8.11 development fund for a grant to the Rural  
8.12 Policy and Development Center. This is a  
8.13 onetime appropriation.
- 8.14 (v) \$300,000 each year is from the workforce  
8.15 development fund for a grant to Enterprise  
8.16 Minnesota, Inc. This is a onetime  
8.17 appropriation.
- 8.18 (w) \$50,000 in fiscal year 2018 is from the  
8.19 workforce development fund for a grant to  
8.20 Fighting Chance for behavioral intervention  
8.21 programs for at-risk youth.
- 8.22 (x) \$1,350,000 each year is from the  
8.23 workforce development fund for job training  
8.24 grants under Minnesota Statutes, section  
8.25 116L.42.
- 8.26 (y)(1) \$519,000 in fiscal year 2018 is for  
8.27 grants to local communities to increase the  
8.28 supply of quality child care providers in order  
8.29 to support economic development. At least 60  
8.30 percent of grant funds must go to communities  
8.31 located outside of the seven-county  
8.32 metropolitan area, as defined under Minnesota  
8.33 Statutes, section 473.121, subdivision 2. Grant  
8.34 recipients must obtain a 50 percent nonstate

9.1 match to grant funds in either cash or in-kind  
9.2 contributions. Grant funds available under this  
9.3 paragraph must be used to implement solutions  
9.4 to reduce the child care shortage in the state  
9.5 including but not limited to funding for child  
9.6 care business start-ups or expansions, training,  
9.7 facility modifications or improvements  
9.8 required for licensing, and assistance with  
9.9 licensing and other regulatory requirements.  
9.10 In awarding grants, the commissioner must  
9.11 give priority to communities that have  
9.12 documented a shortage of child care providers  
9.13 in the area.

9.14 (2) Within one year of receiving grant funds,  
9.15 grant recipients must report to the  
9.16 commissioner on the outcomes of the grant  
9.17 program including but not limited to the  
9.18 number of new providers, the number of  
9.19 additional child care provider jobs created, the  
9.20 number of additional child care slots, and the  
9.21 amount of local funds invested.

9.22 (3) By January 1 of each year, starting in 2019,  
9.23 the commissioner must report to the standing  
9.24 committees of the legislature having  
9.25 jurisdiction over child care and economic  
9.26 development on the outcomes of the program  
9.27 to date.

9.28 (z) \$319,000 in fiscal year 2018 is from the  
9.29 general fund for a grant to the East Phillips  
9.30 Improvement Coalition to create the East  
9.31 Phillips Neighborhood Institute (EPNI) to  
9.32 expand culturally tailored resources that  
9.33 address small business growth and create  
9.34 green jobs. The grant shall fund the  
9.35 collaborative work of Tamales y Bicicletas,

10.1 Little Earth of the United Tribes, a nonprofit  
10.2 servicing East Africans, and other coalition  
10.3 members towards developing EPNI as a  
10.4 community space to host activities including,  
10.5 but not limited to, creation and expansion of  
10.6 small businesses, culturally specific  
10.7 entrepreneurial activities, indoor urban  
10.8 farming, job training, education, and skills  
10.9 development for residents of this low-income,  
10.10 environmental justice designated  
10.11 neighborhood. Eligible uses for grant funds  
10.12 include, but are not limited to, planning and  
10.13 start-up costs, staff and consultant costs,  
10.14 building improvements, rent, supplies, utilities,  
10.15 vehicles, marketing, and program activities.  
10.16 The commissioner shall submit a report on  
10.17 grant activities and quantifiable outcomes to  
10.18 the committees of the house of representatives  
10.19 and the senate with jurisdiction over economic  
10.20 development by December 15, 2020. This  
10.21 appropriation is available until June 30, 2020.  
  
10.22 (aa) \$150,000 the first year is from the  
10.23 renewable development account in the special  
10.24 revenue fund established in Minnesota  
10.25 Statutes, section 116C.779, subdivision 1, to  
10.26 conduct the biomass facility closure economic  
10.27 impact study.  
  
10.28 (bb)(1)\$300,000 in fiscal year 2018 is for a  
10.29 grant to East Side Enterprise Center (ESEC)  
10.30 to expand culturally tailored resources that  
10.31 address small business growth and job  
10.32 creation. This appropriation is available until  
10.33 June 30, 2020. The appropriation shall fund  
10.34 the work of African Economic Development  
10.35 Solutions, the Asian Economic Development

- 11.1 Association, the Dayton's Bluff Community  
 11.2 Council, and the Latino Economic  
 11.3 Development Center in a collaborative  
 11.4 approach to economic development that is  
 11.5 effective with smaller, culturally diverse  
 11.6 communities that seek to increase the  
 11.7 productivity and success of new immigrant  
 11.8 and minority populations living and working  
 11.9 in the community. Programs shall provide  
 11.10 minority business growth and capacity  
 11.11 building that generate wealth and jobs creation  
 11.12 for local residents and business owners on the  
 11.13 East Side of St. Paul.
- 11.14 (2) In fiscal year 2019 ESEC shall use funds  
 11.15 to share its integrated service model and  
 11.16 evolving collaboration principles with civic  
 11.17 and economic development leaders in greater  
 11.18 Minnesota communities which have diverse  
 11.19 populations similar to the East Side of St. Paul.  
 11.20 ESEC shall submit a report of activities and  
 11.21 program outcomes, including quantifiable  
 11.22 measures of success annually to the house of  
 11.23 representatives and senate committees with  
 11.24 jurisdiction over economic development.
- 11.25 (cc) \$150,000 in fiscal year 2018 is for a grant  
 11.26 to Mille Lacs County for the purpose of  
 11.27 reimbursement grants to small resort  
 11.28 businesses located in the city of Isle with less  
 11.29 than \$350,000 in annual revenue, at least four  
 11.30 rental units, which are open during both  
 11.31 summer and winter months, and whose  
 11.32 business was adversely impacted by a decline  
 11.33 in walleye fishing on Lake Mille Lacs.
- 11.34 (dd)(1) \$250,000 in fiscal year 2018 is for a  
 11.35 grant to the Small Business Development

12.1 Center hosted at Minnesota State University,  
12.2 Mankato, for a collaborative initiative with  
12.3 the Regional Center for Entrepreneurial  
12.4 Facilitation. Funds available under this section  
12.5 must be used to provide entrepreneur and  
12.6 small business development direct professional  
12.7 business assistance services in the following  
12.8 counties in Minnesota: Blue Earth, Brown,  
12.9 Faribault, Le Sueur, Martin, Nicollet, Sibley,  
12.10 Watonwan, and Waseca. For the purposes of  
12.11 this section, "direct professional business  
12.12 assistance services" must include, but is not  
12.13 limited to, pre-venture assistance for  
12.14 individuals considering starting a business.  
12.15 This appropriation is not available until the  
12.16 commissioner determines that an equal amount  
12.17 is committed from nonstate sources. Any  
12.18 balance in the first year does not cancel and  
12.19 is available for expenditure in the second year.  
  
12.20 (2) Grant recipients shall report to the  
12.21 commissioner by February 1 of each year and  
12.22 include information on the number of  
12.23 customers served in each county; the number  
12.24 of businesses started, stabilized, or expanded;  
12.25 the number of jobs created and retained; and  
12.26 business success rates in each county. By April  
12.27 1 of each year, the commissioner shall report  
12.28 the information submitted by grant recipients  
12.29 to the chairs of the standing committees of the  
12.30 house of representatives and the senate having  
12.31 jurisdiction over economic development  
12.32 issues.  
  
12.33 (ee) \$500,000 in fiscal year 2018 is for the  
12.34 central Minnesota opportunity grant program  
12.35 established under Minnesota Statutes, section



14.1 experiential learning opportunities for teens  
14.2 and young adults under the age of 21 that lead  
14.3 to careers in the construction industry. This is  
14.4 a onetime appropriation. Grant funds must be  
14.5 used to:

14.6 (1) increase construction industry exposure  
14.7 activities for middle school and high school  
14.8 youth, parents, and counselors to reach a more  
14.9 diverse demographic and broader statewide  
14.10 audience. This requirement includes, but is  
14.11 not limited to, an expansion of programs to  
14.12 provide experience in different crafts to youth  
14.13 and young adults throughout the state;

14.14 (2) increase the number of high schools in  
14.15 Minnesota offering construction classes during  
14.16 the academic year that utilize a multicraft  
14.17 curriculum;

14.18 (3) increase the number of summer internship  
14.19 opportunities;

14.20 (4) enhance activities to support graduating  
14.21 seniors in their efforts to obtain employment  
14.22 in the construction industry;

14.23 (5) increase the number of young adults  
14.24 employed in the construction industry and  
14.25 ensure that they reflect Minnesota's diverse  
14.26 workforce; and

14.27 (6) enhance an industrywide marketing  
14.28 campaign targeted to youth and young adults  
14.29 about the depth and breadth of careers within  
14.30 the construction industry.

14.31 Programs and services supported by grant  
14.32 funds must give priority to individuals and  
14.33 groups that are economically disadvantaged  
14.34 or historically underrepresented in the

15.1 construction industry, including but not limited  
15.2 to women, veterans, and members of minority  
15.3 and immigrant groups.

15.4 (e) \$1,539,000 each year from the general fund  
15.5 and \$4,604,000 each year from the workforce  
15.6 development fund are for the Pathways to  
15.7 Prosperity adult workforce development  
15.8 competitive grant program. Of this amount,  
15.9 up to four percent is for administration and  
15.10 monitoring of the program. When awarding  
15.11 grants under this paragraph, the commissioner  
15.12 of employment and economic development  
15.13 may give preference to any previous grantee  
15.14 with demonstrated success in job training and  
15.15 placement for hard-to-train individuals. In  
15.16 fiscal year 2020 and beyond, the general fund  
15.17 base amount for this program is \$4,039,000.

15.18 (f) \$750,000 each year is for a competitive  
15.19 grant program to provide grants to  
15.20 organizations that provide support services for  
15.21 individuals, such as job training, employment  
15.22 preparation, internships, job assistance to  
15.23 fathers, financial literacy, academic and  
15.24 behavioral interventions for low-performing  
15.25 students, and youth intervention. Grants made  
15.26 under this section must focus on low-income  
15.27 communities, young adults from families with  
15.28 a history of intergenerational poverty, and  
15.29 communities of color. Of this amount, up to  
15.30 four percent is for administration and  
15.31 monitoring of the program. In fiscal year 2020  
15.32 and beyond, the base amount is \$1,000,000.

15.33 (g) \$500,000 each year is for the women and  
15.34 high-wage, high-demand, nontraditional jobs  
15.35 grant program under Minnesota Statutes,

16.1 section 116L.99. Of this amount, up to five  
16.2 percent is for administration and monitoring  
16.3 of the program. In fiscal year 2020 and  
16.4 beyond, the base amount is \$750,000.

16.5 (h) \$500,000 each year is for a competitive  
16.6 grant program for grants to organizations  
16.7 providing services to relieve economic  
16.8 disparities in the Southeast Asian community  
16.9 through workforce recruitment, development,  
16.10 job creation, assistance of smaller  
16.11 organizations to increase capacity, and  
16.12 outreach. Of this amount, up to five percent  
16.13 is for administration and monitoring of the  
16.14 program. In fiscal year 2020 and beyond, the  
16.15 base amount is \$1,000,000.

16.16 (i) \$250,000 each year is for a grant to the  
16.17 American Indian Opportunities and  
16.18 Industrialization Center, in collaboration with  
16.19 the Northwest Indian Community  
16.20 Development Center, to reduce academic  
16.21 disparities for American Indian students and  
16.22 adults. This is a onetime appropriation. The  
16.23 grant funds may be used to provide:

16.24 (1) student tutoring and testing support  
16.25 services;

16.26 (2) training in information technology;

16.27 (3) assistance in obtaining a GED;

16.28 (4) remedial training leading to enrollment in  
16.29 a postsecondary higher education institution;

16.30 (5) real-time work experience in information  
16.31 technology fields; and

16.32 (6) contextualized adult basic education.

17.1 After notification to the legislature, the  
17.2 commissioner may transfer this appropriation  
17.3 to the commissioner of education.

17.4 (j) \$100,000 each year is for the getting to  
17.5 work grant program. This is a onetime  
17.6 appropriation and is available until June 30,  
17.7 2021.

17.8 (k) \$525,000 each year is from the workforce  
17.9 development fund for a grant to the YWCA  
17.10 of Minneapolis to provide economically  
17.11 challenged individuals the job skills training,  
17.12 career counseling, and job placement  
17.13 assistance necessary to secure a child  
17.14 development associate credential and to have  
17.15 a career path in early childhood education.  
17.16 This is a onetime appropriation.

17.17 (l) \$1,350,000 each year is from the workforce  
17.18 development fund for a grant to the Minnesota  
17.19 High Tech Association to support  
17.20 SciTechsperience, a program that supports  
17.21 science, technology, engineering, and math  
17.22 (STEM) internship opportunities for two- and  
17.23 four-year college students and graduate  
17.24 students in their field of study. The internship  
17.25 opportunities must match students with paid  
17.26 internships within STEM disciplines at small,  
17.27 for-profit companies located in Minnesota,  
17.28 having fewer than 250 employees worldwide.  
17.29 At least 300 students must be matched in the  
17.30 first year and at least 350 students must be  
17.31 matched in the second year. No more than 15  
17.32 percent of the hires may be graduate students.  
17.33 Selected hiring companies shall receive from  
17.34 the grant 50 percent of the wages paid to the  
17.35 intern, capped at \$2,500 per intern. The

18.1 program must work toward increasing the  
18.2 participation of women or other underserved  
18.3 populations. This is a onetime appropriation.

18.4 (m) \$450,000 each year is from the workforce  
18.5 development fund for grants to Minnesota  
18.6 Diversified Industries, Inc. to provide  
18.7 progressive development and employment  
18.8 opportunities for people with disabilities. This  
18.9 is a onetime appropriation.

18.10 (n) \$500,000 each year is from the workforce  
18.11 development fund for a grant to Resource, Inc.  
18.12 to provide low-income individuals career  
18.13 education and job skills training that are fully  
18.14 integrated with chemical and mental health  
18.15 services. This is a onetime appropriation.

18.16 (o) \$750,000 each year is from the workforce  
18.17 development fund for a grant to the Minnesota  
18.18 Alliance of Boys and Girls Clubs to administer  
18.19 a statewide project of youth job skills and  
18.20 career development. This project, which may  
18.21 have career guidance components including  
18.22 health and life skills, is designed to encourage,  
18.23 train, and assist youth in early access to  
18.24 education and job-seeking skills, work-based  
18.25 learning experience including career pathways  
18.26 in STEM learning, career exploration and  
18.27 matching, and first job placement through  
18.28 local community partnerships and on-site job  
18.29 opportunities. This grant requires a 25 percent  
18.30 match from nonstate resources. This is a  
18.31 onetime appropriation.

18.32 (p) \$215,000 each year is from the workforce  
18.33 development fund for grants to Big Brothers,  
18.34 Big Sisters of the Greater Twin Cities for  
18.35 workforce readiness, employment exploration,

- 19.1 and skills development for youth ages 12 to  
19.2 21. The grant must serve youth in the Twin  
19.3 Cities, Central Minnesota, and Southern  
19.4 Minnesota Big Brothers, Big Sisters chapters.  
19.5 This is a onetime appropriation.
- 19.6 (q) \$250,000 each year is from the workforce  
19.7 development fund for a grant to YWCA St.  
19.8 Paul to provide job training services and  
19.9 workforce development programs and  
19.10 services, including job skills training and  
19.11 counseling. This is a onetime appropriation.
- 19.12 (r) \$1,000,000 each year is from the workforce  
19.13 development fund for a grant to EMERGE  
19.14 Community Development, in collaboration  
19.15 with community partners, for services  
19.16 targeting Minnesota communities with the  
19.17 highest concentrations of African and  
19.18 African-American joblessness, based on the  
19.19 most recent census tract data, to provide  
19.20 employment readiness training, credentialed  
19.21 training placement, job placement and  
19.22 retention services, supportive services for  
19.23 hard-to-employ individuals, and a general  
19.24 education development fast track and adult  
19.25 diploma program. This is a onetime  
19.26 appropriation.
- 19.27 (s) \$1,000,000 each year is from the workforce  
19.28 development fund for a grant to the  
19.29 Minneapolis Foundation for a strategic  
19.30 intervention program designed to target and  
19.31 connect program participants to meaningful,  
19.32 sustainable living-wage employment. This is  
19.33 a onetime appropriation.
- 19.34 (t) \$750,000 each year is from the workforce  
19.35 development fund for a grant to Latino

20.1 Communities United in Service (CLUES) to  
20.2 expand culturally tailored programs that  
20.3 address employment and education skill gaps  
20.4 for working parents and underserved youth by  
20.5 providing new job skills training to stimulate  
20.6 higher wages for low-income people, family  
20.7 support systems designed to reduce  
20.8 intergenerational poverty, and youth  
20.9 programming to promote educational  
20.10 advancement and career pathways. At least  
20.11 50 percent of this amount must be used for  
20.12 programming targeted at greater Minnesota.  
20.13 This is a onetime appropriation.

20.14 (u) \$600,000 each year is from the workforce  
20.15 development fund for a grant to Ujamaa Place  
20.16 for job training, employment preparation,  
20.17 internships, education, training in the  
20.18 construction trades, housing, and  
20.19 organizational capacity building. This is a  
20.20 onetime appropriation.

20.21 (v) \$1,297,000 in the first year and \$800,000  
20.22 in the second year are from the workforce  
20.23 development fund for performance grants  
20.24 under Minnesota Statutes, section 116J.8747,  
20.25 to Twin Cities R!SE to provide training to  
20.26 hard-to-train individuals. Of the amounts  
20.27 appropriated, \$497,000 in fiscal year 2018 is  
20.28 for a grant to Twin Cities R!SE, in  
20.29 collaboration with Metro Transit and Hennepin  
20.30 Technical College for the Metro Transit  
20.31 technician training program. This is a onetime  
20.32 appropriation and funds are available until  
20.33 June 30, 2020.

20.34 (w) \$230,000 in fiscal year 2018 is from the  
20.35 workforce development fund for a grant to the

- 21.1 Bois Forte Tribal Employment Rights Office  
21.2 (TERO) for an American Indian workforce  
21.3 development training pilot project.
- 21.4 (x) \$40,000 in fiscal year 2018 is from the  
21.5 workforce development fund for a grant to the  
21.6 Cook County Higher Education Board to  
21.7 provide educational programming and  
21.8 academic support services to remote regions  
21.9 in northeastern Minnesota. This appropriation  
21.10 is in addition to other funds previously  
21.11 appropriated to the board.
- 21.12 (y) \$250,000 each year is from the workforce  
21.13 development fund for a grant to Bridges to  
21.14 Healthcare to provide career education,  
21.15 wraparound support services, and job skills  
21.16 training in high-demand health care fields to  
21.17 low-income parents, nonnative speakers of  
21.18 English, and other hard-to-train individuals,  
21.19 helping families build secure pathways out of  
21.20 poverty while also addressing worker  
21.21 shortages in one of Minnesota's most  
21.22 innovative industries. Funds may be used for  
21.23 program expenses, including, but not limited  
21.24 to, hiring instructors and navigators; space  
21.25 rental; and supportive services to help  
21.26 participants attend classes, including assistance  
21.27 with course fees, child care, transportation,  
21.28 and safe and stable housing. In addition, up to  
21.29 five percent of grant funds may be used for  
21.30 Bridges to Healthcare's administrative costs.  
21.31 This is a onetime appropriation and is  
21.32 available until June 30, 2020.
- 21.33 (z) \$500,000 each year is from the workforce  
21.34 development fund for a grant to the Nonprofits  
21.35 Assistance Fund to provide capacity-building

- 22.1 grants to small, culturally specific  
22.2 organizations that primarily serve historically  
22.3 underserved cultural communities. Grants may  
22.4 only be awarded to nonprofit organizations  
22.5 that have an annual organizational budget of  
22.6 less than \$500,000 and are culturally specific  
22.7 organizations that primarily serve historically  
22.8 underserved cultural communities. Grant funds  
22.9 awarded must be used for:
- 22.10 (1) organizational infrastructure improvement,  
22.11 including developing database management  
22.12 systems and financial systems, or other  
22.13 administrative needs that increase the  
22.14 organization's ability to access new funding  
22.15 sources;
- 22.16 (2) organizational workforce development,  
22.17 including hiring culturally competent staff,  
22.18 training and skills development, and other  
22.19 methods of increasing staff capacity; or
- 22.20 (3) creation or expansion of partnerships with  
22.21 existing organizations that have specialized  
22.22 expertise in order to increase the capacity of  
22.23 the grantee organization to improve services  
22.24 for the community. Of this amount, up to five  
22.25 percent may be used by the Nonprofits  
22.26 Assistance Fund for administration costs and  
22.27 providing technical assistance to potential  
22.28 grantees. This is a onetime appropriation.
- 22.29 (aa) \$4,050,000 each year is from the  
22.30 workforce development fund for the  
22.31 Minnesota youth program under Minnesota  
22.32 Statutes, sections 116L.56 and 116L.561.
- 22.33 (bb) \$1,000,000 each year is from the  
22.34 workforce development fund for the

- 23.1 youthbuild program under Minnesota Statutes,  
23.2 sections 116L.361 to 116L.366.
- 23.3 (cc) \$3,348,000 each year is from the  
23.4 workforce development fund for the "Youth  
23.5 at Work" youth workforce development  
23.6 competitive grant program. Of this amount,  
23.7 up to five percent is for administration and  
23.8 monitoring of the youth workforce  
23.9 development competitive grant program. All  
23.10 grant awards shall be for two consecutive  
23.11 years. Grants shall be awarded in the first year.
- 23.12 (dd) \$500,000 each year is from the workforce  
23.13 development fund for the Opportunities  
23.14 Industrialization Center programs.
- 23.15 (ee) \$750,000 each year is from the workforce  
23.16 development fund for a grant to Summit  
23.17 Academy OIC to expand its contextualized  
23.18 GED and employment placement program.  
23.19 This is a onetime appropriation.
- 23.20 (ff) \$500,000 each year is from the workforce  
23.21 development fund for a grant to  
23.22 Goodwill-Easter Seals Minnesota and its  
23.23 partners. The grant shall be used to continue  
23.24 the FATHER Project in Rochester, Park  
23.25 Rapids, St. Cloud, Minneapolis, and the  
23.26 surrounding areas to assist fathers in  
23.27 overcoming barriers that prevent fathers from  
23.28 supporting their children economically and  
23.29 emotionally. This is a onetime appropriation.
- 23.30 (gg) \$150,000 each year is from the workforce  
23.31 development fund for displaced homemaker  
23.32 programs under Minnesota Statutes, section  
23.33 116L.96. The commissioner shall distribute  
23.34 the funds to existing nonprofit and state

24.1 displaced homemaker programs. This is a  
24.2 onetime appropriation.

24.3 (hh)(1) \$150,000 in fiscal year 2018 is from  
24.4 the workforce development fund for a grant  
24.5 to Anoka County to develop and implement  
24.6 a pilot program to increase competitive  
24.7 employment opportunities for transition-age  
24.8 youth ages 18 to 21.

24.9 (2) The competitive employment for  
24.10 transition-age youth pilot program shall  
24.11 include career guidance components, including  
24.12 health and life skills, to encourage, train, and  
24.13 assist transition-age youth in job-seeking  
24.14 skills, workplace orientation, and job site  
24.15 knowledge.

24.16 (3) In operating the pilot program, Anoka  
24.17 County shall collaborate with schools,  
24.18 disability providers, jobs and training  
24.19 organizations, vocational rehabilitation  
24.20 providers, and employers to build upon  
24.21 opportunities and services, to prepare  
24.22 transition-age youth for competitive  
24.23 employment, and to enhance employer  
24.24 connections that lead to employment for the  
24.25 individuals served.

24.26 (4) Grant funds may be used to create an  
24.27 on-the-job training incentive to encourage  
24.28 employers to hire and train qualifying  
24.29 individuals. A participating employer may  
24.30 receive up to 50 percent of the wages paid to  
24.31 the employee as a cost reimbursement for  
24.32 on-the-job training provided.

24.33 (ii) \$500,000 each year is from the workforce  
24.34 development fund for rural career counseling



26.1	<u>Appropriations by Fund</u>		
26.2	<u>General Fund</u>	<u>\$4,135,000</u>	<u>\$4,606,000</u>
26.3	<u>Workforce</u>		
26.4	<u>Development</u>	<u>\$35,000</u>	<u>\$48,000</u>

26.5 (a) \$250,000 each year is for the publication,  
 26.6 dissemination, and use of labor market  
 26.7 information under Minnesota Statutes, section  
 26.8 116J.401.

26.9 (b) \$1,269,000 each year is for transfer to the  
 26.10 Minnesota Housing Finance Agency for  
 26.11 operating the Olmstead Compliance Office.

26.12 (c) \$500,000 each year is for a statewide  
 26.13 capacity-building grant program. The  
 26.14 commissioner of employment and economic  
 26.15 development shall, through a request for  
 26.16 proposal process, select a nonprofit  
 26.17 organization to administer the  
 26.18 capacity-building grant program. The selected  
 26.19 organization must have demonstrated  
 26.20 experience in providing financial and technical  
 26.21 assistance to nonprofit organizations statewide.  
 26.22 The selected organization shall provide  
 26.23 financial assistance in the form of subgrants  
 26.24 and technical assistance to small to  
 26.25 medium-sized nonprofit organizations  
 26.26 offering, or seeking to offer, workforce or  
 26.27 economic development programming that  
 26.28 addresses economic disparities in underserved  
 26.29 cultural communities. This assistance can be  
 26.30 provided in-house or in partnership with other  
 26.31 organizations depending on need. The  
 26.32 nonprofit organization selected to administer  
 26.33 the grant program shall report to the  
 26.34 commissioner by February 1 each year  
 26.35 regarding assistance provided, including the  
 26.36 demographic and geographic distribution of

27.1 the grant awards, services, and outcomes. By  
 27.2 April 1 each year, the commissioner shall  
 27.3 report the information submitted by the  
 27.4 nonprofit to the legislative committees having  
 27.5 jurisdiction over economic development  
 27.6 issues. Of this amount, one percent is for the  
 27.7 commissioner to conduct the request for  
 27.8 proposal process and monitor the selected  
 27.9 organization. The nonprofit selected to  
 27.10 administer the grant program may use up to  
 27.11 five percent of the grant funds for  
 27.12 administration costs and providing technical  
 27.13 assistance to potential subgrantees.

27.14 (d) \$25,000 each year is for the administration  
 27.15 of state aid for the Destination Medical Center  
 27.16 under Minnesota Statutes, sections 469.40 to  
 27.17 469.47.

27.18 Subd. 5. **Minnesota Trade Office**                    \$            2,292,000 \$            2,292,000

27.19 (a) \$300,000 each year is for the STEP grants  
 27.20 in Minnesota Statutes, section 116J.979.

27.21 (b) \$180,000 each year is for the Invest  
 27.22 Minnesota marketing initiative in Minnesota  
 27.23 Statutes, section 116J.9781.

27.24 (c) \$270,000 each year is for the Minnesota  
 27.25 Trade Offices under Minnesota Statutes,  
 27.26 section 116J.978.

27.27 (d) \$50,000 each year is for the Trade Policy  
 27.28 Advisory Council under Minnesota Statutes,  
 27.29 section 116J.9661.

27.30 Subd. 6. **Vocational Rehabilitation**                    \$            34,691,000 \$            34,691,000

27.31	<u>Appropriations by Fund</u>		
27.32	<u>General</u>	<u>\$26,861,000</u>	<u>\$26,861,000</u>
27.33	<u>Workforce</u>		
27.34	<u>Development</u>	<u>\$7,830,000</u>	<u>\$7,830,000</u>

- 28.1 (a) \$14,300,000 each year is for the state's  
28.2 vocational rehabilitation program under  
28.3 Minnesota Statutes, chapter 268A. In fiscal  
28.4 year 2020 and beyond, the base amount is  
28.5 \$10,800,000.
- 28.6 (b) \$3,011,000 each year is for grants to  
28.7 centers for independent living under  
28.8 Minnesota Statutes, section 268A.11.
- 28.9 (c) \$6,995,000 each year is from the general  
28.10 fund and \$6,830,000 each year is from the  
28.11 workforce development fund for extended  
28.12 employment services for persons with severe  
28.13 disabilities under Minnesota Statutes, section  
28.14 268A.15. Of the general fund amount  
28.15 appropriated, \$1,000,000 each year is for rate  
28.16 increases to providers of extended employment  
28.17 services for persons with severe disabilities  
28.18 under Minnesota Statutes, section 268A.15.  
28.19 In fiscal year 2020 and beyond, the general  
28.20 fund base amount is \$8,995,000. Of the base  
28.21 amounts in fiscal years 2020 and 2021,  
28.22 \$2,000,000 in fiscal year 2020 and \$2,000,000  
28.23 in fiscal year 2021 are for rate increases to  
28.24 providers of extended employment services  
28.25 for persons with severe disabilities under  
28.26 Minnesota Statutes, section 268A.15.
- 28.27 (d) \$2,555,000 each year is for grants to  
28.28 programs that provide employment support  
28.29 services to persons with mental illness under  
28.30 Minnesota Statutes, sections 268A.13 and  
28.31 268A.14.
- 28.32 (e) \$1,000,000 each year is from the workforce  
28.33 development fund for grants under Minnesota  
28.34 Statutes, section 268A.16, for employment  
28.35 services for persons, including transition-age

29.1 youth, who are deaf, deafblind, or  
 29.2 hard-of-hearing. If the amount in the first year  
 29.3 is insufficient, the amount in the second year  
 29.4 is available in the first year.

29.5 **Subd. 7. Services for the Blind**                   \$       6,425,000 \$       6,425,000

29.6 Of this amount, \$500,000 each year is for  
 29.7 senior citizens who are becoming blind. At  
 29.8 least half of the funds for this purpose must  
 29.9 be used to provide training services for seniors  
 29.10 who are becoming blind. Training services  
 29.11 must provide independent living skills to  
 29.12 seniors who are becoming blind to allow them  
 29.13 to continue to live independently in their  
 29.14 homes.

29.15 **Subd. 8. Broadband Development**                   \$       20,250,000 \$       250,000

29.16 (a) \$20,000,000 in fiscal year 2018 is for  
 29.17 deposit in the border-to-border broadband fund  
 29.18 account in the special revenue fund established  
 29.19 under Minnesota Statutes, section 116J.396.

29.20 (b) \$250,000 each year is for the Broadband  
 29.21 Development Office.

29.22 **Subd. 9. Reporting**

29.23 (a) An entity receiving a direct appropriation  
 29.24 in this article that received a direct  
 29.25 appropriation in Laws 2016, chapter 189,  
 29.26 article 12, is subject to the requirements for  
 29.27 grants to individually specified recipients  
 29.28 under Laws 2016, chapter 189, article 12,  
 29.29 section 11.

29.30 (b) Any recipient of a direct appropriation  
 29.31 from the workforce development fund for  
 29.32 adult workforce-related programs under  
 29.33 subdivision 3 not subject to the requirements  
 29.34 of paragraph (a) is subject to the reporting



31.1 (3) The commissioner may allocate a portion  
 31.2 of the appropriation for the economic  
 31.3 development and housing challenge program  
 31.4 for assistance in the area included in DR-4290,  
 31.5 as provided in Minnesota Statutes, section  
 31.6 12A.09. The maximum loan amount per  
 31.7 housing structure is \$20,000. Within the limits  
 31.8 of available appropriations, the agency may  
 31.9 increase the maximum amount if the cost of  
 31.10 repair or replacement of the residential  
 31.11 property exceeds the total of the maximum  
 31.12 loan amount and any assistance available from  
 31.13 FEMA, other federal government agencies,  
 31.14 including the Small Business Administration,  
 31.15 and private insurance and flood insurance  
 31.16 benefits.

31.17 (b) \$2,000,000 each year is for the purposes  
 31.18 of the workforce housing development  
 31.19 program under Minnesota Statutes, section  
 31.20 462A.39. The commissioner of housing  
 31.21 finance may hire staff sufficient for the  
 31.22 purposes of this paragraph.

31.23	<u>Subd. 3. <b>Housing Trust Fund</b></u>	<u>13,396,000</u>	<u>11,646,000</u>
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31.24 (a) This appropriation is for deposit in the  
 31.25 housing fund account created under Minnesota  
 31.26 Statutes, section 462A.201, and may be used  
 31.27 for the purposes provided in that section.

31.28 (b) \$1,750,000 in fiscal year 2018 is for the  
 31.29 rental assistance to highly mobile students  
 31.30 program under Minnesota Statutes, section  
 31.31 462A.201, subdivision 2, paragraph (a), clause  
 31.32 (4).

31.33	<u>Subd. 4. <b>Rental Assistance for Mentally III</b></u>	<u>4,088,000</u>	<u>4,088,000</u>
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32.1	<u>This appropriation is for the rental housing</u>		
32.2	<u>assistance program for persons with a mental</u>		
32.3	<u>illness or families with an adult member with</u>		
32.4	<u>a mental illness, under Minnesota Statutes,</u>		
32.5	<u>section 462A.2097. Among comparable</u>		
32.6	<u>proposals, the agency shall prioritize those</u>		
32.7	<u>proposals that target, in part, eligible persons</u>		
32.8	<u>who desire to move to more integrated,</u>		
32.9	<u>community-based settings.</u>		
32.10	<b><u>Subd. 5. Family Homeless Prevention</u></b>	<u>8,769,000</u>	<u>8,519,000</u>
32.11	<u>(a) This appropriation is for the family</u>		
32.12	<u>homeless prevention and assistance programs</u>		
32.13	<u>under Minnesota Statutes, section 462A.204.</u>		
32.14	<u>(b) \$250,000 in fiscal year 2018 is for grants</u>		
32.15	<u>to programs under Minnesota Statutes, section</u>		
32.16	<u>462A.204, subdivision 8.</u>		
32.17	<b><u>Subd. 6. Home Ownership Assistance Fund</u></b>	<u>885,000</u>	<u>885,000</u>
32.18	<u>This appropriation is for the home ownership</u>		
32.19	<u>assistance program under Minnesota Statutes,</u>		
32.20	<u>section 462A.21, subdivision 8. The agency</u>		
32.21	<u>shall continue to strengthen its efforts to</u>		
32.22	<u>address the disparity gap in the</u>		
32.23	<u>homeownership rate between white</u>		
32.24	<u>households and indigenous American Indians</u>		
32.25	<u>and communities of color.</u>		
32.26	<b><u>Subd. 7. Affordable Rental Investment Fund</u></b>	<u>4,218,000</u>	<u>4,218,000</u>
32.27	<u>(a) This appropriation is for the affordable</u>		
32.28	<u>rental investment fund program under</u>		
32.29	<u>Minnesota Statutes, section 462A.21,</u>		
32.30	<u>subdivision 8b, to finance the acquisition,</u>		
32.31	<u>rehabilitation, and debt restructuring of</u>		
32.32	<u>federally assisted rental property and for</u>		
32.33	<u>making equity take-out loans under Minnesota</u>		
32.34	<u>Statutes, section 462A.05, subdivision 39.</u>		

33.1 (b) The owner of federally assisted rental  
 33.2 property must agree to participate in the  
 33.3 applicable federally assisted housing program  
 33.4 and to extend any existing low-income  
 33.5 affordability restrictions on the housing for  
 33.6 the maximum term permitted. The owner must  
 33.7 also enter into an agreement that gives local  
 33.8 units of government, housing and  
 33.9 redevelopment authorities, and nonprofit  
 33.10 housing organizations the right of first refusal  
 33.11 if the rental property is offered for sale.  
 33.12 Priority must be given among comparable  
 33.13 federally assisted rental properties to  
 33.14 properties with the longest remaining term  
 33.15 under an agreement for federal assistance.  
 33.16 Priority must also be given among comparable  
 33.17 rental housing developments to developments  
 33.18 that are or will be owned by local government  
 33.19 units, a housing and redevelopment authority,  
 33.20 or a nonprofit housing organization.

33.21 (c) The appropriation also may be used to  
 33.22 finance the acquisition, rehabilitation, and debt  
 33.23 restructuring of existing supportive housing  
 33.24 properties. For purposes of this subdivision,  
 33.25 "supportive housing" means affordable rental  
 33.26 housing with links to services necessary for  
 33.27 individuals, youth, and families with children  
 33.28 to maintain housing stability.

33.29 **Subd. 8. Housing Rehabilitation** 6,515,000 6,515,000

33.30 This appropriation is for the housing  
 33.31 rehabilitation program under Minnesota  
 33.32 Statutes, section 462A.05, subdivision 14. Of  
 33.33 this amount, \$2,772,000 each year is for the  
 33.34 rehabilitation of owner-occupied housing,  
 33.35 \$3,743,000 each year is for the rehabilitation

34.1 of eligible rental housing. In administering a  
 34.2 rehabilitation program for rental housing, the  
 34.3 agency may apply the processes and priorities  
 34.4 adopted for administration of the economic  
 34.5 development and housing challenge program  
 34.6 under Minnesota Statutes, section 462A.33.

34.7 **Subd. 9. Homeownership Education, Counseling,**  
 34.8 **and Training**

857,000

857,000

34.9 This appropriation is for the homeownership  
 34.10 education, counseling, and training program  
 34.11 under Minnesota Statutes, section 462A.209.

34.12 Priority may be given to funding programs  
 34.13 that are aimed at culturally specific groups  
 34.14 who are providing services to members of their  
 34.15 communities.

34.16 **Subd. 10. Capacity Building Grants**

645,000

645,000

34.17 This appropriation is for nonprofit capacity  
 34.18 building grants under Minnesota Statutes,  
 34.19 section 462A.21, subdivision 3b. Of this  
 34.20 amount, \$125,000 each year is for support of  
 34.21 the Homeless Management Information  
 34.22 System (HMIS).

34.23 **Subd. 11. Build Wealth MN**

500,000

500,000

34.24 This appropriation is for grants to Build  
 34.25 Wealth MN to provide a family stabilization  
 34.26 plan program including program outreach,  
 34.27 financial literacy education, and budget and  
 34.28 debt counseling.

34.29 **Sec. 4. DEPARTMENT OF LABOR AND**  
 34.30 **INDUSTRY**

34.31 **Subdivision 1. Total Appropriation**

**\$**

**28,820,000**

**\$**

**29,143,000**

34.32 Appropriations by Fund

34.33 2018 2019

34.34 **General** 1,776,000 1,790,000

35.1	<u>Workers'</u>		
35.2	<u>Compensation</u>	<u>24,975,000</u>	<u>24,975,000</u>
35.3	<u>Workforce</u>		
35.4	<u>Development</u>	<u>2,069,000</u>	<u>2,378,000</u>

35.5 The amounts that may be spent for each  
 35.6 purpose are specified in the following  
 35.7 subdivisions.

35.8	<b><u>Subd. 2. Workers' Compensation</u></b>	<u>14,782,000</u>	<u>14,782,000</u>
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35.9 (a) This appropriation is from the workers'  
 35.10 compensation fund.

35.11 (b)(1) \$3,000,000 each year is for workers'  
 35.12 compensation system upgrades. This amount  
 35.13 is available until June 30, 2021. This is a  
 35.14 onetime appropriation.

35.15 (2) This appropriation includes funds for  
 35.16 information technology project services and  
 35.17 support subject to the provisions of Minnesota  
 35.18 Statutes, section 16E.0466. Any ongoing  
 35.19 information technology costs must be  
 35.20 incorporated into the service level agreement  
 35.21 and must be paid to the Office of MN.IT  
 35.22 Services by the commissioner of labor and  
 35.23 industry under the rates and mechanism  
 35.24 specified in that agreement.

35.25	<b><u>Subd. 3. Labor Standards and Apprenticeship</u></b>	<u>3,645,000</u>	<u>3,668,000</u>
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35.26	<u>Appropriations by Fund</u>		
35.27	<u>General</u>	<u>1,776,000</u>	<u>1,790,000</u>
35.28	<u>Workforce</u>		
35.29	<u>Development</u>	<u>1,869,000</u>	<u>1,878,000</u>

35.30 (a) \$500,000 each year is from the general  
 35.31 fund for wage theft prevention under the  
 35.32 division of labor standards.

35.33 (b) \$100,000 each year is from the workforce  
 35.34 development fund for labor education and  
 35.35 advancement program grants under Minnesota

36.1 Statutes, section 178.11, to expand and  
 36.2 promote registered apprenticeship training for  
 36.3 minorities and women.

36.4 (c) \$300,000 each year is from the workforce  
 36.5 development fund for the PIPELINE program.

36.6 (d) \$200,000 each year is from the workforce  
 36.7 development fund for grants to the  
 36.8 Construction Careers Foundation for the  
 36.9 Helmets to Hardhats Minnesota initiative.

36.10 Grant funds must be used to recruit, retain,  
 36.11 assist, and support National Guard, reserve,  
 36.12 and active duty military members' and  
 36.13 veterans' participation into apprenticeship  
 36.14 programs registered with the Department of  
 36.15 Labor and Industry and connect them with  
 36.16 career training and employment in the building  
 36.17 and construction industry. The recruitment,  
 36.18 selection, employment, and training must be  
 36.19 without discrimination due to race, color,  
 36.20 creed, religion, national origin, sex, sexual  
 36.21 orientation, marital status, physical or mental  
 36.22 disability, receipt of public assistance, or age.

36.23 This is a onetime appropriation.

36.24 (e) \$1,029,000 each year is from the workforce  
 36.25 development fund for the apprenticeship  
 36.26 program under Minnesota Statutes, chapter  
 36.27 178.

36.28 (f) \$150,000 each year is from the workforce  
 36.29 development fund for prevailing wage  
 36.30 enforcement.

36.31 **Subd. 4. Workplace Safety** 4,154,000 4,154,000

36.32 This appropriation is from the workers'  
 36.33 compensation fund.

36.34 **Subd. 5. General Support** 6,239,000 6,539,000

37.1	<u>Appropriations by Fund</u>		
37.2	<u>Workforce</u>		
37.3	<u>Development Fund</u>	<u>200,000</u>	<u>500,000</u>
37.4	<u>Workers'</u>		
37.5	<u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>

37.6 (a) Except as provided in paragraphs (b) and  
 37.7 (c), this appropriation is from the workers'  
 37.8 compensation fund.

37.9 (b) \$200,000 in fiscal year 2018 is from the  
 37.10 workforce development fund for the  
 37.11 commissioner of labor and industry to convene  
 37.12 and collaborate with stakeholders as provided  
 37.13 under Minnesota Statutes, section 175.46,  
 37.14 subdivision 3, and to develop youth skills  
 37.15 training competencies for approved  
 37.16 occupations. This is a onetime appropriation.

37.17 (c) \$500,000 in fiscal year 2019 is from the  
 37.18 workforce development fund to administer the  
 37.19 youth skills training program under Minnesota  
 37.20 Statutes, section 175.46. The commissioner  
 37.21 shall award up to five grants each year to local  
 37.22 partnerships located throughout the state, not  
 37.23 to exceed \$100,000 per local partnership grant.  
 37.24 The commissioner may use a portion of this  
 37.25 appropriation for administration of the grant  
 37.26 program. The base amount for this program  
 37.27 is \$500,000 each year beginning in fiscal year  
 37.28 2020.

37.29 **Sec. 5. BUREAU OF MEDIATION SERVICES \$ 2,446,000 \$ 2,522,000**

37.30 (a) \$394,000 each year is for the Office of  
 37.31 Collaboration and Dispute Resolution under  
 37.32 Minnesota Statutes, section 179.90. Of this  
 37.33 amount, \$160,000 each year is for grants under  
 37.34 Minnesota Statutes, section 179.91.

38.1 (b) \$68,000 each year is from the general fund  
 38.2 for grants to area labor management  
 38.3 committees. Grants may be awarded for a  
 38.4 12-month period beginning July 1 each year.  
 38.5 Any unencumbered balance remaining at the  
 38.6 end of the first year does not cancel but is  
 38.7 available for the second year.

38.8 (c) \$125,000 each year is for purposes of the Public Employment Relations Board under  
 38.9 Minnesota Statutes, section 179A.041

38.10 **Sec. 6. WORKERS' COMPENSATION COURT**  
 38.11 **OF APPEALS** \$ 1,913,000 \$ 1,913,000

38.12 This appropriation is from the workers'  
 38.13 compensation fund.

38.14 **Sec. 7. DEPARTMENT OF COMMERCE**

38.15 **Subdivision 1. Total Appropriation** \$ 27,485,000 \$ 27,165,000

38.16	<u>Appropriations by Fund</u>		
38.17	<u>General</u>	<u>23,472,000</u>	<u>23,152,000</u>
38.18	<u>Special Revenue</u>	<u>2,210,000</u>	<u>2,210,000</u>
38.19	<u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
38.20	<u>Workers'</u>		
38.21	<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>

38.22 The amounts that may be spent for each  
 38.23 purpose are specified in the following  
 38.24 subdivisions.

38.25 **Subd. 2. Financial Institutions** 920,000 820,000

38.26 (a) \$400,000 each year is for grants to Prepare  
 38.27 and Prosper for purposes of developing,  
 38.28 marketing, evaluating, and distributing a  
 38.29 financial services inclusion program that will  
 38.30 assist low-income and financially underserved  
 38.31 populations build savings, strengthen credit,  
 38.32 and provide services to assist them in being  
 38.33 more financially stable and secure. Grants in  
 38.34 fiscal year 2018 must be matched by nonstate

39.1 contributions. Money remaining after the first  
39.2 year is available for the second year.

39.3 (b) \$100,000 in fiscal year 2018 is for a grant  
39.4 to Exodus Lending to assist individuals in  
39.5 reaching financial stability and resolving  
39.6 payday loans. this appropriation is available  
39.7 until June 30, 2020.

39.8 **Subd. 3. Petroleum Tank Release Compensation**  
39.9 **Board**

1,052,000

1,052,000

39.10 This appropriation is from the petroleum tank  
39.11 fund.

39.12 **Subd. 4. Administrative Services**

7,386,000

7,386,000

39.13 (a) \$384,000 each year is for additional  
39.14 compliance efforts with unclaimed property.  
39.15 The commissioner may issue contracts for  
39.16 these services.

39.17 (b) \$100,000 each year is for the support of  
39.18 broadband development.

39.19 (c) \$33,000 each year is for rulemaking and  
39.20 administration under Minnesota Statutes,  
39.21 section 80A.461.

39.22 **Subd. 5. Telecommunications**

2,619,000

2,619,000

39.23 Appropriations by Fund

39.24 General                      1,009,000              1,009,000

39.25 Special Revenue              1,610,000              1,610,000

39.26 \$1,610,000 each year is from the  
39.27 telecommunication access Minnesota fund  
39.28 account in the special revenue fund for the  
39.29 following transfers. This appropriation is  
39.30 added to the department's base.

39.31 (1) \$1,170,000 each year is to the  
39.32 commissioner of human services to  
39.33 supplement the ongoing operational expenses

40.1 of the Commission of Deaf, DeafBlind, and  
 40.2 Hard-of-Hearing Minnesotans;  
 40.3 (2) \$290,000 each year is to the chief  
 40.4 information officer for the purpose of  
 40.5 coordinating technology accessibility and  
 40.6 usability;

40.7 (3) \$100,000 each year is to the Legislative  
 40.8 Coordinating Commission for captioning of  
 40.9 legislative coverage. This transfer is subject  
 40.10 to Minnesota Statutes, section 16A.281; and

40.11 (4) \$50,000 each year is to the Office of  
 40.12 MN.IT Services for a consolidated access fund  
 40.13 to provide grants to other state agencies related  
 40.14 to accessibility of their Web-based services.

40.15 **Subd. 6. Enforcement** 5,672,000 5,472,000

	<u>Appropriations by Fund</u>	
40.17 <u>General</u>	<u>5,474,000</u>	<u>5,274,000</u>
40.18 <u>Workers'</u>		
40.19 <u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

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

40.22 (b)(1) \$200,000 in fiscal year 2018 is to create  
 40.23 and execute a statewide education and  
 40.24 outreach campaign to protect seniors, meaning  
 40.25 those 60 years of age or older, vulnerable  
 40.26 adults, as defined in Minnesota Statutes,  
 40.27 section 626.5572, subdivision 21, and their  
 40.28 caregivers from financial fraud and  
 40.29 exploitation.

40.30 (2) The education and outreach campaign must  
 40.31 be statewide, and must include, but is not  
 40.32 limited to, the dissemination of information  
 40.33 through television, print, or other media,

41.1 training and outreach to senior living facilities,  
 41.2 and the creation of a senior fraud toolkit.

41.3 (3) The commissioner of commerce shall  
 41.4 report by January 15, 2018, to the chairs and  
 41.5 ranking minority members of the committees  
 41.6 of the house of representatives and senate  
 41.7 having jurisdiction over commerce issues  
 41.8 regarding the results of the statewide education  
 41.9 and outreach campaign, and recommendations  
 41.10 for supporting ongoing efforts to prevent  
 41.11 financial fraud from occurring to, and the  
 41.12 financial exploitation of, seniors, vulnerable  
 41.13 adults, and their caregivers.

41.14 (c) The revenue transferred in Minnesota  
 41.15 Statutes, section 297I.11, subdivision 2, to the  
 41.16 insurance fraud prevention account must be  
 41.17 used in part for compensation for two new  
 41.18 employees in the Commerce Fraud Bureau to  
 41.19 perform analytical duties. The new employees  
 41.20 must not be peace officers.

41.21 Subd. 7. Energy Resources 4,847,000 4,847,000

41.22	<u>Appropriations by Fund</u>		
41.23	<u>General</u>	<u>4,247,000</u>	<u>4,247,000</u>
41.24	<u>Special Revenue</u>	<u>600,000</u>	<u>600,000</u>

41.25 (a) \$150,000 each year is to remediate  
 41.26 vermiculate insulation from households that  
 41.27 are eligible for weatherization assistance under  
 41.28 Minnesota's weatherization assistance program  
 41.29 state plan under Minnesota Statutes, section  
 41.30 216C.264. Remediation must be done in  
 41.31 conjunction with federal weatherization  
 41.32 assistance program services.

41.33 (b) \$832,000 each year is for energy regulation  
 41.34 and planning unit staff.

42.1 (c) \$100,000 each year is from the renewable  
 42.2 development account in the special revenue  
 42.3 fund established in Minnesota Statutes, section  
 42.4 116C.779, subdivision 1, to administer the  
 42.5 "Made in Minnesota" solar energy production  
 42.6 incentive program in Minnesota Statutes,  
 42.7 section 216C.417. Any remaining unspent  
 42.8 funds cancel back to the renewable  
 42.9 development account at the end of the  
 42.10 biennium.

42.11 (d) \$500,000 each year is from the renewable  
 42.12 development account in the special revenue  
 42.13 fund established in Minnesota Statutes, section  
 42.14 116C.779, subdivision 1, for costs associated  
 42.15 with any third-party expert evaluation of a  
 42.16 proposal submitted in response to a request  
 42.17 for proposal to the renewable development  
 42.18 advisory group under Minnesota Statutes,  
 42.19 section 116C.779, subdivision 1, paragraph

42.20 (l). No portion of this appropriation may be  
 42.21 expended or retained by the commissioner of  
 42.22 commerce. Any funds appropriated under this  
 42.23 paragraph that are unexpended at the end of a  
 42.24 fiscal year cancel to the renewable  
 42.25 development account.

42.26 Subd. 8. **Insurance** 4,989,000 4,969,000

42.27	<u>Appropriations by Fund</u>		
42.28	<u>General</u>	<u>4,436,000</u>	<u>4,416,000</u>
42.29	<u>Workers'</u>		
42.30	<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

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

42.33 (b) \$412,000 each year is for actuarial work  
 42.34 to prepare for implementation of  
 42.35 principle-based reserves.

43.1 (c) \$20,000 in fiscal year 2018 is for payment  
 43.2 of two years of membership dues for  
 43.3 Minnesota to the National Conference of  
 43.4 Insurance Legislators. This is a onetime  
 43.5 appropriation.

43.6 **Sec. 8. PUBLIC UTILITIES COMMISSION \$ 7,465,000 \$ 7,465,000**

43.7 \$21,000 each year is for the purposes of  
 43.8 Minnesota Statutes, section 237.045.

43.9 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ 1,800,000 \$ -0-**

43.10 (a) \$300,000 in fiscal year 2018 is for a grant  
 43.11 to the city of New Trier to replace water  
 43.12 infrastructure under Hogan Avenue, including  
 43.13 related road reconstruction, and to acquire land  
 43.14 for predesign, design, and construction of a  
 43.15 storm water pond that will be colocated with  
 43.16 the pond of the new subdivision. This  
 43.17 appropriation does not require a nonstate  
 43.18 contribution.

43.19 (b) \$600,000 in fiscal year 2018 is for a grant  
 43.20 to the Ramsey/Washington Recycling and  
 43.21 Energy Board to design, construct, and equip  
 43.22 capital improvements to the  
 43.23 Ramsey/Washington Recycling and Energy  
 43.24 Center in Newport.

43.25 (c) \$900,000 in fiscal year 2018 is for a grant  
 43.26 to the Clear Lake-Clearwater Sewer Authority  
 43.27 to remove and replace the existing wastewater  
 43.28 treatment facility. This project is intended to  
 43.29 prevent the discharge of phosphorus into the  
 43.30 Mississippi River. This appropriation is not  
 43.31 available until the commissioner of  
 43.32 management and budget determines that at  
 43.33 least \$200,000 is committed to the project

44.1 from nonstate sources and the authority has  
 44.2 applied for at least two grants to offset the  
 44.3 cost. An amount equal to any grant money  
 44.4 received by the authority must be returned to  
 44.5 the general fund.

44.6 **ARTICLE 2**

44.7 **LABOR AND INDUSTRY**

44.8 Section 1. Minnesota Statutes 2016, section 175.45, is amended to read:

44.9 **175.45 ~~COMPETENCY STANDARDS FOR DUAL TRAINING.~~**

44.10 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene  
 44.11 industry representatives, identify occupational competency standards for dual training, and  
 44.12 provide technical assistance to develop dual-training programs. The goal of dual training  
 44.13 is to provide employees of an employer with training to acquire competencies that the  
 44.14 employer requires. The competency standards shall be identified for employment in  
 44.15 occupations in advanced manufacturing, health care services, information technology, and  
 44.16 agriculture. Competency standards are not rules and are exempt from the rulemaking  
 44.17 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do  
 44.18 not apply.

44.19 Subd. 2. **~~Definition; competency standards~~ Definitions.** For purposes of this section,  
 44.20 the following terms have the meanings given them:

44.21 (1) "competency standards" means the specific knowledge and skills necessary for a  
 44.22 particular occupation-; and

44.23 (2) "dual-training program" means an employment-based earn-as-you-learn program  
 44.24 where the trainee is employed by a participating employer and receives structured on-the-job  
 44.25 training and technical instruction in accordance with the competency standards.

44.26 Subd. 3. **Competency standards identification process.** In identifying competency  
 44.27 standards, the commissioner shall consult with the commissioner of the Office of Higher  
 44.28 Education and the commissioner of employment and economic development and convene  
 44.29 recognized industry experts, representative employers, higher education institutions,  
 44.30 representatives of the disabled community, and representatives of labor to assist in identifying  
 44.31 credible competency standards. Competency standards must be consistent with, to the extent  
 44.32 available and practical, recognized international and national standards.

45.1 Subd. 4. **Duties.** The commissioner shall:

45.2 (1) convene industry representatives to identify, develop, and implement dual-training  
45.3 programs;

45.4 (2) identify competency standards for ~~entry-level~~ entry-level and higher skill levels;

45.5 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject  
45.6 matter expert representatives of each respective industry;

45.7 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing  
45.8 education and training to meet the competency standards established;

45.9 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard  
45.10 identification process for occupations in their industry; and

45.11 ~~(5)~~ (6) align ~~dual-training competency standards~~ dual-training programs with other  
45.12 workforce initiatives; and

45.13 (7) provide technical assistance to develop dual-training programs.

45.14 Subd. 5. **Notification.** The commissioner must communicate identified competency  
45.15 standards to the commissioner of the Office of Higher Education for the purpose of the ~~dual~~  
45.16 ~~training~~ dual-training competency grant program under section 136A.246. The commissioner  
45.17 of labor and industry shall maintain the competency standards on the department's Web  
45.18 site.

45.19 Sec. 2. **[175.46] YOUTH SKILLS TRAINING PROGRAM.**

45.20 Subdivision 1. **Program established; grants authorized.** The commissioner shall  
45.21 approve youth skills training programs established for the purpose of providing work-based  
45.22 skills training for student learners ages 16 and older. The commissioner shall award grants  
45.23 to local partnerships for the implementation and coordination of local youth skills training  
45.24 programs as provided in this section.

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

45.27 (b) "School district" means a school district or charter school.

45.28 (c) "Local partnership" means a school district, nonpublic school, intermediate school  
45.29 district, or postsecondary institution, in partnership with other school districts, nonpublic  
45.30 schools, intermediate school districts, postsecondary institutions, workforce development  
45.31 authorities, economic development authorities, nonprofit organizations, labor unions, or

46.1 individuals who have an agreement with one or more local employers to be responsible for  
46.2 implementing and coordinating a local youth skills training program.

46.3 (d) "Student learner" means a student who is both enrolled in a course of study at a public  
46.4 or nonpublic school to obtain related instruction for academic credit and is employed under  
46.5 a written agreement to obtain on-the-job skills training under a youth skills training program  
46.6 approved under this section.

46.7 (e) "Commissioner" means the commissioner of labor and industry.

46.8 Subd. 3. Duties. (a) The commissioner shall:

46.9 (1) approve youth skills training programs in high-growth, high-demand occupations  
46.10 that provide:

46.11 (i) that the work of the student learner in the occupations declared particularly hazardous  
46.12 shall be incidental to the training;

46.13 (ii) that the work shall be intermittent and for short periods of time, and under the direct  
46.14 and close supervision of a qualified and experienced person;

46.15 (iii) that safety instruction shall be provided to the student learner and may be given by  
46.16 the school and correlated by the employer with on-the-job training;

46.17 (iv) a schedule of organized and progressive work processes to be performed on the job;

46.18 (v) a schedule of wage rates in compliance with section 177.24; and

46.19 (vi) whether the student learner will obtain secondary school academic credit,  
46.20 postsecondary credit, or both, for the training program;

46.21 (2) approve occupations and maintain a list of approved occupations for programs under  
46.22 this section;

46.23 (3) issue requests for proposals for grants;

46.24 (4) work with individuals representing industry and labor to develop new youth skills  
46.25 training programs;

46.26 (5) develop model program guides;

46.27 (6) monitor youth skills training programs;

46.28 (7) provide technical assistance to local partnership grantees;

46.29 (8) work with providers to identify paths for receiving postsecondary credit for  
46.30 participation in the youth skills training program; and

47.1 (9) approve other activities as necessary to implement the program.

47.2 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,  
47.3 representatives of secondary school institutions, career and technical education instructors,  
47.4 postsecondary institutions, businesses, and labor, in developing youth skills training  
47.5 programs, and identifying and approving occupations and competencies for youth skills  
47.6 training programs.

47.7 Subd. 4. **Training agreement.** Each student learner shall sign a written training agreement  
47.8 on a form prescribed by the commissioner. Each agreement shall contain the name of the  
47.9 student learner, and be signed by the employer, the school coordinator or administrator, and  
47.10 the student learner, or if the student learner is a minor, by the student's parent or legal  
47.11 guardian. Copies of each agreement shall be kept on file by both the school and the employer.

47.12 Subd. 5. **Program approval.** The commissioner may grant exemptions from the  
47.13 provisions of chapter 181A for student learners participating in youth skills training programs  
47.14 approved by the commissioner under this section. The approval of a youth skills training  
47.15 program will be reviewed annually. The approval of a youth skills training program may  
47.16 be revoked at any time if the commissioner finds that:

47.17 (1) all provisions of subdivision 3 have not been met in the previous year; or

47.18 (2) reasonable precautions have not been observed for the safety of minors.

47.19 The commissioner shall maintain and annually update a list of occupations and tasks suitable  
47.20 for student learners in compliance with federal law.

47.21 Subd. 6. **Interactions with education finance.** (a) For the purpose of computing state  
47.22 aids for the enrolling school district, the hours a student learner participates in a youth skills  
47.23 training program under this section must be counted in the student's hours of average daily  
47.24 membership under section 126C.05.

47.25 (b) Educational expenses for a participating student learner must be included in the  
47.26 enrolling district's career and technical revenue as provided under section 124D.4531.

47.27 Subd. 7. **Academic credit.** A school district may grant academic credit to student learners  
47.28 participating in youth skills training programs under this section in accordance with local  
47.29 requirements.

47.30 Subd. 8. **Postsecondary credit.** A postsecondary institution may award postsecondary  
47.31 credit to a student learner who successfully completes a youth skills training program.

48.1 Subd. 9. **Work-based learning program.** A youth skills training program shall qualify  
 48.2 as a work-based learning program if it meets requirements for a career and technical education  
 48.3 program and is supervised by a qualified teacher with appropriate licensure for a work-based  
 48.4 learning teacher-coordinator.

48.5 Subd. 10. **School coordinator.** Unless otherwise required for a work-based learning  
 48.6 program, a youth skills training program may be supervised by a qualified teacher or by an  
 48.7 administrator as determined by the school district.

48.8 Subd. 11. **Other apprenticeship programs.** (a) This section shall not affect programs  
 48.9 under section 124D.47.

48.10 (b) A registered apprenticeship program governed by chapter 178 may grant credit  
 48.11 toward the completion of a registered apprenticeship for the successful completion of a  
 48.12 youth skills training program under this section.

48.13 Subd. 12. **Grant applications.** (a) Applications for grants must be made to the  
 48.14 commissioner on a form provided by the commissioner.

48.15 (b) A local partnership may apply for a grant and shall include in its grant application:

48.16 (1) the identity of each school district, public agency, nonprofit organization, or individual  
 48.17 who is a participant in the local partnership;

48.18 (2) the identity of each employer who is a participant in the local partnership and the  
 48.19 amount of matching funds provided by each employer, if any;

48.20 (3) a plan to accomplish the implementation and coordination of activities specified in  
 48.21 this subdivision; and

48.22 (4) the identity of a fiscal agent responsible for receiving, managing, and accounting for  
 48.23 the grant.

48.24 Subd. 13. **Grant awards.** (a) A local partnership awarded a grant under this section  
 48.25 must use the grant award for any of the following implementation and coordination activities:

48.26 (1) recruiting additional employers to provide on-the-job training and supervision for  
 48.27 student learners and providing technical assistance to those employers;

48.28 (2) recruiting students to participate in the local youth skills training program, monitoring  
 48.29 the progress of student learners participating in the program, and monitoring program  
 48.30 outcomes;

48.31 (3) coordinating youth skills training activities within participating school districts and  
 48.32 among participating school districts, postsecondary institutions, and employers;

49.1 (4) coordinating academic, vocational and occupational learning, school-based and  
 49.2 work-based learning, and secondary and postsecondary education for participants in the  
 49.3 local youth skills training program;

49.4 (5) coordinating transportation for student learners participating in the local youth skills  
 49.5 training program; and

49.6 (6) any other implementation or coordination activity that the commissioner may direct  
 49.7 or permit the local partnership to perform.

49.8 (b) Grant awards may not be used to directly or indirectly pay the wages of a student  
 49.9 learner.

49.10 Subd. 14. **Outcomes.** The following outcomes are expected of a local youth skills training  
 49.11 program:

49.12 (1) at least 80 percent of the student learners who participate in a youth skills training  
 49.13 program receive a high school diploma when eligible upon completion of the training  
 49.14 program; and

49.15 (2) at least 60 percent of the student learners who participate in a youth skills training  
 49.16 program receive a recognized credential upon completion of the training program.

49.17 Subd. 15. **Reporting.** (a) By February 1, 2019, and annually thereafter, the commissioner  
 49.18 shall report on the activity and outcomes of the program for the preceding fiscal year to the  
 49.19 chairs of the legislative committees with jurisdiction over jobs and economic growth policy  
 49.20 and finance. At a minimum, the report must include:

49.21 (1) the number of student learners who commenced the training program and the number  
 49.22 who completed the training program; and

49.23 (2) recommendations, if any, for changes to the program.

49.24 (b) The initial report shall include a detailed description of the differences between the  
 49.25 state and federal systems in child safety standards.

49.26 Sec. 3. Minnesota Statutes 2016, section 326B.092, subdivision 7, is amended to read:

49.27 **Subd. 7. License fees and license renewal fees.** (a) The license fee for each license is  
 49.28 the base license fee plus any applicable board fee, continuing education fee, and contractor  
 49.29 recovery fund fee and additional assessment, as set forth in this subdivision.

50.1 (b) For purposes of this section, "license duration" means the number of years for which  
 50.2 the license is issued except that if the initial license is not issued for a whole number of  
 50.3 years, the license duration shall be rounded up to the next whole number.

50.4 (c) The base license fee shall depend on whether the license is classified as an entry  
 50.5 level, master, journeyman, or business license, and on the license duration. The base license  
 50.6 fee shall be:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$20	\$40
Master	\$40	\$80
Business		\$180

50.13 (d) If there is a continuing education requirement for renewal of the license, then a  
 50.14 continuing education fee must be included in the renewal license fee. The continuing  
 50.15 education fee for all license classifications shall be: \$10 if the renewal license duration is  
 50.16 one year; and \$20 if the renewal license duration is two years.

50.17 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925,  
 50.18 then a board fee must be included in the license fee and the renewal license fee. The board  
 50.19 fee for all license classifications shall be: \$4 if the license duration is one year; and \$8 if  
 50.20 the license duration is two years.

50.21 (f) If the application is for the renewal of a license issued under sections 326B.802 to  
 50.22 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision  
 50.23 3, and any additional assessment required under section 326B.89, subdivision 16, must be  
 50.24 included in the license renewal fee.

50.25 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period  
 50.26 July 1, ~~2015~~ 2017, through ~~June 30, 2017~~ September 30, 2021, the following fees apply:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$15	<u>\$35</u> <u>\$30</u>
Master	\$30	<u>\$75</u> <u>\$60</u>
Business		<u>\$160</u> <u>\$120</u>

51.1 If there is a continuing education requirement for renewal of the license, then a continuing  
 51.2 education fee must be included in the renewal license fee. The continuing education fee for  
 51.3 all license classifications shall be \$5.

51.4 Sec. 4. **[326B.108] PLACES OF PUBLIC ACCOMMODATION SUBJECT TO**  
 51.5 **CODE.**

51.6 Subdivision 1. **Definition.** For purposes of this section, "place of public accommodation"  
 51.7 means a publicly or privately owned facility that is designed for occupancy by 200 or more  
 51.8 people and includes a sports or entertainment arena, stadium, theater, community or  
 51.9 convention hall, special event center, indoor amusement facility or water park, or swimming  
 51.10 pool.

51.11 Subd. 2. **Application.** Construction, additions, and alterations to a place of public  
 51.12 accommodation must be designed and constructed to comply with the State Building Code.

51.13 Subd. 3. **Enforcement.** In a municipality that has not adopted the code by ordinance  
 51.14 under section 326B.121, subdivision 2, the commissioner shall enforce this section in  
 51.15 accordance with section 326B.107, subdivision 1.

51.16 Subd. 4. **Fire protection systems.** If fire protection systems regulated by chapter 299M  
 51.17 are required in a place of public accommodation, then those plan reviews and inspections  
 51.18 shall be conducted by the state fire marshal.

51.19 Sec. 5. Minnesota Statutes 2016, section 326B.153, subdivision 1, is amended to read:

51.20 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required  
 51.21 in section ~~326B.106~~ 326B.107 include:

51.22 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality;  
 51.23 and

51.24 (2) the surcharge required by section 326B.148.

51.25 (b) The total valuation and fee schedule is:

51.26 (1) \$1 to \$500, ~~\$29.50~~ \$21;

51.27 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100  
 51.28 or fraction thereof, to and including \$2,000;

51.29 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each  
 51.30 additional \$1,000 or fraction thereof, to and including \$25,000;

52.1 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each  
 52.2 additional \$1,000 or fraction thereof, to and including \$50,000;

52.3 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for  
 52.4 each additional \$1,000 or fraction thereof, to and including \$100,000;

52.5 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for  
 52.6 each additional \$1,000 or fraction thereof, to and including \$500,000;

52.7 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25  
 52.8 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

52.9 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75  
 52.10 for each additional \$1,000 or fraction thereof.

52.11 (c) Other inspections and fees are:

52.12 (1) inspections outside of normal business hours (minimum charge two hours), \$63.25  
 52.13 per hour;

52.14 (2) reinspection fees, \$63.25 per hour;

52.15 (3) inspections for which no fee is specifically indicated (minimum charge one-half  
 52.16 hour), \$63.25 per hour; and

52.17 (4) additional plan review required by changes, additions, or revisions to approved plans  
 52.18 (minimum charge one-half hour), \$63.25 per hour.

52.19 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25,  
 52.20 then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment,  
 52.21 hourly wages, and fringe benefits of the employees involved.

52.22 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2017. Paragraph (b) is effective  
 52.23 July 1, 2017, and the amendments to it expire October 1, 2021.

52.24 Sec. 6. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to  
 52.25 read:

52.26 **Subd. 16. Wind electric systems.** (a) The inspection fee for the installation of a wind  
 52.27 turbine is:

52.28 (1) zero watts to and including 100,000 watts, \$80;

52.29 (2) 100,001 watts to and including 500,000 watts, \$105;

52.30 (3) 500,001 watts to and including 1,000,000 watts, \$120;

53.1 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

53.2 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

53.3 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

53.4 (7) 3,000,001 watts and larger, \$160.

53.5 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating  
53.6 current energy output of one individual wind turbine.

53.7 Sec. 7. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to  
53.8 read:

53.9 Subd. 17. **Solar photovoltaic systems.** (a) The inspection fee for the installation of a  
53.10 solar photovoltaic system is:

53.11 (1) zero watts to and including 5,000 watts, \$60;

53.12 (2) 5,001 watts to and including 10,000 watts, \$100;

53.13 (3) 10,001 watts to and including 20,000 watts, \$150;

53.14 (4) 20,001 watts to and including 30,000 watts, \$200;

53.15 (5) 30,001 watts to and including 40,000 watts, \$250;

53.16 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional  
53.17 10,000 watts over 40,000 watts;

53.18 (7) 1,000,001 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts  
53.19 over 1,000,000 watts; and

53.20 (8) 5,000,001 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over  
53.21 5,000,000 watts.

53.22 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating  
53.23 current energy output of the solar photovoltaic system.

53.24 Sec. 8. Minnesota Statutes 2016, section 326B.435, subdivision 2, is amended to read:

53.25 **Subd. 2. Powers; duties; administrative support.** (a) The board shall have the power  
53.26 to:

53.27 (1) elect its chair, vice-chair, and secretary;

54.1 (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,  
54.2 and containing such other provisions as may be useful and necessary for the efficient conduct  
54.3 of the business of the board;

54.4 (3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code  
54.5 amendments thereto. The Plumbing Code shall include the minimum standards described  
54.6 in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the  
54.7 Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in  
54.8 subdivision 6, paragraphs (b), (c), and (d);

54.9 (4) review requests for final interpretations and issue final interpretations as provided  
54.10 in section 326B.127, subdivision 5;

54.11 (5) adopt rules that regulate the licensure, certification, or registration of plumbing  
54.12 contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers,  
54.13 restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and  
54.14 testers, water conditioning contractors, and water conditioning installers, and other persons  
54.15 engaged in the design, installation, and alteration of plumbing systems or engaged in or  
54.16 working at the business of water conditioning installation or service, or engaged in or  
54.17 working at the business of medical gas system installation, maintenance, or repair, except  
54.18 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall  
54.19 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e)  
54.20 and (f);

54.21 (6) adopt rules that regulate continuing education for individuals licensed as master  
54.22 plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers,  
54.23 registered unlicensed individuals, water conditioning ~~contractors~~ masters, and water  
54.24 conditioning installers journeymen, and for individuals certified under sections 326B.437  
54.25 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in  
54.26 subdivision 6, paragraphs (e) and (f);

54.27 (7) refer complaints or other communications to the commissioner, whether oral or  
54.28 written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or  
54.29 order that the commissioner has the authority to enforce pertaining to code compliance,  
54.30 licensure, or an offering to perform or performance of unlicensed plumbing services;

54.31 (8) approve per diem and expenses deemed necessary for its members as provided in  
54.32 subdivision 3;

54.33 (9) approve license reciprocity agreements;

55.1 (10) select from its members individuals to serve on any other state advisory council,  
55.2 board, or committee; and

55.3 (11) recommend the fees for licenses, registrations, and certifications.

55.4 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the  
55.5 Board of High Pressure Piping Systems, the commissioner of labor and industry shall  
55.6 administer and enforce the provisions of this chapter and any rules promulgated pursuant  
55.7 thereto.

55.8 (b) The board shall comply with section 15.0597, subdivisions 2 and 4.

55.9 (c) The commissioner shall coordinate the board's rulemaking and recommendations  
55.10 with the recommendations and rulemaking conducted by the other boards created pursuant  
55.11 to this chapter. The commissioner shall provide staff support to the board. The support  
55.12 includes professional, legal, technical, and clerical staff necessary to perform rulemaking  
55.13 and other duties assigned to the board. The commissioner of labor and industry shall supply  
55.14 necessary office space and supplies to assist the board in its duties.

55.15 Sec. 9. Minnesota Statutes 2016, section 326B.50, subdivision 3, is amended to read:

55.16 Subd. 3. **Water conditioning installation.** "Water conditioning installation" means the  
55.17 installation of appliances, appurtenances, and fixtures designed to treat water so as to alter,  
55.18 modify, add or remove mineral, chemical or bacterial content, said installation to be made  
55.19 in a water distribution system serving:

55.20 (1) a single family residential unit, which has been initially established by a licensed  
55.21 plumber, and does not involve a direct connection without an air gap to a soil or waste pipe;  
55.22 or

55.23 (2) a multifamily or nonresidential building, where the plumbing installation has been  
55.24 initially established by a licensed plumber. Isolation valves shall be required for all water  
55.25 conditioning installations and shall be readily accessible. Water conditioning installation  
55.26 does not include:

55.27 (i) a valve that allows isolation of the water conditioning installation;

55.28 (ii) pipng greater than two-inch nominal pipe size; or

55.29 (iii) a direct connection without an air gap to a soil or waste pipe.

56.1 Sec. 10. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision  
56.2 to read:

56.3 Subd. 5. **Direct supervision.** "Direct supervision," with respect to direct supervision of  
56.4 a registered unlicensed individual, means that:

56.5 (1) at all times while the registered unlicensed individual is performing water conditioning  
56.6 installation work, a direct supervisor is present at the location where the registered unlicensed  
56.7 individual is working;

56.8 (2) the direct supervisor is physically present and immediately available to the registered  
56.9 unlicensed individual at all times for assistance and direction;

56.10 (3) any form of electronic supervision does not meet the requirement of being physically  
56.11 present;

56.12 (4) the direct supervisor reviews the water conditioning installation work performed by  
56.13 the registered unlicensed individual before the water conditioning installation is operated;  
56.14 and

56.15 (5) the direct supervisor determines that all water conditioning installation work  
56.16 performed by the registered unlicensed individual is performed in compliance with sections  
56.17 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,  
56.18 and all orders issued under section 326B.082.

56.19 Sec. 11. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision  
56.20 to read:

56.21 Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman  
56.22 plumber, restricted master plumber, restricted journeyman plumber, water conditioning  
56.23 master, or water conditioning journeyman responsible for providing direct supervision of  
56.24 a registered unlicensed individual.

56.25 Sec. 12. Minnesota Statutes 2016, section 326B.55, subdivision 2, is amended to read:

56.26 Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be  
56.27 issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~  
56.28 servicing, and installing water conditioning installations, and has successfully passed the  
56.29 examination for water conditioning masters. A water conditioning journeyman license shall  
56.30 only be issued to an individual other than a water conditioning master who has demonstrated  
56.31 practical knowledge of water conditioning installation, and has successfully passed the  
56.32 examination for water conditioning journeymen. A water conditioning journeyman must

57.1 successfully pass the examination for water conditioning masters before being licensed as  
57.2 a water conditioning master.

57.3 (b) Each water conditioning contractor must designate a responsible licensed master  
57.4 plumber or a responsible licensed water conditioning master, who shall be responsible for  
57.5 the performance of all water conditioning installation and servicing in accordance with the  
57.6 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to  
57.7 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If  
57.8 the water conditioning contractor is an individual or sole proprietorship, the responsible  
57.9 licensed master must be the individual, proprietor, or managing employee. If the water  
57.10 conditioning contractor is a partnership, the responsible licensed master must be a general  
57.11 partner or managing employee. If the water conditioning contractor is a limited liability  
57.12 company, the responsible licensed master must be a chief manager or managing employee.  
57.13 If the water conditioning contractor is a corporation, the responsible licensed master must  
57.14 be an officer or managing employee. If the responsible licensed master is a managing  
57.15 employee, the responsible licensed master must be actively engaged in performing water  
57.16 conditioning work on behalf of the water conditioning contractor and cannot be employed  
57.17 in any capacity as a water conditioning master or water conditioning journeyman for any  
57.18 other water conditioning contractor. An individual must not be the responsible licensed  
57.19 master for more than one water conditioning contractor.

57.20 (c) All applications and renewals for water conditioning contractor licenses shall include  
57.21 a verified statement that the applicant or licensee has complied with paragraph (b).

57.22 (d) Each application and renewal for a water conditioning master license, water  
57.23 conditioning journeyman license, or a water conditioning contractor license shall be  
57.24 accompanied by all fees required by section 326B.092.

57.25 Sec. 13. Minnesota Statutes 2016, section 326B.55, subdivision 4, is amended to read:

57.26 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under  
57.27 section 326B.47 is authorized to assist in water conditioning installation and water  
57.28 conditioning servicing only while under the direct supervision of a master plumber,  
57.29 journeyman plumber, restricted master plumber, restricted journeyman plumber, water  
57.30 conditioning master, or water conditioning journeyman. The master or journeyman is  
57.31 responsible for ensuring that all water conditioning work performed by the plumber's  
57.32 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to  
57.33 326B.59. The supervising master or journeyman must be licensed and must be employed  
57.34 by the same employer as the plumber's apprentice. Licensed individuals shall not permit

58.1 plumber's apprentices to perform water conditioning work except under the direct supervision  
58.2 of an individual actually licensed to perform such work. Plumber's apprentices shall not  
58.3 supervise the performance of plumbing work or make assignments of plumbing work to  
58.4 unlicensed individuals.

58.5 (b) Water conditioning contractors employing plumber's apprentices to perform water  
58.6 conditioning work shall maintain records establishing compliance with this subdivision that  
58.7 shall identify all plumber's apprentices performing water conditioning work, and shall permit  
58.8 the department to examine and copy all such records.

58.9 **Sec. 14. [326B.555] REGISTERED UNLICENSED INDIVIDUALS.**

58.10 Subdivision 1. Registration; supervision; records. (a) All unlicensed individuals  
58.11 engaged in water conditioning installation must be registered under subdivision 3.

58.12 (b) A registered unlicensed individual is authorized to assist in water conditioning  
58.13 installations in a single family residential unit only when a master plumber, journeyman  
58.14 plumber, restricted master plumber, restricted journeyman plumber, water conditioning  
58.15 master, or water conditioning journeyman is available and responsible for ensuring that all  
58.16 water conditioning installation work performed by the unlicensed individual complies with  
58.17 the applicable provisions of the plumbing and water conditioning codes and rules adopted  
58.18 pursuant to such codes. For all other water conditioning installation work, the registered  
58.19 unlicensed individual must be under the direct supervision of a responsible licensed water  
58.20 conditioning master.

58.21 (c) Water conditioning contractors employing registered unlicensed individuals to perform  
58.22 water conditioning installation work shall maintain records establishing compliance with  
58.23 this subdivision that shall identify all unlicensed individuals performing water conditioning  
58.24 installations, and shall permit the department to examine and copy all such records.

58.25 Subd. 2. Journeyman exam. A registered unlicensed individual who has completed  
58.26 875 hours of practical water conditioning installation, servicing, and training is eligible to  
58.27 take the water conditioning journeyman examination. Up to 100 hours of practical water  
58.28 conditioning installation and servicing experience prior to becoming a registered unlicensed  
58.29 individual may be applied to the practical experience requirement. However, none of this  
58.30 practical experience may be applied if the unlicensed individual did not have any practical  
58.31 experience in the 12-month period immediately prior to becoming a registered unlicensed  
58.32 individual.

59.1 Subd. 3. **Registration, renewals, and fees.** An unlicensed individual may register by  
59.2 completing and submitting to the commissioner an application form provided by the  
59.3 commissioner, with all fees required by section 326B.58. A completed application form  
59.4 must state the date, the individual's age, schooling, previous experience and employer, and  
59.5 other information required by the commissioner. The plumbing board may prescribe rules,  
59.6 not inconsistent with this section, for the registration of unlicensed individuals. Applications  
59.7 for initial registration may be submitted at any time. Registration must be renewed annually  
59.8 and shall be for the period from July 1 of each year to June 30 of the following year.

59.9 Sec. 15. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

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

59.12 (b) "Gross annual receipts" means the total amount derived from residential contracting  
59.13 or residential remodeling activities, regardless of where the activities are performed, and  
59.14 must not be reduced by costs of goods sold, expenses, losses, or any other amount.

59.15 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

59.16 (d) "Residential real estate" means a new or existing building constructed for habitation  
59.17 by one to four families, and includes detached garages intended for storage of vehicles  
59.18 associated with the residential real estate.

59.19 (e) "Fund" means the contractor recovery fund.

59.20 (f) "Owner" when used in connection with real property, means a person who has any  
59.21 legal or equitable interest in real property and includes a condominium or townhome  
59.22 association that owns common property located in a condominium building or townhome  
59.23 building or an associated detached garage. Owner does not include any real estate developer  
59.24 or any owner using, or intending to use, the property for a business purpose and not as  
59.25 owner-occupied residential real estate.

59.26 Sec. 16. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

59.27 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the  
59.28 fund to an owner or a lessee in an amount greater than \$75,000 per licensee. The  
59.29 commissioner shall not pay compensation from the fund to owners and lessees in an amount  
59.30 that totals more than ~~\$150,000~~ \$300,000 per licensee. The commissioner shall only pay  
59.31 compensation from the fund for a final judgment that is based on a contract directly between

60.1 the licensee and the homeowner or lessee that was entered into prior to the cause of action  
 60.2 and that requires licensure as a residential building contractor or residential remodeler.

60.3 Sec. 17. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is  
 60.4 amended to read:

60.5 Subd. 2. <b>Workers' Compensation</b>	15,226,000	17,782,000
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60.6 This appropriation is from the workers'  
 60.7 compensation fund.

60.8 \$4,000,000 in fiscal year 2016 and \$6,000,000  
 60.9 in fiscal year 2017 are for workers'  
 60.10 compensation system upgrades and are  
 60.11 available through June 30, 2021. The base  
 60.12 appropriation for this purpose is \$3,000,000  
 60.13 in fiscal year 2018 and \$3,000,000 in fiscal  
 60.14 year 2019. The base appropriation for fiscal  
 60.15 year 2020 and beyond is zero.

60.16 This appropriation includes funds for  
 60.17 information technology project services and  
 60.18 support subject to the provisions of Minnesota  
 60.19 Statutes, section 16E.0466. Any ongoing  
 60.20 information technology costs will be  
 60.21 incorporated into the service level agreement  
 60.22 and will be paid to the Office of MN.IT  
 60.23 Services by the commissioner of labor and  
 60.24 industry under the rates and mechanism  
 60.25 specified in that agreement.

60.26 Sec. 18. Laws 2017, chapter 68, article 1, section 1, is amended to read:

60.27 Section 1. Minnesota Statutes 2016, section 181A.04, subdivision 6, is amended to read:

60.28 Subd. 6. **Time of day, high school students.** A high school student must not be permitted  
 60.29 to work after 11:00 p.m. on an evening before a school day or before 5:00 a.m. on a school  
 60.30 day, except:

60.31 (1) as permitted by section 181A.07, subdivisions 1, 2, 3, and 4; ~~or~~

61.1 (2) ~~for this subdivision does not apply to a high school student age 18 or older, if unless~~  
 61.2 the student provides a written request for the hours restrictions to the employer ~~to work~~  
 61.3 ~~during the restricted hours.~~ at least two weeks before any restricted hours begin; or

61.4 (3) if a high school student under the age of 18 has supplied the employer with a note  
 61.5 signed by the parent or guardian of the student, the student may be permitted to work until  
 61.6 11:30 p.m. on the evening before a school day and beginning at 4:30 a.m. on a school day.

61.7 For the purpose of this subdivision, a high school student does not include a student  
 61.8 enrolled in an alternative education program approved by the commissioner of education  
 61.9 or an area learning center, including area learning centers under sections 123A.05 to 123A.08  
 61.10 or according to section 122A.163.

61.11 Sec. 19. **REPEALER.**

61.12 Minnesota Statutes 2016, section 326B.89, subdivision 14, is repealed.

### 61.13 **ARTICLE 3**

#### 61.14 **WORKERS' COMPENSATION ADVISORY COUNCIL; DEPARTMENT** 61.15 **PROPOSALS**

61.16 Section 1. Minnesota Statutes 2016, section 176.135, is amended by adding a subdivision  
 61.17 to read:

61.18 **Subd. 9. Designated contact person and required training related to submission**  
 61.19 **and payment of medical bills.** (a) For purposes of this subdivision:

61.20 (1) "clearinghouse" means a health care clearinghouse as defined in section 62J.51,  
 61.21 subdivision 11a, that receives or transmits workers' compensation electronic transactions  
 61.22 as described in section 62J.536;

61.23 (2) "department" means the Department of Labor and Industry;

61.24 (3) "hospital" means a hospital licensed in this state;

61.25 (4) "payer" means:

61.26 (i) a workers' compensation insurer;

61.27 (ii) an employer, or group of employers, authorized to self-insure for workers'  
 61.28 compensation liability; and

61.29 (iii) a third-party administrator licensed by the Department of Commerce under section  
 61.30 60A.23, subdivision 8, to pay or review workers' compensation medical bills under this  
 61.31 chapter; and

62.1 (5) "submission or payment of medical bills" includes the submission, transmission,  
62.2 receipt, acceptance, response, adjustment, and payment of medical bills under this chapter.

62.3 (b) Effective November 1, 2017, each payer, hospital, and clearinghouse must provide  
62.4 the department with the name and contact information of a designated employee to answer  
62.5 inquiries related to the submission or payment of medical bills. Payers, hospitals, and  
62.6 clearinghouses must provide the department with the name of a new designated employee  
62.7 within 14 days after the previously designated employee is no longer employed or becomes  
62.8 unavailable for more than 30 days. The name and contact information of the designated  
62.9 employee must be provided on forms and at intervals prescribed by the department. The  
62.10 department must post a directory of the designated employees on the department's Web site.

62.11 (c) The designated employee under paragraph (b) must:

62.12 (1) complete training, provided by the department, about submission or payment of  
62.13 medical bills; and

62.14 (2) respond within 30 days to written department inquiries related to submission or  
62.15 payment of medical bills.

62.16 The training requirement in clause (1) does not apply to a payer that has not received any  
62.17 workers' compensation medical bills in the 12 months before the training becomes available.

62.18 (d) The commissioner may assess penalties, payable to the assigned risk safety account,  
62.19 against payers, hospitals, and clearinghouses for violation of this subdivision as provided  
62.20 in clauses (1) to (3):

62.21 (1) for failure to comply with the requirements in paragraph (b), the commissioner may  
62.22 assess a penalty of \$50 for each day of noncompliance after the department has provided  
62.23 the noncompliant payer, clearinghouse, or hospital with a 30-day written warning;

62.24 (2) for failure of the designated employee to complete training under paragraph (c),  
62.25 clause (1), within 90 days after the department has notified a payer, clearinghouse, or  
62.26 hospital's designated employee that required training is available, the commissioner may  
62.27 assess a penalty of \$3,000;

62.28 (3) for failure to respond within 30 days to a department inquiry related to submission  
62.29 or payment of medical bills under paragraph (c), clause (2), the commissioner may assess  
62.30 a penalty of \$3,000. The commissioner shall not assess a penalty under both this clause and  
62.31 section 176.194, subdivision 3, clause (6), for failure to respond to the same department  
62.32 inquiry.

62.33 **EFFECTIVE DATE.** This section is effective October 1, 2017.

63.1 Sec. 2. Minnesota Statutes 2016, section 176.1362, subdivision 1, is amended to read:

63.2 Subdivision 1. **Payment based on Medicare MS-DRG system.** (a) Except as provided  
 63.3 in subdivisions 2 and 3, the maximum reimbursement for inpatient hospital services, articles,  
 63.4 and supplies is 200 percent of the amount calculated for each hospital under the federal  
 63.5 Inpatient Prospective Payment System developed for Medicare, using the inpatient Medicare  
 63.6 PC-Pricer program for the applicable MS-DRG as provided in ~~paragraph (b)~~ this subdivision.  
 63.7 All adjustments included in the PC-Pricer program are included in the amount calculated,  
 63.8 including but not limited to any outlier payments.

63.9 (b) Payment under this section is effective for services, articles, and supplies provided  
 63.10 to patients discharged from the hospital on or after January 1, 2016. Payment for services,  
 63.11 articles, and supplies provided to patients discharged on January 1, 2016, through December  
 63.12 31, 2016, must be based on the Medicare PC-Pricer program in effect on January 1, 2016.

63.13 (c) For patients discharged on or after the effective date of this section, payment for  
 63.14 inpatient services, articles, and supplies for patients discharged in each calendar year  
 63.15 thereafter must be based on calculated according to the PC-Pricer program in effect on  
 63.16 January 1 of the year of discharge identified on Medicare's Web site as FY 2016.1, updated  
 63.17 on January 19, 2016.

63.18 (d) For patients discharged on or after October 1, 2017, payment for inpatient services,  
 63.19 articles, and supplies must be calculated according to the PC-Pricer program posted on the  
 63.20 Department of Labor and Industry's Web site as follows:

63.21 (1) No later than October 1, 2017, and October 1 of each subsequent year, the  
 63.22 commissioner must post on the department's Web site the version of the PC-Pricer program  
 63.23 that is most recently available on Medicare's Web site as of the preceding July 1. If no  
 63.24 PC-Pricer program is available on the Medicare Web site on any July 1, the PC-Pricer  
 63.25 program most recently posted on the department's Web site remains in effect.

63.26 (2) The commissioner must publish notice of the applicable PC-Pricer program in the  
 63.27 State Register no later than October 1 of each year.

63.28 (e) The MS-DRG grouper software or program that corresponds to the applicable version  
 63.29 of the PC-Pricer program must be used to determine payment under this subdivision.

63.30 ~~(e)~~ (f) Hospitals must bill workers' compensation insurers using the same codes, formats,  
 63.31 and details that are required for billing for hospital inpatient services by the Medicare  
 63.32 program. The bill must be submitted to the insurer within the time period required by section

64.1 62Q.75, subdivision 3. For purposes of this section, "insurer" includes both workers'  
64.2 compensation insurers and self-insured employers.

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

64.4 Sec. 3. Minnesota Statutes 2016, section 176.1362, subdivision 2, is amended to read:

64.5 Subd. 2. **Payment for catastrophic, high-cost injuries.** (a) If the hospital's total usual  
64.6 and customary charges for services, articles, and supplies for a patient's hospitalization  
64.7 exceed a threshold of \$175,000, annually adjusted as provided in paragraph (b),  
64.8 reimbursement must not be based on the MS-DRG system, but must instead be paid at 75  
64.9 percent of the hospital's usual and customary charges. The threshold amount in effect on  
64.10 the date of discharge determines the applicability of this paragraph.

64.11 (b) ~~Beginning On January 1, 2017, and each January 1 thereafter,~~ the commissioner  
64.12 must adjust the previous year's threshold by the percent change in average total charges per  
64.13 inpatient case, using data available as of October 1 for non-Critical Access Hospitals from  
64.14 the Health Care Cost Information System maintained by the Department of Health pursuant  
64.15 to chapter 144. Beginning October 1, 2017, and each October 1 thereafter, the commissioner  
64.16 must adjust the previous threshold using the data available as of the preceding July 1. The  
64.17 commissioner must ~~annually~~ publish notice of the updated threshold in the State Register.

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

64.19 Sec. 4. Minnesota Statutes 2016, section 176.275, subdivision 1, is amended to read:

64.20 Subdivision 1. **Filing.** If a document is required to be filed by this chapter or any rules  
64.21 adopted pursuant to authority granted by this chapter, the filing shall be completed by the  
64.22 receipt of the document at the division, department, office, or the court of appeals. The  
64.23 division, department, office, and the court of appeals shall accept any document which has  
64.24 been delivered to it for legal filing, but may refuse to accept any form or document that  
64.25 lacks ~~the name of the injured employee, employer, or insurer, the date of injury, or the~~  
64.26 ~~injured employee's Social Security number~~ information required by statute or rule. The  
64.27 division, department, office, and court of appeals are not required to maintain, and may  
64.28 destroy, a duplicate of a form or document that has already been filed. If a workers'  
64.29 compensation identification number has been assigned by the department, it may be  
64.30 substituted for the Social Security number on a form or document. If the injured employee  
64.31 has fewer than three days of lost time from work, the party submitting the required document  
64.32 must attach to it, at the time of filing, a copy of the first report of injury.

65.1 A notice or other document required to be served or filed at either the department, the  
 65.2 office, or the court of appeals which is inadvertently served or filed at the wrong one of  
 65.3 these agencies shall be deemed to have been served or filed with the proper agency. The  
 65.4 receiving agency shall note the date of receipt of a document and shall forward the documents  
 65.5 to the proper agency no later than two working days following receipt.

65.6 Sec. 5. Minnesota Statutes 2016, section 176.285, is amended to read:

65.7 **176.285 SERVICE OF PAPERS AND NOTICES; ELECTRONIC FILING.**

65.8 Subdivision 1. Service by mail. Service of papers and notices shall be by mail or  
 65.9 otherwise as the commissioner or the chief administrative law judge may by rule direct.  
 65.10 Where service is by mail, service is effected at the time mailed if properly addressed and  
 65.11 stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served.  
 65.12 However, a party may show by competent evidence that that party did not receive it or that  
 65.13 it had been delayed in transit for an unusual or unreasonable period of time. In case of  
 65.14 nonreceipt or delay, an allowance shall be made for the party's failure to assert a right within  
 65.15 the prescribed time.

65.16 Subd. 2. Electronic service and filing. (a) Where a statute or rule authorizes or requires  
 65.17 a document to be filed with or served on an agency, the document may be filed electronically  
 65.18 if electronic filing is authorized by the agency and if the document is transmitted in the  
 65.19 manner and in the format specified by the agency. If electronic filing of a document is  
 65.20 authorized by the agency and a statute or rule requires a copy of the document to be provided  
 65.21 or served on another person or party, the document filed electronically with the agency and  
 65.22 provided or served on the other person or party must contain the same information in the  
 65.23 format required by the commissioner.

65.24 (b) Where a statute or rule authorizes or requires a person's signature on a document to  
 65.25 be filed with or served on an agency, the signature may be an electronic signature, as defined  
 65.26 by section 325L.02, or transmitted electronically, if authorized by the agency and if the  
 65.27 signature is transmitted in the manner and format specified by the agency. The commissioner  
 65.28 may require that a document authorized or required to be filed with the commissioner,  
 65.29 department, or division be filed electronically in the manner and format specified by the  
 65.30 commissioner, except that an employee must not be required to file a document electronically  
 65.31 unless the document is filed by an attorney on behalf of an employee. An agency may serve  
 65.32 a document electronically if the recipient agrees to receive it in an electronic format. The  
 65.33 department or court may adopt rules for the certification of signatures.

66.1 (c) An agency may serve a document electronically on a payer, rehabilitation provider,  
66.2 or attorney. An agency may serve a document on any other party if the recipient agrees to  
66.3 receive it in an electronic format. The date of electronic service of a document is the date  
66.4 the recipient is sent a document electronically, or the date the recipient is notified that the  
66.5 document is available on a Web site, whichever occurs first.

66.6 (d) When the electronic filing of a legal document with the department marks the  
66.7 beginning of a prescribed time for another party to assert a right, the prescribed time for  
66.8 another party to assert a right shall be lengthened by two calendar days when it can be shown  
66.9 that service to the other party was by mail.

66.10 Subd. 3. **Proof of service.** The commissioner and the chief administrative law judge  
66.11 shall ensure that proof of service of all papers and notices served by their respective agencies  
66.12 is placed in the official file of the case.

66.13 Subd. 4. **Definitions; applicability.** (a) For purposes of this section, "agency" means  
66.14 the workers' compensation division, the Department of Labor and Industry, the commissioner  
66.15 of the Department of Labor and Industry, the Office of Administrative Hearings, the chief  
66.16 administrative law judge, or the Workers' Compensation Court of Appeals. "Document"  
66.17 includes documents, reports, notices, orders, papers, forms, information, and data elements  
66.18 that are authorized or required to be filed with an agency or the commissioner or that are  
66.19 authorized or required to be served on or by an agency or the commissioner. "Payer" means  
66.20 a workers' compensation insurer, self-insurer employer, or third-party administrator.

66.21 (b) Except as otherwise modified by this section, the provisions of chapter 325L apply  
66.22 to electronic signatures and the electronic transmission of documents under this section.

66.23 Sec. 6. Minnesota Statutes 2016, section 176.541, subdivision 1, is amended to read:

66.24 Subdivision 1. **Application of chapter to state employees.** This chapter applies to the  
66.25 employees of any department of this state as defined in section 3.732, subdivision 1, clause  
66.26 (1).

66.27 Sec. 7. Minnesota Statutes 2016, section 176.541, is amended by adding a subdivision to  
66.28 read:

66.29 Subd. 7a. **Exceptions.** This section does not apply to the University of Minnesota.

67.1 Sec. 8. Minnesota Statutes 2016, section 176.541, subdivision 8, is amended to read:

67.2 Subd. 8. **State may insure.** The state of Minnesota may elect to insure its liability under  
 67.3 the workers' compensation law for persons employed under the federal ~~Emergency~~  
 67.4 ~~Employment Act of 1971, as amended, and the Comprehensive Employment and Training~~  
 67.5 ~~Act of 1973, as amended~~ Workforce Innovation and Opportunity Act, and similar programs,  
 67.6 with an insurer properly licensed in Minnesota.

67.7 Sec. 9. Minnesota Statutes 2016, section 176.611, subdivision 2, is amended to read:

67.8 Subd. 2. **State departments.** Every department of the state, ~~including the University of~~  
 67.9 ~~Minnesota,~~ shall reimburse the fund for money paid for its claims and the costs of  
 67.10 administering the revolving fund at such times and in such amounts as the commissioner  
 67.11 of administration shall certify has been paid out of the fund on its behalf. The heads of the  
 67.12 departments shall anticipate these payments by including them in their budgets. In addition,  
 67.13 the commissioner of administration, with the approval of the commissioner of management  
 67.14 and budget, may require an agency to make advance payments to the fund sufficient to  
 67.15 cover the agency's estimated obligation for a period of at least 60 days. Reimbursements  
 67.16 and other money received by the commissioner of administration under this subdivision  
 67.17 must be credited to the state compensation revolving fund.

67.18 Sec. 10. **REPEALER.**

67.19 Minnesota Statutes 2016, section 176.541, subdivision 7, is repealed.

67.20 Sec. 11. **EFFECTIVE DATE.**

67.21 This article is effective the day following final enactment.

## 67.22 **ARTICLE 4**

### 67.23 **WORKERS' COMPENSATION ADVISORY COUNCIL; SPECIAL** 67.24 **COMPENSATION FUND**

67.25 Section 1. **[176.1292] FORBEARANCE OF AMOUNTS OWED TO THE SPECIAL**  
 67.26 **COMPENSATION FUND.**

67.27 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply.

67.28 (a) "Payer" means a workers' compensation insurer, or an employer or group of employers  
 67.29 that are self-insured for workers' compensation.

68.1 (b) "Retirement benefits" means retirement benefits paid by any government retirement  
68.2 benefit program and received by employees, other than old age and survivor insurance  
68.3 benefits received under the federal Social Security Act, United States Code, title 42, sections  
68.4 401 to 434. Retirement benefits include retirement annuities, optional annuities received in  
68.5 lieu of retirement benefits, and any other benefit or annuity paid by a government benefit  
68.6 program that is not clearly identified as a disability benefit or disability annuity in the  
68.7 applicable governing statute.

68.8 **Subd. 2. Payment of permanent total disability benefits to employees, dependents,**  
68.9 **and legal heirs.** (a) A payer is entitled to the relief described in subdivisions 3 and 4 only  
68.10 if the payer complies with all of the conditions in paragraphs (b) to (d) for all of the payer's  
68.11 permanently totally disabled employees and documents compliance according to the  
68.12 procedures and forms established by the commissioner under subdivision 7.

68.13 (b) Except as provided in paragraph (e), the payer must:

68.14 (1) recharacterize supplementary benefits paid to all employees as permanent total  
68.15 disability benefits if the supplementary benefits were paid because the permanent total  
68.16 disability benefits were reduced by retirement benefits received by the employee;

68.17 (2) pay all permanently totally disabled employees, regardless of the date of injury, past  
68.18 and future permanent total disability benefits calculated without any reduction for retirement  
68.19 benefits received by the employees, from the date the employees' benefits were first reduced;  
68.20 and

68.21 (3) for all deceased employees, pay the employees' dependents or, if none, the employees'  
68.22 legal heirs, the permanent total disability benefits the deceased employees would have  
68.23 received if the benefits had been calculated without any reduction for retirement benefits  
68.24 received by the employees.

68.25 (c) A payer may take a credit against its obligations under paragraph (b), clauses (2) and  
68.26 (3), for:

68.27 (1) supplementary benefits previously paid to an employee that have been recharacterized  
68.28 as permanent total disability benefits under paragraph (b), clause (1); and

68.29 (2) permanent total disability benefits previously paid to an employee.

68.30 (d) The payer must pay the permanent total disability benefits as provided in paragraphs  
68.31 (b) and (c) within the time frames described in clauses (1) to (4). More than one time frame  
68.32 may apply to a claim.

69.1 (1) No later than 150 days following final enactment, the payer must begin paying the  
69.2 recalculated permanent total disability benefit amounts to employees who are entitled to  
69.3 ongoing permanent total disability benefits.

69.4 (2) No later than 210 days following final enactment, the payer must pay employees the  
69.5 amounts that past permanent total disability benefits were underpaid.

69.6 (3) No later than 270 days following final enactment, the payer must pay the employees'  
69.7 dependents or legal heirs the amounts that permanent total disability benefits were underpaid.

69.8 (4) The commissioner may waive payment under paragraphs (b) and (c) or extend these  
69.9 time frames if the payer, after making a good-faith effort, is unable to: locate an employee;  
69.10 identify or locate the dependents or legal heirs of a deceased employee; or locate  
69.11 documentation to determine the amount of an underpayment.

69.12 (e) Paragraphs (a) to (d) do not apply if:

69.13 (1) the employee died before January 1, 2008;

69.14 (2) the employee's last permanent total disability benefit was paid before January 1,  
69.15 2000;

69.16 (3) the employee's last permanent total disability benefit would have been paid before  
69.17 January 1, 2000, if it had not been reduced by his or her retirement benefits;

69.18 (4) a stipulation for settlement, signed by the employee and approved by a compensation  
69.19 judge, provided for a full, final, and complete settlement of permanent total disability benefits  
69.20 under this chapter in exchange for a lump sum payment amount or a lump sum converted  
69.21 to a structured annuity;

69.22 (5) a final court order, or a stipulation for settlement signed by the employee and approved  
69.23 by a compensation judge, explicitly states the employee's permanent total disability benefits  
69.24 may be reduced by specified retirement benefits. Paragraphs (a) to (d) apply if a court order  
69.25 or stipulation for settlement is ambiguous about whether the employee's permanent total  
69.26 disability benefits could be reduced by retirement benefits; or

69.27 (6) a final court order or a stipulation for settlement described in clause (4) or (5) was  
69.28 vacated after the effective date of this section.

69.29 Subd. 3. **Reimbursement of supplementary benefits.** (a) Except as provided in  
69.30 subdivision 9, paragraph (a), clause (2), a payer that has complied with the requirements of  
69.31 subdivision 2, paragraphs (a) to (d):

70.1 (1) is not required to repay supplementary benefits for any claim that the special  
70.2 compensation fund over reimbursed due to the payer's reduction of any employee's permanent  
70.3 total disability benefits by retirement benefits received by the employee;

70.4 (2) is entitled to reimbursement of supplementary benefits paid or payable before August  
70.5 13, 2014, to the extent the special compensation fund denied reimbursement due to the  
70.6 payer's reduction of any employee's permanent total disability benefits by the employee's  
70.7 retirement benefits; and

70.8 (3) is entitled to reimbursement of supplementary benefits the special compensation  
70.9 fund withheld under section 176.129, subdivision 13, paragraph (a), to offset supplementary  
70.10 benefits that were over reimbursed due to the payer's reduction of any employee's permanent  
70.11 total disability benefits by the employee's retirement benefits.

70.12 (b) Paragraph (a) does not preclude the special compensation fund from denying  
70.13 reimbursement of supplementary benefits, or adjusting the reimbursement amount, for any  
70.14 reason other than reduction of permanent total disability benefits by the employee's retirement  
70.15 benefits.

70.16 Subd. 4. **Assessments.** (a) Except as provided in subdivision 6, paragraph (b), clause  
70.17 (2), and subdivision 9, paragraph (a), clause (2), a payer that has complied with the  
70.18 requirements of subdivision 2, paragraphs (a) to (d), is not required to pay past or future  
70.19 assessments under section 176.129 on the amount of increased or additional permanent total  
70.20 disability benefits paid, or on supplementary benefits that are appropriately characterized  
70.21 as permanent total disability benefits, due to the elimination of the retirement benefit  
70.22 reduction.

70.23 (b) The special compensation fund shall not recalculate assessments previously paid by  
70.24 any payer because of the assessment adjustments in paragraph (a).

70.25 (c) The assessment adjustments described in paragraph (a) do not apply to permanent  
70.26 total disability benefits paid to employees with dates of injury on or after August 13, 2014.  
70.27 Payers must pay full assessments according to section 176.129 on permanent total disability  
70.28 benefits calculated without a reduction for retirement benefits for these employees.

70.29 Subd. 5. **Refunds.** (a) A payer is entitled to a refund from the special compensation fund  
70.30 if:

70.31 (1) the payer complies with the requirements of subdivision 2, paragraphs (a) to (d); and

70.32 (2) due to the elimination of the retirement benefit reduction, the payer repaid the special  
70.33 compensation fund for over reimbursement of supplementary benefits, or paid assessments

71.1 on the increased permanent total disability benefits for employees with dates of injury before  
71.2 August 13, 2014.

71.3 (b) The special compensation fund must issue a refund within 30 days after receiving  
71.4 the payer's documentation of compliance with subdivision 2, paragraphs (a) to (d), and an  
71.5 itemization by claim of the amount repaid or paid to the special compensation fund as  
71.6 described in paragraph (a), clause (2).

71.7 (c) The special compensation fund must pay interest on any refunded amount under this  
71.8 section to the payer at an annual rate of four percent, calculated from the date the payer  
71.9 repaid or paid the special compensation fund as described in paragraph (a), clause (2).

71.10 Subd. 6. **Applicability.** (a) This section does not preclude any employee, dependent, or  
71.11 legal heir from pursuing additional benefits beyond those paid under subdivision 2,  
71.12 paragraphs (b) to (d); however, the payments under subdivision 2, paragraphs (b) to (d), are  
71.13 not to be construed as an admission of liability by the payer in any proceeding. The payments  
71.14 cannot be used to justify additional claims; they represent a compromise between the payer  
71.15 and the special compensation fund on supplementary benefits and assessments. Payers  
71.16 reserve any and all defenses to claims to which this section does not apply.

71.17 (b) If an employee, dependent, or legal heir pursues additional benefits, claims, or  
71.18 penalties related to the benefits paid or payable under subdivision 2, paragraphs (b) to (d),  
71.19 payers may assert any and all defenses including, but not limited to, those specified in  
71.20 subdivision 2, paragraph (e), clauses (4) and (5), with respect to the additional benefits,  
71.21 claims, and penalties, and any future permanent total disability benefits payable, subject to  
71.22 the following conditions:

71.23 (1) if it is determined by a compensation judge, the Workers' Compensation Court of  
71.24 Appeals, or the Minnesota Supreme Court that the payer is entitled to reduce the employee's  
71.25 permanent total disability benefits by retirement benefits received by the employee, the  
71.26 payer shall not recover any overpayment that results from benefits the employee, dependent,  
71.27 or legal heir has already received under subdivision 2, paragraphs (b) to (d). Notwithstanding  
71.28 section 176.129, the payer shall not take a credit against an employee's future benefits for  
71.29 any such overpayment; and

71.30 (2) if it is determined by a compensation judge, the Workers' Compensation Court of  
71.31 Appeals, or the Minnesota Supreme Court that the payer is not entitled to reduce the  
71.32 employee's permanent total disability benefits by retirement benefits received by the  
71.33 employee, the payer is not entitled to the relief provided in subdivision 4 as applied to the  
71.34 claim of the specific employee, dependent, or legal heir.

72.1 (c) A payer shall not assert defenses related to the offset of retirement benefits against  
72.2 an employee's future permanent total disability benefits if the only additional claims asserted  
72.3 by the employee under paragraph (b) are for attorney fees, costs and disbursements, and an  
72.4 additional award pursuant to section 176.081, subdivision 7.

72.5 Subd. 7. **Procedure.** No later than 60 days after final enactment, in consultation with  
72.6 affected payers, the commissioner must establish a procedure, which may include forms,  
72.7 to implement this section.

72.8 Subd. 8. **Reporting.** This section does not affect a payer's obligation to report the full  
72.9 amount of permanent total disability benefits paid to the extent required by this chapter or  
72.10 other law. A payer must report supplementary benefits as permanent total disability benefits  
72.11 if the supplementary benefits were paid because the permanent total disability benefits were  
72.12 reduced by retirement benefits received by the employee.

72.13 Subd. 9. **Failure to comply.** (a) If a payer reports to the department that it has complied  
72.14 with the requirements of subdivision 2, paragraphs (a) to (d), but the payer has not paid an  
72.15 employee, dependent, or legal heir, as required by subdivision 2, the payer is subject to the  
72.16 following:

72.17 (1) the payer must issue payment to the employee, dependent, or legal heir within 14  
72.18 days of the date the payer discovers the noncompliance or the date the department notifies  
72.19 the payer of the noncompliance;

72.20 (2) the payer is not entitled to the relief provided in subdivisions 3 and 4 as applied to  
72.21 the claim of the specific employee, dependent, or legal heir who was not paid as required  
72.22 by subdivision 2;

72.23 (3) the special compensation fund may immediately begin collection of any assessments  
72.24 or over-reimbursement owed for the claim;

72.25 (4) if the commissioner determines that a payer's failure to comply under this subdivision  
72.26 was not in good faith, the commissioner may assess a penalty, payable to the employee,  
72.27 dependent, or legal heir, of up to 25 percent of the total permanent total disability benefits  
72.28 underpaid; and

72.29 (5) if the payer is found after a hearing to be liable for increased or additional permanent  
72.30 total disability benefits because the employee's permanent total disability benefits were  
72.31 improperly reduced by his or her retirement benefits, the compensation judge shall assess  
72.32 a penalty against the payer, payable to the employee or dependent, up to the total amount  
72.33 of the permanent total disability benefits that were not paid pursuant to subdivision 2. The

73.1 compensation judge may issue a penalty against the payer, up to the total amount of the  
 73.2 permanent total disability benefits underpaid, payable to a legal heir.

73.3 (b) The penalties assessed under this subdivision are in addition to any other penalty  
 73.4 that may be, or is required to be, assessed under this chapter; however, the commissioner  
 73.5 shall not assess a penalty against a payer for late payment of permanent total disability  
 73.6 benefits if the employee's benefits have been paid and documented in accordance with  
 73.7 subdivision 2.

73.8 (c) If a payer and the special compensation fund have agreed to a list of employees  
 73.9 required to be paid under subdivision 2, this subdivision does not apply to any claim with  
 73.10 a date of injury before October 1, 1995, that is not on the agreed-upon list.

73.11 **EFFECTIVE DATE.** This section is effective the day after final enactment.

73.12 **ARTICLE 5**

73.13 **WORKERS' COMPENSATION ADVISORY COUNCIL; WORKERS'**  
 73.14 **COMPENSATION INTERVENTION**

73.15 Section 1. Minnesota Statutes 2016, section 176.361, subdivision 2, is amended to read:

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

73.21 (a) The motion must be served on all parties, except for other intervenors, either  
 73.22 personally, by first class mail, or by registered mail, return receipt requested. A motion to  
 73.23 intervene must be served and filed within 60 days after a potential intervenor has been  
 73.24 served with notice of a right to intervene or within 30 days of notice of an administrative  
 73.25 conference or expedited hearing. Upon the filing of a timely motion to intervene, the potential  
 73.26 intervenor shall be granted intervenor status without the need for an order. Objections to  
 73.27 the intervention may be subsequently addressed by a compensation judge. Where a motion  
 73.28 to intervene is not timely filed under this section, the potential intervenor interest shall be  
 73.29 extinguished and the potential intervenor may not collect, or attempt to collect, the  
 73.30 extinguished interest from the employee, employer, insurer, or any government program.

73.31 (b) The motion must show how the applicant's legal rights, duties, or privileges may be  
 73.32 determined or affected by the case; state the grounds and purposes for which intervention

74.1 is sought; and indicate the statutory right to intervene. The motion must be accompanied  
74.2 by the following:

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

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

74.10 (3) copies of all medical or treatment bills for which payment is sought;

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

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

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

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

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

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

74.26 Sec. 2. Minnesota Statutes 2016, section 176.361, subdivision 3, is amended to read:

74.27 Subd. 3. **Stipulation.** If the person ~~submitting the~~ filing a timely motion to intervene  
74.28 has included a proposed stipulation, all parties shall either execute and return the signed  
74.29 stipulation to the intervenor who must file it with the division or judge or serve upon the  
74.30 intervenor and all other parties and file with the division specific and detailed objections to  
74.31 any services rendered or payments made by the intervenor which are not conceded to be  
74.32 correct and related to the injury or condition the petitioner has asserted is compensable. If

75.1 a party has not returned the signed stipulation or filed specific and detailed objections within  
 75.2 30 days of service of the motion to intervene, the intervenor's right to reimbursement for  
 75.3 the amount sought is deemed established provided that the petitioner's claim is determined  
 75.4 to be compensable. The office may establish procedures for filing objections if a timely  
 75.5 motion to intervene is filed less than 30 days before a scheduled hearing.

75.6 Sec. 3. Minnesota Statutes 2016, section 176.521, is amended by adding a subdivision to  
 75.7 read:

75.8 Subd. 2b. **Partial settlement.** (a) The parties may file a partial stipulation for settlement  
 75.9 which resolves the claims of the employee and reserves the claims of one or more intervenors.  
 75.10 If the partial stipulation, or a letter of agreement attached to the partial stipulation, is not  
 75.11 signed by an intervenor, the partial stipulation must include a statement that the parties were  
 75.12 unable to:

75.13 (1) obtain a response from the nonsigning intervenor regarding clarification or  
 75.14 confirmation of its interest or an offer of settlement within a reasonable time despite  
 75.15 good-faith efforts to obtain a response;

75.16 (2) reach agreement with the nonsigning intervenor despite the belief that the parties  
 75.17 negotiated with the intervenor in good faith and made a reasonable offer to settle the  
 75.18 intervention claim; or

75.19 (3) obtain the nonsigning intervenor's signature within a reasonable time after an  
 75.20 agreement was reached with the intervenor.

75.21 The partial stipulation must include detailed and case-specific support for the parties'  
 75.22 statements. In addition, the partial stipulation must reserve the nonsigning intervenor's  
 75.23 interests to pursue its claim at a hearing on the merits, and must contain a statement that  
 75.24 the employee will cooperate at the hearing.

75.25 (b) Prior to filing the partial stipulation for approval, a copy of the partial stipulation  
 75.26 must be served on all parties, including the nonsigning intervenor, together with a written  
 75.27 notification that the settling parties intend to file the partial stipulation for approval by a  
 75.28 compensation judge and of the nonsigning intervenor's right to request a hearing on the  
 75.29 merits of the intervenor's claim.

75.30 (c) Within ten days after service of a partial stipulation for settlement and notice of an  
 75.31 intent to file for approval by a compensation judge, a nonsigning intervenor may serve and  
 75.32 file a written objection to approval of the partial stipulation, which filing must provide a

76.1 detailed and case-specific factual basis establishing that approval of the partial stipulation  
 76.2 will adversely impact the rights of the intervenor.

76.3 (d) After expiration of the ten-day period within which a nonsigning intervenor may  
 76.4 serve and file its written objection, any party may file for approval a partial stipulation for  
 76.5 settlement which conforms with this section. An affidavit of service must accompany the  
 76.6 partial stipulation when it is filed for approval.

76.7 (e) Unless the compensation judge has a reasonable belief that approval of the partial  
 76.8 stipulation will adversely impact the rights of the nonsigning intervenor, the compensation  
 76.9 judge shall immediately issue the award and file it with the commissioner. The issuance of  
 76.10 the award shall be accompanied by notice to the intervenors and other parties of their right  
 76.11 to request amended findings within a period of 30 days following the date of issuance in  
 76.12 conformity with applicable law.

76.13 (f) If the compensation judge has a reasonable belief that approval of the partial stipulation  
 76.14 will adversely impact the rights of the intervenor, the compensation judge shall disapprove  
 76.15 the stipulation by written order detailing a factual basis for the determination of adverse  
 76.16 impact.

76.17 **Sec. 4. RULEMAKING.**

76.18 The Office of Administrative Hearings is directed to use the expedited rulemaking  
 76.19 provisions of Minnesota Statutes, section 14.389, to amend Minnesota Rules, part 1420.1850,  
 76.20 to conform to the amendments of Minnesota Statutes, section 176.361, subdivision 3.

76.21 **ARTICLE 6**

76.22 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

76.23 **Section 1. [116J.4221] RURAL POLICY AND DEVELOPMENT CENTER FUND.**

76.24 (a) A rural policy and development center fund is established as an account in the special  
 76.25 revenue fund in the state treasury. The commissioner of management and budget shall credit  
 76.26 to the account the amounts authorized under this section and appropriations and transfers  
 76.27 to the account. The State Board of Investment shall ensure that account money is invested  
 76.28 under section 11A.24. All money earned by the account must be credited to the account.  
 76.29 The principal of the account and any unexpended earnings must be invested and reinvested  
 76.30 by the State Board of Investment.

76.31 (b) Gifts and donations, including land or interests in land, may be made to the account.  
 76.32 Noncash gifts and donations must be disposed of for cash as soon as the board prudently

77.1 can maximize the value of the gift or donation. Gifts and donations of marketable securities  
 77.2 may be held or be disposed of for cash at the option of the board. The cash receipts of gifts  
 77.3 and donations of cash or capital assets and marketable securities disposed of for cash must  
 77.4 be credited immediately to the principal of the account. The value of marketable securities  
 77.5 at the time the gift or donation is made must be credited to the principal of the account and  
 77.6 any earnings from the marketable securities are earnings of the account. The earnings in  
 77.7 the account are annually appropriated to the board of the Center for Rural Policy and  
 77.8 Development to carry out the duties of the center.

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

77.10 Sec. 2. Minnesota Statutes 2016, section 116J.8731, subdivision 2, is amended to read:

77.11 Subd. 2. **Administration.** (a) Except as otherwise provided in this section, the  
 77.12 commissioner shall administer the fund as part of the Small Cities Development Block  
 77.13 Grant Program and funds shall be made available to local communities and recognized  
 77.14 Indian tribal governments in accordance with the rules adopted for economic development  
 77.15 grants in the small cities community development block grant program. All units of general  
 77.16 purpose local government are eligible applicants for Minnesota investment funds. The  
 77.17 commissioner may provide forgivable loans directly to a private enterprise and not require  
 77.18 a local community or recognized Indian tribal government application other than a resolution  
 77.19 supporting the assistance.

77.20 (b) Eligible applicants for the state-funded portion of the fund also include development  
 77.21 authorities as defined in section 116J.552, subdivision 4, provided that the governing body  
 77.22 of the municipality approves, by resolution, the application of the development authority.  
 77.23 A local government entity may receive more than one award in a fiscal year. The  
 77.24 commissioner may also make funds available within the department for eligible expenditures  
 77.25 under subdivision 3, clause (2).

77.26 (c) A home rule charter or statutory city, county, or town may loan or grant money  
 77.27 received from repayment of funds awarded under this section to a regional development  
 77.28 commission, other regional entity, or statewide community capital fund as determined by  
 77.29 the commissioner, to capitalize or to provide the local match required for capitalization of  
 77.30 a regional or statewide revolving loan fund.

78.1 Sec. 3. Minnesota Statutes 2016, section 116J.8731, is amended by adding a subdivision  
78.2 to read:

78.3 Subd. 10. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year's  
78.4 appropriation between the Minnesota job creation fund program and Minnesota investment  
78.5 fund to meet business demand.

78.6 Sec. 4. Minnesota Statutes 2016, section 116J.8748, subdivision 1, is amended to read:

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

78.9 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement  
78.10 under section 116J.994 that must include, but is not limited to: specification of the duration  
78.11 of the agreement, job goals and a timeline for achieving those goals over the duration of  
78.12 the agreement, construction and other investment goals and a timeline for achieving those  
78.13 goals over the duration of the agreement, and the value of benefits the firm may receive  
78.14 following achievement of capital investment and employment goals. The local government  
78.15 and business must report to the commissioner on the business performance using the forms  
78.16 developed by the commissioner.

78.17 (c) "Business" means an individual, corporation, partnership, limited liability company,  
78.18 association, or other entity.

78.19 (d) "Capital investment" means money that is expended for the purpose of building or  
78.20 improving real fixed property where employees under paragraphs (g) and (h) are or will be  
78.21 employed and also includes construction materials, services, and supplies, and the purchase  
78.22 and installation of equipment and machinery as provided under subdivision 4, paragraph  
78.23 (b), clause (5).

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

78.25 (f) "Minnesota job creation fund business" means a business that is designated by the  
78.26 commissioner under subdivision 3.

78.27 (g) "Minority person" means a person belonging to a racial or ethnic minority as defined  
78.28 in Code of Federal Regulations, title 49, section 23.5.

78.29 ~~(g)~~ (h) "New full-time employee" means an employee who:

78.30 (1) begins work at a Minnesota job creation fund business facility noted in a business  
78.31 subsidy agreement and following the designation as a job creation fund business; and

78.32 (2) has expected work hours of at least 2,080 hours annually.

79.1 (i) "Persons with disabilities" means an individual with a disability, as defined under  
 79.2 the Americans with Disabilities Act, United States Code, title 42, section 12102.

79.3 ~~(h)~~ (j) "Retained job" means a full-time position:

79.4 (1) that existed at the facility prior to the designation as a job creation fund business;  
 79.5 and

79.6 (2) has expected work hours of at least 2,080 hours annually.

79.7 (k) "Veteran" means a veteran as defined in section 197.447.

79.8 ~~(i)~~ (l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

79.9 Sec. 5. Minnesota Statutes 2016, section 116J.8748, subdivision 3, is amended to read:

79.10 Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To  
 79.11 receive designation as a Minnesota job creation fund business, a business must satisfy all  
 79.12 of the following conditions:

79.13 (1) the business is or will be engaged in, within Minnesota, one of the following as its  
 79.14 primary business activity:

79.15 (i) manufacturing;

79.16 (ii) warehousing;

79.17 (iii) distribution;

79.18 (iv) information technology;

79.19 (v) finance;

79.20 (vi) insurance; or

79.21 (vii) professional or technical services;

79.22 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;  
 79.23 professional sports; political consulting; leisure; hospitality; or professional services provided  
 79.24 by attorneys, accountants, business consultants, physicians, or health care consultants, or  
 79.25 primarily engaged in making retail sales to purchasers who are physically present at the  
 79.26 business's location;

79.27 (3) the business must enter into a binding construction and job creation business subsidy  
 79.28 agreement with the commissioner to expend directly, or ensure expenditure by or in  
 79.29 partnership with a third party constructing or managing the project, at least \$500,000 in  
 79.30 capital investment in a capital investment project that includes a new, expanded, or remodeled

80.1 facility within one year following designation as a Minnesota job creation fund business or  
80.2 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,  
80.3 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,  
80.4 women, or persons with a disability; and:

80.5 (i) create at least ten new full-time employee positions within two years of the benefit  
80.6 date following the designation as a Minnesota job creation fund business or five new full-time  
80.7 employee positions within two years of the benefit date if the project is located outside the  
80.8 metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business  
80.9 is cumulatively owned by minorities, veterans, women, or persons with a disability; or

80.10 (ii) expend at least \$25,000,000, which may include the installation and purchase of  
80.11 machinery and equipment, in capital investment and retain at least 200 employees for projects  
80.12 located in the metropolitan area as defined in section 200.02, subdivision 24, and 75  
80.13 employees for projects located outside the metropolitan area;

80.14 (4) positions or employees moved or relocated from another Minnesota location of the  
80.15 Minnesota job creation fund business must not be included in any calculation or determination  
80.16 of job creation or new positions under this paragraph; and

80.17 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce the  
80.18 working hours of an employee for the purpose of hiring an individual to satisfy job creation  
80.19 goals under this subdivision.

80.20 (b) Prior to approving the proposed designation of a business under this subdivision, the  
80.21 commissioner shall consider the following:

80.22 (1) the economic outlook of the industry in which the business engages;

80.23 (2) the projected sales of the business that will be generated from outside the state of  
80.24 Minnesota;

80.25 (3) how the business will build on existing regional, national, and international strengths  
80.26 to diversify the state's economy;

80.27 (4) whether the business activity would occur without financial assistance;

80.28 (5) whether the business is unable to expand at an existing Minnesota operation due to  
80.29 facility or land limitations;

80.30 (6) whether the business has viable location options outside Minnesota;

80.31 (7) the effect of financial assistance on industry competitors in Minnesota;

80.32 (8) financial contributions to the project made by local governments; and

81.1 (9) any other criteria the commissioner deems necessary.

81.2 (c) Upon receiving notification of local approval under subdivision 2, the commissioner  
81.3 shall review the determination by the local government and consider the conditions listed  
81.4 in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local  
81.5 area to designate a business as a Minnesota job creation fund business.

81.6 (d) If the commissioner designates a business as a Minnesota job creation fund business,  
81.7 the business subsidy agreement shall include the performance outcome commitments and  
81.8 the expected financial value of any Minnesota job creation fund benefits.

81.9 (e) The commissioner may amend an agreement once, upon request of a local government  
81.10 on behalf of a business, only if the performance is expected to exceed thresholds stated in  
81.11 the original agreement.

81.12 (f) A business may apply to be designated as a Minnesota job creation fund business at  
81.13 the same location more than once only if all goals under a previous Minnesota job creation  
81.14 fund agreement have been met and the agreement is completed.

81.15 Sec. 6. Minnesota Statutes 2016, section 116J.8748, subdivision 4, is amended to read:

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

81.20 (b) A qualified Minnesota job creation fund business may be certified eligible for the  
81.21 benefits in this paragraph for up to five years for projects located in the metropolitan area  
81.22 as defined in section 200.02, subdivision 24, and seven years for projects located outside  
81.23 the metropolitan area, as determined by the commissioner when considering the best interests  
81.24 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),  
81.25 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located  
81.26 outside the metropolitan area may be for up to seven years in length. The eligibility for the  
81.27 following benefits begins the date the commissioner certifies the business as a qualified  
81.28 Minnesota job creation fund business under this subdivision:

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

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

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

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

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

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

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

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

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

83.1 (g) A Minnesota job creation fund business must demonstrate reasonable progress on  
 83.2 its capital investment expenditures within six months following designation as a Minnesota  
 83.3 job creation fund business to ensure that the capital investment goal in the agreement under  
 83.4 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible  
 83.5 for benefits under the submitted application and will need to work with the local government  
 83.6 unit to resubmit a new application and request to be a Minnesota job creation fund business.  
 83.7 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not  
 83.8 be considered a default of the business subsidy agreement.

83.9 Sec. 7. Minnesota Statutes 2016, section 116J.8748, subdivision 6, is amended to read:

83.10 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is  
 83.11 eligible for an annual award for each new job created and maintained by the business using  
 83.12 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000  
 83.13 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than  
 83.14 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals  
 83.15 under the agreement provided under subdivision 1. These awards are increased by \$1,000  
 83.16 if the business is located outside the metropolitan area as defined in section 200.02,  
 83.17 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,  
 83.18 women, or persons with a disability.

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

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

83.24 Sec. 8. **[116J.9922] CENTRAL MINNESOTA OPPORTUNITY GRANT PROGRAM.**

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

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

83.28 (c) "Community initiative" means a nonprofit organization which provides services to  
 83.29 central Minnesota communities of color in one or more of the program areas listed in  
 83.30 subdivision 4, paragraph (a).

83.31 (d) "Foundation" means the Central Minnesota Community Foundation.

84.1 Subd. 2. **Establishment.** The commissioner shall establish a central Minnesota  
84.2 opportunity grant program, administered by the foundation, to identify and support  
84.3 community initiatives in the St. Cloud area that enhance long-term economic self-sufficiency  
84.4 by improving education, housing, and economic outcomes for central Minnesota communities  
84.5 of color.

84.6 Subd. 3. **Grant to the Central Minnesota Community Foundation.** The commissioner  
84.7 shall award all grant funds to the foundation, which shall administer the central Minnesota  
84.8 opportunity grant program. The foundation may use up to five percent of grant funds for  
84.9 administrative costs.

84.10 Subd. 4. **Grants to community initiatives.** (a) The foundation must award funds through  
84.11 a competitive grant process to community initiatives that will provide services, either alone  
84.12 or in partnership with another nonprofit organization, in one or more of the following areas:

84.13 (1) economic development, including but not limited to programs to foster  
84.14 entrepreneurship or small business development;

84.15 (2) education, including but not limited to programs to encourage civic engagement or  
84.16 provide youth after-school or recreation programs; or

84.17 (3) housing, including but not limited to, programs to prevent and respond to  
84.18 homelessness or to provide access to loans or grants for housing stability and affordability.

84.19 (b) To receive grant funds, a community initiative must submit a written application to  
84.20 the foundation, using a form developed by the foundation. This grant application must  
84.21 include:

84.22 (1) a description of the activities that will be funded by the grant;

84.23 (2) an estimate of the cost of each grant activity;

84.24 (3) the total cost of the project;

84.25 (4) the sources and amounts of nonstate funds supplementing the grant;

84.26 (5) how the project aims to achieve stated outcomes in areas including improved job  
84.27 training; workforce development; small business support; early childhood, kindergarten  
84.28 through grade 12, and higher education achievement; and access to housing, including loans;  
84.29 and

84.30 (6) any additional information requested by the foundation.

84.31 (c) In awarding grants under this subdivision, the foundation shall give weight to  
84.32 applications from organizations that demonstrate:

85.1 (1) a history of successful provision of the services listed in paragraph (a); and

85.2 (2) a history of successful fund-raising from private sources for such services.

85.3 (d) In evaluating grant applications, the foundation shall not consider the composition  
85.4 of a community initiative's governing board.

85.5 (e) Grant funds may be used by a community initiative for the following purposes:

85.6 (1) operating costs, including but not limited to staff, office space, computers, software,  
85.7 and Web development and maintenance services;

85.8 (2) program costs;

85.9 (3) travel within Minnesota;

85.10 (4) consultants directly related to and necessary for delivering services listed in paragraph  
85.11 (a); and

85.12 (5) capacity building.

85.13 Subd. 5. **Reports to the legislature.** By January 15, 2019, and each January 15 thereafter  
85.14 through 2022, the commissioner must submit a report to the chairs and ranking minority  
85.15 members of the house of representatives and the senate committees with jurisdiction over  
85.16 economic development that details the use of grant funds. This report must include data on  
85.17 the number of individuals served and, to the extent practical, measures of progress toward  
85.18 achieving the outcomes stated in subdivision 4, paragraph (b), clause (5).

85.19 Sec. 9. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

86.6 ~~(5) MS 2011 Supp [Expired, 2011 c 84 art 3 s 1]~~

86.7 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from  
86.8 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
86.9 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
86.10 veteran;

86.11 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be  
86.12 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to  
86.13 2331, as amended; or

86.14 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has  
86.15 spent a substantial number of years in the home providing homemaking service and (i) has  
86.16 been dependent upon the financial support of another; and now due to divorce, separation,  
86.17 death, or disability of that person, must find employment to self support; or (ii) derived the  
86.18 substantial share of support from public assistance on account of dependents in the home  
86.19 and no longer receives such support. To be eligible under this clause, the support must have  
86.20 ceased while the worker resided in Minnesota.

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

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

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

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

87.1 Sec. 10. Minnesota Statutes 2016, section 116L.665, is amended to read:

87.2 **116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.**

87.3 Subdivision 1. **Creation.** The governor's Workforce Development Council is created  
 87.4 under the authority of the Workforce Investment Act, United States Code, title 29, section  
 87.5 2801, et seq. Local workforce development councils are authorized under the Workforce  
 87.6 Investment Act. The governor's Workforce Development Council serves as Minnesota's  
 87.7 Workforce Investment Board for the purposes of the federal Workforce Investment Act.  
 87.8 Board serves as Minnesota's state workforce development board for the purposes of the  
 87.9 federal Workforce Innovation and Opportunity Act, United States Code, title 29, section  
 87.10 3111, and must perform the duties under that act.

87.11 Subd. 2. **Membership.** (a) The governor's Workforce Development Council Board is  
 87.12 composed of 31 members appointed by the governor. The members may be removed pursuant  
 87.13 to section 15.059. In selecting the representatives of the council board, the governor shall  
 87.14 ensure that 50 percent a majority of the members come from nominations provided by local  
 87.15 workforce councils. Local education representatives shall come from nominations provided  
 87.16 by local education to employment partnerships. The 31 members shall represent the following  
 87.17 sectors: the private sector, pursuant to United States Code, title 29, section 3111. For the  
 87.18 public members, membership terms, compensation of members, and removal of members  
 87.19 are governed by section 15.059, subdivisions 2, 3, and 4. To the extent practicable, the  
 87.20 membership should be balanced as to gender and ethnic diversity.

87.21 (a) State agencies: the following individuals shall serve on the council:

87.22 (1) commissioner of the Minnesota Department of Employment and Economic  
 87.23 Development;

87.24 (2) commissioner of the Minnesota Department of Education; and

87.25 (3) commissioner of the Minnesota Department of Human Services.

87.26 (b) Business and industry: six individuals shall represent the business and industry sectors  
 87.27 of Minnesota.

87.28 (c) Organized labor: six individuals shall represent labor organizations of Minnesota.

87.29 (d) Community-based organizations: four individuals shall represent community-based  
 87.30 organizations of Minnesota. Community-based organizations are defined by the Workforce  
 87.31 Investment Act as private nonprofit organizations that are representative of communities  
 87.32 or significant segments of communities and that have demonstrated expertise and  
 87.33 effectiveness in the field of workforce investment and may include entities that provide job

88.1 ~~training services, serve youth, serve individuals with disabilities, serve displaced~~  
 88.2 ~~homemakers, union-related organizations, employer-related nonprofit organizations, and~~  
 88.3 ~~organizations serving nonreservation Indians and tribal governments.~~

88.4 ~~(e) Education: six individuals shall represent the education sector of Minnesota as follows:~~

88.5 ~~(1) one individual shall represent local public secondary education;~~

88.6 ~~(2) one individual shall have expertise in design and implementation of school-based~~  
 88.7 ~~service-learning;~~

88.8 ~~(3) one individual shall represent leadership of the University of Minnesota;~~

88.9 ~~(4) one individual shall represent secondary/postsecondary vocational institutions;~~

88.10 ~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and~~  
 88.11 ~~Universities; and~~

88.12 ~~(6) one individual shall have expertise in agricultural education.~~

88.13 ~~(f) Other: two individuals shall represent other constituencies including:~~

88.14 ~~(1) units of local government; and~~

88.15 ~~(2) applicable state or local programs.~~

88.16 ~~The speaker and the minority leader of the house of representatives shall each appoint~~  
 88.17 ~~a representative to serve as an ex officio member of the council. The majority and minority~~  
 88.18 ~~leaders of the senate shall each appoint a senator to serve as an ex officio member of the~~  
 88.19 ~~council.~~

88.20 ~~The governor shall appoint one individual representing public libraries, one individual~~  
 88.21 ~~with expertise in assisting women in obtaining employment in high-wage, high-demand,~~  
 88.22 ~~nontraditional occupations, and one individual representing adult basic education programs~~  
 88.23 ~~to serve as nonvoting advisors to the council.~~

88.24 ~~(b) No person shall serve as a member of more than one category described in paragraph~~

88.25 ~~(c).~~

88.26 ~~(c) Voting members shall consist of the following:~~

88.27 ~~(1) the governor or the governor's designee;~~

88.28 ~~(2) two members of the house of representatives, one appointed by the speaker of the~~  
 88.29 ~~house and one appointed by the minority leader of the house of representatives;~~

89.1 (3) two members of the senate, one appointed by the senate majority leader and one  
89.2 appointed by the senate minority leader;

89.3 (4) a majority of the members must be representatives of businesses in the state appointed  
89.4 by the governor who:

89.5 (i) are owners of businesses, chief executives, or operating officers of businesses, or  
89.6 other business executives or employers with optimum policy-making or hiring authority  
89.7 and who, in addition, may be members of a local board under United States Code, title 29,  
89.8 section 3122(b)(2)(A)(i);

89.9 (ii) represent businesses, including small businesses, or organizations representing  
89.10 businesses that provide employment opportunities that, at a minimum, include high-quality,  
89.11 work-relevant training and development in in-demand industry sectors or occupations in  
89.12 the state; and

89.13 (iii) are appointed from individuals nominated by state business organizations and  
89.14 business trade associations;

89.15 (5) six representatives of labor organizations appointed by the governor, including:

89.16 (i) representatives of labor organizations who have been nominated by state labor  
89.17 federations; and

89.18 (ii) a member of a labor organization or a training director from a joint labor organization;

89.19 (6) commissioners of the state agencies with primary responsibility for core programs  
89.20 identified within the state plan including:

89.21 (i) the Department of Employment and Economic Development;

89.22 (ii) the Department of Education; and

89.23 (iii) the Department of Human Services;

89.24 (7) two chief elected officials, appointed by the governor, collectively representing cities  
89.25 and counties;

89.26 (8) two representatives who are people of color or people with disabilities, appointed  
89.27 by the governor, of community-based organizations that have demonstrated experience and  
89.28 expertise in addressing the employment, training, or education needs of individuals with  
89.29 barriers to employment; and

90.1 (9) four officials responsible for education programs in the state, appointed by the  
90.2 governor, including chief executive officers of community colleges and other institutions  
90.3 of higher education, including:

90.4 (i) the chancellor of the Minnesota State Colleges and Universities;

90.5 (ii) the president of the University of Minnesota;

90.6 (iii) a president from a private postsecondary school; and

90.7 (iv) a representative of career and technical education.

90.8 (d) The nonvoting members of the board shall be appointed by the governor and consist  
90.9 of one of each of the following:

90.10 (1) a representative of Adult Basic Education;

90.11 (2) a representative of public libraries;

90.12 (3) a person with expertise in women's economic security;

90.13 (4) the chair or executive director of the Minnesota Workforce Council Association;

90.14 (5) the commissioner of labor and industry;

90.15 (6) the commissioner of the Office of Higher Education;

90.16 (7) the commissioner of corrections;

90.17 (8) the commissioner of management and budget;

90.18 (9) two representatives of community-based organizations who are people of color or  
90.19 people with disabilities who have demonstrated experience and expertise in addressing the  
90.20 employment, training, and education needs of individuals with barriers to employment;

90.21 (10) a representative of secondary, postsecondary, or career-technical education;

90.22 (11) a representative of school-based service learning;

90.23 (12) a representative of the Council on Asian-Pacific Minnesotans;

90.24 (13) a representative of the Minnesota Council on Latino Affairs;

90.25 (14) a representative of the Council for Minnesotans of African Heritage;

90.26 (15) a representative of the Minnesota Indian Affairs Council;

90.27 (16) a representative of the Minnesota State Council on Disability; and

90.28 (17) a representative of the Office on the Economic Status of Women.

91.1 ~~(g) Appointment:~~ (e) Each member shall be appointed for a term of three years from the  
 91.2 first day of January or July immediately following their appointment. Elected officials shall  
 91.3 forfeit their appointment if they cease to serve in elected office.

91.4 ~~(h) Members of the council are compensated as provided in section 15.059, subdivision~~  
 91.5 ~~3.~~

91.6 Subd. 2a. **Council Board meetings; chair.** ~~(a) If compliance with section 13D.02 is~~  
 91.7 ~~impractical, the Governor's Workforce Development Council may conduct a meeting of its~~  
 91.8 ~~members by telephone or other electronic means so long as the following conditions are~~  
 91.9 ~~met:~~

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

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

91.15 ~~(3) at least one member of the council is physically present at the regular meeting location;~~  
 91.16 ~~and~~

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

91.19 ~~(b) Each member of the council participating in a meeting by telephone or other electronic~~  
 91.20 ~~means is considered present at the meeting for purposes of determining a quorum and~~  
 91.21 ~~participating in all proceedings.~~

91.22 ~~(c) If telephone or other electronic means is used to conduct a meeting, the council, to~~  
 91.23 ~~the extent practical, shall allow a person to monitor the meeting electronically from a remote~~  
 91.24 ~~location. The council may require the person making such a connection to pay for~~  
 91.25 ~~documented marginal costs that the council incurs as a result of the additional connection.~~

91.26 ~~(d) If telephone or other electronic means is used to conduct a regular, special, or~~  
 91.27 ~~emergency meeting, the council shall provide notice of the regular meeting location, of the~~  
 91.28 ~~fact that some members may participate by telephone or other electronic means, and of the~~  
 91.29 ~~provisions of paragraph (c). The timing and method of providing notice is governed by~~  
 91.30 ~~section 13D.04.~~

91.31 (a) The board shall hold regular in-person meetings at least quarterly and as often as  
 91.32 necessary to perform the duties outlined in the statement of authority and the board's bylaws.

92.1 Meetings shall be called by the chair. Special meetings may be called as needed. Notices  
 92.2 of all meetings shall be made at least 48 hours before the meeting date.

92.3 (b) The governor shall designate a chair from among the appointed business representative  
 92.4 voting members. The chair shall approve an agenda for each meeting. Members shall submit  
 92.5 a written request for consideration of an agenda item no less than 24 hours in advance of  
 92.6 the meeting. Members of the public may submit a written request within 48 hours of a  
 92.7 meeting to be considered for inclusion in the agenda. Members of the public attending a  
 92.8 meeting of the board may address the board only with the approval or at the request of the  
 92.9 chair.

92.10 (c) All meeting notices must be posted on the board's Web site. All meetings of the board  
 92.11 and committees must be open to the public. The board must make available to the public,  
 92.12 on a regular basis through electronic means and open meetings, information regarding the  
 92.13 activities of the board, information regarding membership, and, on request, minutes of  
 92.14 formal meetings of the board.

92.15 (d) For the purpose of conducting business before the board at a duly called meeting, a  
 92.16 simple majority of the voting members, excluding any vacancies, constitutes a quorum.

92.17 ~~Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall replace~~  
 92.18 ~~the governor's Job Training Council and assume all of its requirements, duties, and~~  
 92.19 ~~responsibilities under the Workforce Investment Act. Additionally, the Workforce~~  
 92.20 ~~Development Council shall assume the following duties and responsibilities:~~

92.21 ~~(a) Review the provision of services and the use of funds and resources under applicable~~  
 92.22 ~~federal human resource programs and advise the governor on methods of coordinating the~~  
 92.23 ~~provision of services and the use of funds and resources consistent with the laws and~~  
 92.24 ~~regulations governing the programs. For purposes of this section, applicable federal and~~  
 92.25 ~~state human resource programs mean the:~~

92.26 ~~(1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;~~

92.27 ~~(2) Carl D. Perkins Vocational and Applied Technology Education Act, United States~~  
 92.28 ~~Code, title 20, section 2301, et seq.;~~

92.29 ~~(3) Adult Education Act, United States Code, title 20, section 1201, et seq.;~~

92.30 ~~(4) Wagner-Peyser Act, United States Code, title 29, section 49;~~

92.31 ~~(5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);~~

93.1 ~~(6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp~~  
 93.2 ~~Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~  
 93.3 ~~(7) programs defined in section 116L.19, subdivision 5.~~

93.4 ~~Additional federal and state programs and resources can be included within the scope~~  
 93.5 ~~of the council's duties if recommended by the governor after consultation with the council.~~

93.6 ~~(b) Review federal, state, and local education, postsecondary, job skills training, and~~  
 93.7 ~~youth employment programs, and make recommendations to the governor and the legislature~~  
 93.8 ~~for establishing an integrated seamless system for providing education and work skills~~  
 93.9 ~~development services to learners and workers of all ages.~~

93.10 ~~(c) Advise the governor on the development and implementation of statewide and local~~  
 93.11 ~~performance standards and measures relating to applicable federal human resource programs~~  
 93.12 ~~and the coordination of performance standards and measures among programs.~~

93.13 ~~(d) Promote education and employment transitions programs and knowledge and skills~~  
 93.14 ~~of entrepreneurship among employers, workers, youth, and educators, and encourage~~  
 93.15 ~~employers to provide meaningful work-based learning opportunities.~~

93.16 ~~(e) Evaluate and identify exemplary education and employment transitions programs~~  
 93.17 ~~and provide technical assistance to local partnerships to replicate the programs throughout~~  
 93.18 ~~the state.~~

93.19 ~~(f) Advise the governor on methods to evaluate applicable federal human resource~~  
 93.20 ~~programs.~~

93.21 ~~(g) Sponsor appropriate studies to identify human investment needs in Minnesota and~~  
 93.22 ~~recommend to the governor goals and methods for meeting those needs.~~

93.23 ~~(h) Recommend to the governor goals and methods for the development and coordination~~  
 93.24 ~~of a human resource system in Minnesota.~~

93.25 ~~(i) Examine federal and state laws, rules, and regulations to assess whether they present~~  
 93.26 ~~barriers to achieving the development of a coordinated human resource system.~~

93.27 ~~(j) Recommend to the governor and to the federal government changes in state or federal~~  
 93.28 ~~laws, rules, or regulations concerning employment and training programs that present barriers~~  
 93.29 ~~to achieving the development of a coordinated human resource system.~~

93.30 ~~(k) Recommend to the governor and to the federal government waivers of laws and~~  
 93.31 ~~regulations to promote coordinated service delivery.~~

94.1 ~~(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic~~  
 94.2 ~~plan which details methods for meeting Minnesota's human investment needs and for~~  
 94.3 ~~developing and coordinating a state human resource system.~~

94.4 ~~(m) Provide the commissioner of employment and economic development and the~~  
 94.5 ~~committees of the legislature with responsibility for economic development with~~  
 94.6 ~~recommendations provided to the governor under this subdivision.~~

94.7 ~~(n) In consultation with local workforce councils and the Department of Employment~~  
 94.8 ~~and Economic Development, develop an ongoing process to identify and address local gaps~~  
 94.9 ~~in workforce services.~~

94.10 Subd. 4. **Executive committee duties.** The executive committee must, with advice and  
 94.11 input of local workforce ~~councils~~ boards and other stakeholders as appropriate, develop  
 94.12 performance standards for the state workforce centers. By January 15, ~~2002~~ 2019, and each  
 94.13 odd-numbered year thereafter, the executive committee shall submit a report to the senate  
 94.14 and house of representatives committees with jurisdiction over workforce development  
 94.15 programs regarding the performance and outcomes of the workforce centers. The report  
 94.16 must provide recommendations regarding workforce center funding levels and sources,  
 94.17 program changes, and administrative changes.

94.18 Subd. 5. **Subcommittees.** The chair of the Workforce Development ~~Council~~ Board may  
 94.19 establish subcommittees in order to carry out the duties and responsibilities of the ~~council~~  
 94.20 board.

94.21 Subd. 6. **Staffing.** The ~~Department of~~ commissioner of employment and economic  
 94.22 development must provide staff, ~~including but not limited to professional, technical, and~~  
 94.23 ~~clerical staff~~ to the board necessary to perform the duties assigned to the Minnesota  
 94.24 ~~Workforce Development Council.~~ All staff report to the commissioner carry out the duties  
 94.25 of the board. ~~The council may ask for assistance from other units of~~ At the request of the  
 94.26 board, state government as departments and agencies must provide the board with the  
 94.27 assistance it requires ~~in order~~ to fulfill its duties and responsibilities.

94.28 Subd. 7. **Expiration.** The ~~council~~ board expires if there is no federal funding for the  
 94.29 human resource programs within the scope of the ~~council's~~ board's duties.

94.30 Subd. 8. **Funding.** The commissioner shall ~~develop recommendations on a funding~~  
 94.31 ~~formula for allocating Workforce Investment Act funds to the council with a minimum~~  
 94.32 ~~allocation of employment and economic development must provide at least \$350,000 per~~  
 94.33 each fiscal year. ~~The commissioner shall report the funding formula recommendations to~~

95.1 ~~the legislature by January 15, 2011~~ from existing agency resources to the board for staffing  
 95.2 and administrative expenses.

95.3 Sec. 11. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

95.4 Subd. 4. **Low-income area.** "Low-income area" means:

95.5 (1) Minneapolis, St. Paul;

95.6 (2) those cities in the metropolitan area as defined in section 473.121, subdivision 2,  
 95.7 that have ~~an average income~~ a median income for a family of four that is below 80 percent  
 95.8 of the median income for a four-person family as of the latest report by the United States  
 95.9 Census Bureau; and

95.10 (3) the area outside the metropolitan area.

95.11 Sec. 12. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

95.12 Subd. 4. **Reports.** The ~~board~~ department shall submit an annual report to the legislature  
 95.13 of an accounting of loans made under section 116M.18, including information on loans  
 95.14 made, the number of jobs created by the program, the impact on low-income areas, and  
 95.15 recommendations concerning minority business development and jobs for persons in  
 95.16 low-income areas.

95.17 Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

95.18 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall  
 95.19 be made so that an approximately equal dollar amount of loans are made to businesses in  
 95.20 the metropolitan area as in the nonmetropolitan area. After ~~September 30~~ March 31 of each  
 95.21 ~~calendar~~ fiscal year, the department may allow loans to be made anywhere in the state  
 95.22 without regard to geographic area.

95.23 Sec. 14. Minnesota Statutes 2016, section 116M.18, subdivision 4, is amended to read:

95.24 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made  
 95.25 by nonprofit corporations under the program.

95.26 (b) Loans must be made to businesses that are not likely to undertake a project for which  
 95.27 loans are sought without assistance from the program.

95.28 (c) A loan must be used to support a business owned by a minority or a low-income  
 95.29 person, woman, veteran, or a person with disabilities. Priority must be given for loans to  
 95.30 the lowest income areas.

96.1 (d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

96.2 (e) The state contribution must be matched by at least an equal amount of new private  
96.3 investment.

96.4 (f) A loan may not be used for a retail development project.

96.5 (g) The business must agree to work with job referral networks that focus on minority  
96.6 and low-income applicants.

96.7 (h) Up to ten percent of a loan's principal amount may be forgiven if the department  
96.8 approves and the borrower has met lender criteria including being current with all payments.

96.9 Sec. 15. Minnesota Statutes 2016, section 116M.18, subdivision 4a, is amended to read:

96.10 Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise  
96.11 loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans  
96.12 are subject to this section except that:

96.13 (1) they may also be made to qualified retail businesses;

96.14 (2) they may be made for a minimum of \$5,000 and a maximum of \$35,000;

96.15 (3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum  
96.16 of \$50,000; and

96.17 (4) they do not require a match.

96.18 (b) Up to ten percent of a loan's principal amount may be forgiven if the department  
96.19 approves and the borrower has met lender criteria including being current with all payments.

96.20 Sec. 16. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

96.21 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a program  
96.22 grant shall:

96.23 (1) submit an annual report to the ~~board and~~ department by ~~March 30~~ February 15 of  
96.24 each year that includes a description of businesses supported by the grant program, an  
96.25 account of loans made during the calendar year, the program's impact on minority business  
96.26 enterprises and job creation for minority persons and low-income persons, the source and  
96.27 amount of money collected and distributed by the program, the program's assets and  
96.28 liabilities, and an explanation of administrative expenses; and

97.1 (2) provide for an independent annual audit to be performed in accordance with generally  
97.2 accepted accounting practices and auditing standards and submit a copy of each annual  
97.3 audit report to the department.

97.4 Sec. 17. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter  
97.5 189, article 7, section 8, is amended to read:

97.6 Sec. 14. **ASSIGNED RISK TRANSFER.**

97.7 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of an  
97.8 audit that there is an excess surplus in the assigned risk plan created under Minnesota  
97.9 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
97.10 amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This transfer  
97.11 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
97.12 paragraph (a), clause (1). This is a onetime transfer.

97.13 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce  
97.14 determines on the basis of an audit that there is an excess surplus in the assigned risk plan  
97.15 created under Minnesota Statutes, section 79.252, the commissioner of management and  
97.16 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year,  
97.17 to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423.  
97.18 This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251,  
97.19 subdivision 1, paragraph (a), clause (1), but after the ~~transfer~~ transfers authorized in ~~paragraph~~  
97.20 paragraphs (a) and (f). The total amount authorized for all transfers under this paragraph  
97.21 must not exceed \$24,100,000. This paragraph expires the day following the transfer in which  
97.22 the total amount transferred under this paragraph to the Minnesota minerals 21st century  
97.23 fund equals \$24,100,000.

97.24 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of an  
97.25 audit that there is an excess surplus in the assigned risk plan created under Minnesota  
97.26 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
97.27 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
97.28 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
97.29 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a  
97.30 transfer occurs under this paragraph, the amount transferred is appropriated from the general  
97.31 fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section  
97.32 15. Both the transfer and appropriation under this paragraph are onetime.

97.33 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of an  
97.34 audit that there is an excess surplus in the assigned risk plan created under Minnesota

98.1 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
 98.2 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
 98.3 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
 98.4 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a  
 98.5 transfer occurs under this paragraph, the amount transferred is appropriated from the general  
 98.6 fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section  
 98.7 15. Both the transfer and appropriation under this paragraph are onetime.

98.8 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of  
 98.9 management and budget shall transfer to the general fund, any unencumbered or unexpended  
 98.10 balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or  
 98.11 the date the commissioner of commerce determines that an excess surplus in the assigned  
 98.12 risk plan does not exist, whichever occurs earlier.

98.13 (f) By June 30, 2017, and each year thereafter, if the commissioner of commerce  
 98.14 determines on the basis of an audit that there is an excess surplus in the assigned risk plan  
 98.15 created under Minnesota Statutes, section 79.252, the commissioner of management and  
 98.16 budget shall transfer the amount of the excess surplus, not to exceed \$2,000,000 each year,  
 98.17 to the rural policy and development center fund under Minnesota Statutes, section 116J.4221.  
 98.18 This transfer occurs prior to any transfer under paragraph (b) or under Minnesota Statutes,  
 98.19 section 79.251, subdivision 1, paragraph (a), clause (1). The total amount authorized for all  
 98.20 transfers under this paragraph must not exceed \$2,000,000. This paragraph expires the day  
 98.21 following the transfer in which the total amount transferred under this paragraph to the rural  
 98.22 policy and development center fund equals \$2,000,000.

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

98.24 Sec. 18. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 6, is  
 98.25 amended to read:

98.26 **Subd. 6. Vocational Rehabilitation**

98.27 Appropriations by Fund			
98.28 General	22,611,000	21,611,000	
98.29 Workforce			
98.30 Development	7,830,000	7,830,000	

98.31 (a) \$10,800,000 each year is from the general  
 98.32 fund for the state's vocational rehabilitation  
 98.33 program under Minnesota Statutes, chapter  
 98.34 268A.

- 99.1 (b) \$2,261,000 each year is from the general  
99.2 fund for grants to centers for independent  
99.3 living under Minnesota Statutes, section  
99.4 268A.11.
- 99.5 (c) \$5,745,000 each year from the general fund  
99.6 and \$6,830,000 each year from the workforce  
99.7 development fund are for extended  
99.8 employment services for persons with severe  
99.9 disabilities under Minnesota Statutes, section  
99.10 268A.15.
- 99.11 (d) \$250,000 in fiscal year 2016 and \$250,000  
99.12 in fiscal year 2017 are for rate increases to  
99.13 providers of extended employment services  
99.14 for persons with severe disabilities under  
99.15 Minnesota Statutes, section 268A.15. This  
99.16 appropriation is added to the agency's base.
- 99.17 (e) \$2,555,000 each year is from the general  
99.18 fund for grants to programs that provide  
99.19 employment support services to persons with  
99.20 mental illness under Minnesota Statutes,  
99.21 sections 268A.13 and 268A.14.
- 99.22 (f) \$1,000,000 each year is from the workforce  
99.23 development fund for grants under Minnesota  
99.24 Statutes, section 268A.16, for employment  
99.25 services for persons, including transition-aged  
99.26 youth, who are deaf, deafblind, or  
99.27 hard-of-hearing. If the amount in the first year  
99.28 is insufficient, the amount in the second year  
99.29 is available in the first year.
- 99.30 (g) \$1,000,000 in fiscal year 2016 is for a  
99.31 grant to Assistive Technology of Minnesota,  
99.32 a statewide nonprofit organization that is  
99.33 exclusively dedicated to the issues of access  
99.34 to and the acquisition of assistive technology.

100.1 ~~The purpose of the grant is to acquire assistive~~  
 100.2 ~~technology and to work in tandem with~~  
 100.3 ~~individuals using this technology to create~~  
 100.4 ~~career paths~~ Assistive Technology of  
 100.5 Minnesota must use the funds to provide  
 100.6 low-interest loans to individuals of all ages  
 100.7 and types of disabilities to purchase assistive  
 100.8 technology and employment-related  
 100.9 equipment. This is a onetime appropriation  
 100.10 and is available until June 30, 2019.

100.11 (h) For purposes of this subdivision,  
 100.12 Minnesota Diversified Industries, Inc. is an  
 100.13 eligible provider of services for persons with  
 100.14 severe disabilities under Minnesota Statutes,  
 100.15 section 268A.15.

100.16 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

100.17 Sec. 19. Laws 2016, chapter 189, article 7, section 46, subdivision 3, is amended to read:

100.18 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a  
 100.19 business must:

100.20 (1) be located within one of the following municipalities surrounding Lake Mille Lacs:

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

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

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

100.27 (2) document a reduction of at least ~~ten~~ five percent in gross receipts in any two-year  
 100.28 period since 2010; and

100.29 (3) be a business in one of the following industries, as defined within the North American  
 100.30 Industry Classification System: accommodation, restaurants, bars, amusement and recreation,  
 100.31 food and beverages retail, sporting goods, miscellaneous retail, general retail, museums,  
 100.32 historical sites, health and personal care, gas station, general merchandise, business and

101.1 professional membership, movies, or nonstore retailer, as determined by Mille Lacs County  
 101.2 in consultation with the commissioner of employment and economic development.

101.3 Sec. 20. Laws 2016, chapter 189, article 7, section 46, the effective date, is amended to  
 101.4 read:

101.5 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1, 2016,  
 101.6 and expires June 30, ~~2017~~ 2018. Subdivision 4 is effective July 1, 2016, and expires on the  
 101.7 date the last loan is repaid or forgiven as provided under this section.

101.8 Sec. 21. **EMERGING ENTREPRENEUR PROGRAM APPROPRIATIONS**  
 101.9 **CANCELLATIONS.**

101.10 All unspent funds, estimated to be \$376,000, appropriated in Laws 2016, chapter 189,  
 101.11 article 7, section 2, subdivision 2, paragraph (h), clause (7), and Laws 2016, chapter 189,  
 101.12 article 12, section 2, subdivision 2, paragraph (p), are canceled to the general fund.

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

101.14 Sec. 22. **GREATER MINNESOTA COMMUNITY DESIGN PILOT PROJECT.**

101.15 Subdivision 1. **Creation.** The Minnesota Design Center at the University of Minnesota  
 101.16 shall partner with relevant organizations in selected communities within greater Minnesota  
 101.17 to establish a pilot project for community design. The pilot project shall identify current  
 101.18 and future opportunities for rural development, create designs, seek funding from existing  
 101.19 sources, and assist with the implementation of economically, environmentally, and culturally  
 101.20 sensitive projects that respond to current community conditions, needs, capabilities, and  
 101.21 aspirations in support of the selected communities. For the purposes of this section, "greater  
 101.22 Minnesota" is limited to the following counties: Blue Earth, Brown, Dodge, Faribault,  
 101.23 Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Olmsted, Rice, Sibley,  
 101.24 Steele, Wabasha, Waseca, Watonwan, and Winona.

101.25 Subd. 2. **Community selection.** In order to be considered for inclusion in the pilot  
 101.26 project, communities with fewer than 12,000 residents within the counties listed in  
 101.27 subdivision 1 must submit a letter of interest to the Minnesota Design Center. The Minnesota  
 101.28 Design Center may choose up to ten communities for participation in the pilot project.

101.29 Subd. 3. **Pilot project activities.** Among other activities, the Minnesota Design Center,  
 101.30 in partnership with relevant organizations within the selected communities, shall:

101.31 (1) assess community capacity to engage in design, development, and implementation;

102.1 (2) create community and project designs that respond to a community's culture and  
 102.2 needs, reinforce its identity as a special place, and support its future aspirations;

102.3 (3) create an implementation strategy; and

102.4 (4) build capacity to implement design work by identifying potential funding strategies  
 102.5 and sources and assisting in grant writing to secure funding.

102.6 **Sec. 23. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT;**  
 102.7 **MANDATED REPORT HOLIDAY.**

102.8 (a) Notwithstanding any law to the contrary, any report required by state law from the  
 102.9 Department of Employment and Economic Development that is due in fiscal year 2018 or  
 102.10 2019 is optional. The commissioner of employment and economic development may produce  
 102.11 any reports at the commissioner's discretion or as may be required by federal law.

102.12 (b) This section does not apply to workforce programs outcomes reporting under  
 102.13 Minnesota Statutes, section 116L.98, or the agency activity and expenditure report under  
 102.14 article 12, section 3.

102.15 **Sec. 24. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**  
 102.16 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

102.17 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or  
 102.18 statutory city, county, or town that has uncommitted money received from repayment of  
 102.19 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20  
 102.20 percent of the balance of that money to the state general fund before June 30, 2018. Any  
 102.21 local entity that does so may then use the remaining 80 percent of the uncommitted money  
 102.22 as a general purpose aid for any lawful expenditure.

102.23 (b) By February 15, 2019, a home rule charter or statutory city, county, or town that  
 102.24 exercises the option under paragraph (a) shall submit to the chairs of the legislative  
 102.25 committees with jurisdiction over economic development policy and finance an accounting  
 102.26 and explanation of the use and distribution of the funds.

102.27 **Sec. 25. GETTING TO WORK GRANT PROGRAM.**

102.28 Subdivision 1. **Creation.** The commissioner of employment and economic development  
 102.29 shall make grants to nonprofit organizations to establish and operate programs under this  
 102.30 section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain  
 102.31 or maintain employment.

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

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

103.3 (2) at the time of application offer, or have the demonstrated capacity to offer, a motor

103.4 vehicle program that provides the services required under subdivision 3.

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

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

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

103.9 (3) motor vehicle loans.

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

103.12 (1) financial literacy education;

103.13 (2) education on budgeting for vehicle ownership;

103.14 (3) car maintenance and repair instruction;

103.15 (4) credit counseling; or

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

103.17 Subd. 4. **Application.** Applications for a grant must be on a form provided by the  
103.18 commissioner and on a schedule set by the commissioner. Applications must, in addition  
103.19 to any other information required by the commissioner, include the following:

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

103.21 (2) the area to be served;

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

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

103.24 to:

103.25 (i) automobile dealers;

103.26 (ii) automobile parts dealers;

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

103.28 (iv) banks and credit unions;

103.29 (v) employers;

104.1 (vi) employment and training agencies;

104.2 (vii) insurance companies and agents;

104.3 (viii) local workforce centers; and

104.4 (ix) educational institutions including vocational institutions and jobs or skills training  
 104.5 programs.

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

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

104.9 (2) be at least 22 years of age;

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

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

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

104.14 (b) This subdivision does not preclude a grantee from imposing additional requirements,  
 104.15 not inconsistent with paragraph (a), for the receipt of program services.

104.16 Subd. 6. **Report to legislature.** By February 15, 2019, the commissioner shall submit  
 104.17 a report to the chairs of the house of representatives and senate committees with jurisdiction  
 104.18 over workforce and economic development on program outcomes. At a minimum, the report  
 104.19 must include:

104.20 (1) the total number of program participants;

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

104.22 (i) provision of a motor vehicle;

104.23 (ii) motor vehicle repair services; and

104.24 (iii) motor vehicle loans;

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

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

105.1 **Sec. 26. ECONOMIC IMPACT STUDY OF BIOMASS FACILITY CLOSURE.**

105.2 The commissioner of employment and economic development shall conduct a study to  
105.3 examine the economic impact of the closure of a biomass facility located in the city of  
105.4 Benson that uses poultry litter to generate electricity. In conducting the study, the  
105.5 commissioner must analyze the impact of the closure of the biomass facility on employment  
105.6 and income in the local economy, including impacts on ancillary providers of goods and  
105.7 services to the biomass facility. The commissioner must report study findings to the  
105.8 legislature by February 15, 2018.

105.9 **Sec. 27. USE OF UNALLOCATED FUNDS.**

105.10 (a) Notwithstanding Minnesota Statutes, sections 116L.05, subdivision 5, and 116L.20,  
105.11 subdivision 2, in fiscal years 2018 and 2019 only, the unallocated workforce development  
105.12 funds appropriated to the Job Skills Partnership Board under Minnesota Statutes, section  
105.13 116L.20, subdivision 2, paragraph (b), may be used for other job creation and economic  
105.14 enhancement opportunities in Minnesota at the discretion of the commissioner.

105.15 (b) Notwithstanding Minnesota Statutes, section 116J.8731, in fiscal years 2018 and  
105.16 2019 only, funds appropriated to the commissioner for the Minnesota investment fund may  
105.17 be used for other job creation and economic enhancement opportunities in Minnesota at the  
105.18 discretion of the commissioner. Grants under this paragraph are not subject to the grant  
105.19 amount limitation under Minnesota Statutes, section 116J.8731.

105.20 (c) Notwithstanding Minnesota Statutes, section 116J.748, in fiscal years 2018 and 2019  
105.21 only, funds appropriated to the commissioner for the job creation fund may be used for  
105.22 other job creation and economic enhancement opportunities in Minnesota at the discretion  
105.23 of the commissioner.

105.24 **Sec. 28. REPEALER.**

105.25 Minnesota Statutes 2016, section 116J.549, and Minnesota Rules, parts 4355.0100;  
105.26 4355.0200; 4355.0300; 4355.0400; and 4355.0500, are repealed.

105.27 **ARTICLE 7**

105.28 **IRON RANGE RESOURCES AND REHABILITATION POLICY**

105.29 **Section 1.** Minnesota Statutes 2016, section 3.732, subdivision 1, is amended to read:

105.30 **Subdivision 1. Definitions.** As used in this section and section 3.736 the terms defined  
105.31 in this section have the meanings given them.

106.1 (1) "State" includes each of the departments, boards, agencies, commissions, courts, and  
 106.2 officers in the executive, legislative, and judicial branches of the state of Minnesota and  
 106.3 includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher  
 106.4 Education, the Higher Education Facilities Authority, the Health Technology Advisory  
 106.5 Committee, the Armory Building Commission, the Zoological Board, the Department of  
 106.6 Iron Range Resources and Rehabilitation Board, the Minnesota Historical Society, the State  
 106.7 Agricultural Society, the University of Minnesota, the Minnesota State Colleges and  
 106.8 Universities, state hospitals, and state penal institutions. It does not include a city, town,  
 106.9 county, school district, or other local governmental body corporate and politic.

106.10 (2) "Employee of the state" means all present or former officers, members, directors, or  
 106.11 employees of the state, members of the Minnesota National Guard, members of a bomb  
 106.12 disposal unit approved by the commissioner of public safety and employed by a municipality  
 106.13 defined in section 466.01 when engaged in the disposal or neutralization of bombs or other  
 106.14 similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the  
 106.15 municipality but within the state, or persons acting on behalf of the state in an official  
 106.16 capacity, temporarily or permanently, with or without compensation. It does not include  
 106.17 either an independent contractor except, for purposes of this section and section 3.736 only,  
 106.18 a guardian ad litem acting under court appointment, or members of the Minnesota National  
 106.19 Guard while engaged in training or duty under United States Code, title 10, or title 32,  
 106.20 section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding  
 106.21 sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee  
 106.22 of the state" includes a district public defender or assistant district public defender in the  
 106.23 Second or Fourth Judicial District, a member of the Health Technology Advisory Committee,  
 106.24 and any officer, agent, or employee of the state of Wisconsin performing work for the state  
 106.25 of Minnesota pursuant to a joint state initiative.

106.26 (3) "Scope of office or employment" means that the employee was acting on behalf of  
 106.27 the state in the performance of duties or tasks lawfully assigned by competent authority.

106.28 (4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

106.29 Sec. 2. Minnesota Statutes 2016, section 3.736, subdivision 3, is amended to read:

106.30 Subd. 3. **Exclusions.** Without intent to preclude the courts from finding additional cases  
 106.31 where the state and its employees should not, in equity and good conscience, pay  
 106.32 compensation for personal injuries or property losses, the legislature declares that the state  
 106.33 and its employees are not liable for the following losses:

- 107.1 (a) a loss caused by an act or omission of a state employee exercising due care in the  
107.2 execution of a valid or invalid statute or rule;
- 107.3 (b) a loss caused by the performance or failure to perform a discretionary duty, whether  
107.4 or not the discretion is abused;
- 107.5 (c) a loss in connection with the assessment and collection of taxes;
- 107.6 (d) a loss caused by snow or ice conditions on a highway or public sidewalk that does  
107.7 not abut a publicly owned building or a publicly owned parking lot, except when the condition  
107.8 is affirmatively caused by the negligent acts of a state employee;
- 107.9 (e) a loss caused by wild animals in their natural state, except as provided in section  
107.10 3.7371;
- 107.11 (f) a loss other than injury to or loss of property or personal injury or death;
- 107.12 (g) a loss caused by the condition of unimproved real property owned by the state, which  
107.13 means land that the state has not improved, state land that contains idled or abandoned mine  
107.14 pits or shafts, and appurtenances, fixtures, and attachments to land that the state has neither  
107.15 affixed nor improved;
- 107.16 (h) a loss involving or arising out of the use or operation of a recreational motor vehicle,  
107.17 as defined in section 84.90, subdivision 1, within the right-of-way of a trunk highway, as  
107.18 defined in section 160.02, except that the state is liable for conduct that would entitle a  
107.19 trespasser to damages against a private person;
- 107.20 (i) a loss incurred by a user arising from the construction, operation, or maintenance of  
107.21 the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the  
107.22 construction, operation, maintenance, or administration of grants-in-aid trails as defined in  
107.23 section 85.018, or for a loss arising from the construction, operation, or maintenance of a  
107.24 water access site created by the Department of Iron Range Resources and Rehabilitation  
107.25 ~~Board~~, except that the state is liable for conduct that would entitle a trespasser to damages  
107.26 against a private person. For the purposes of this clause, a water access site, as defined in  
107.27 section 86A.04 or created by the commissioner of Iron Range resources and rehabilitation  
107.28 ~~Board~~, that provides access to an idled, water filled mine pit, also includes the entire water  
107.29 filled area of the pit and, further, includes losses caused by the caving or slumping of the  
107.30 mine pit walls;
- 107.31 (j) a loss of benefits or compensation due under a program of public assistance or public  
107.32 welfare, except if state compensation for loss is expressly required by federal law in order  
107.33 for the state to receive federal grants-in-aid;

108.1 (k) a loss based on the failure of a person to meet the standards needed for a license,  
 108.2 permit, or other authorization issued by the state or its agents;

108.3 (l) a loss based on the usual care and treatment, or lack of care and treatment, of a person  
 108.4 at a state hospital or state corrections facility where reasonable use of available appropriations  
 108.5 has been made to provide care;

108.6 (m) loss, damage, or destruction of property of a patient or inmate of a state institution  
 108.7 except as provided under section 3.7381;

108.8 (n) a loss for which recovery is prohibited by section 169A.48, subdivision 2;

108.9 (o) a loss caused by an aeration, bubbler, water circulation, or similar system used to  
 108.10 increase dissolved oxygen or maintain open water on the ice of public waters, that is operated  
 108.11 under a permit issued by the commissioner of natural resources;

108.12 (p) a loss incurred by a visitor to the Minnesota Zoological Garden, except that the state  
 108.13 is liable for conduct that would entitle a trespasser to damages against a private person;

108.14 (q) a loss arising out of a person's use of a logging road on public land that is maintained  
 108.15 exclusively to provide access to timber on that land by harvesters of the timber, and is not  
 108.16 signed or otherwise held out to the public as a public highway; and

108.17 (r) a loss incurred by a user of property owned, leased, or otherwise controlled by the  
 108.18 Minnesota National Guard or the Department of Military Affairs, except that the state is  
 108.19 liable for conduct that would entitle a trespasser to damages against a private person.

108.20 The state will not pay punitive damages.

108.21 Sec. 3. Minnesota Statutes 2016, section 15.01, is amended to read:

108.22 **15.01 DEPARTMENTS OF THE STATE.**

108.23 The following agencies are designated as the departments of the state government: the  
 108.24 Department of Administration; the Department of Agriculture; the Department of Commerce;  
 108.25 the Department of Corrections; the Department of Education; the Department of Employment  
 108.26 and Economic Development; the Department of Health; the Department of Human Rights;  
 108.27 the Department of Iron Range Resources and Rehabilitation; the Department of Labor and  
 108.28 Industry; the Department of Management and Budget; the Department of Military Affairs;  
 108.29 the Department of Natural Resources; the Department of Public Safety; the Department of  
 108.30 Human Services; the Department of Revenue; the Department of Transportation; the  
 108.31 Department of Veterans Affairs; and their successor departments.

109.1 Sec. 4. Minnesota Statutes 2016, section 15.38, subdivision 7, is amended to read:

109.2 Subd. 7. **Department of Iron Range Resources and Rehabilitation Board.** After  
 109.3 seeking a recommendation from the Iron Range Resources and Rehabilitation Board, the  
 109.4 commissioner of Iron Range resources and rehabilitation Board may purchase insurance ~~it~~  
 109.5 ~~considers~~ the commissioner deems necessary and appropriate to insure facilities operated  
 109.6 by the ~~board~~ commissioner.

109.7 Sec. 5. Minnesota Statutes 2016, section 15A.0815, subdivision 3, is amended to read:

109.8 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall  
 109.9 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually  
 109.10 on January 1. The new limit must equal the limit for the prior year increased by the percentage  
 109.11 increase, if any, in the Consumer Price Index for all urban consumers from October of the  
 109.12 second prior year to October of the immediately prior year. The commissioner of management  
 109.13 and budget must publish the limit on the department's Web site. This subdivision applies  
 109.14 to the following positions:

- 109.15 Executive director of Gambling Control Board;
- 109.16 Commissioner, of Iron Range resources and rehabilitation ~~Board~~;
- 109.17 Commissioner, Bureau of Mediation Services;
- 109.18 Ombudsman for Mental Health and Developmental Disabilities;
- 109.19 Chair, Metropolitan Council;
- 109.20 School trust lands director;
- 109.21 Executive director of pari-mutuel racing; and
- 109.22 Commissioner, Public Utilities Commission.

109.23 Sec. 6. Minnesota Statutes 2016, section 43A.02, subdivision 22, is amended to read:

109.24 Subd. 22. **Executive branch.** "Executive branch" means heads of all agencies of state  
 109.25 government, elective or appointive, established by statute or Constitution and all employees  
 109.26 of those agency heads who have within their particular field of responsibility statewide  
 109.27 jurisdiction and who are not within the legislative or judicial branches of government. The  
 109.28 executive branch also includes employees of the Department of Iron Range Resources and  
 109.29 Rehabilitation Board. The executive branch does not include agencies with jurisdiction in  
 109.30 specifically defined geographical areas, such as regions, counties, cities, towns,  
 109.31 municipalities, or school districts, the University of Minnesota, the Public Employees

110.1 Retirement Association, the Minnesota State Retirement System, the Teachers Retirement  
110.2 Association, the Minnesota Historical Society, and all of their employees, and any other  
110.3 entity which is incorporated, even though it receives state funds.

110.4 Sec. 7. Minnesota Statutes 2016, section 85.0146, subdivision 1, is amended to read:

110.5 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area  
110.6 Citizens Advisory Council is established. Membership on the advisory council shall include:

110.7 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;

110.8 (2) a representative of the Croft Mine Historical Park Joint Powers Board;

110.9 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked  
110.10 as a miner in the local area;

110.11 (4) a representative of the Crow Wing County Board;

110.12 (5) an elected state official;

110.13 (6) a representative of the Grand Rapids regional office of the Department of Natural  
110.14 Resources;

110.15 (7) a designee of the commissioner of Iron Range resources and rehabilitation ~~Board~~;

110.16 (8) a designee of the local business community selected by the area chambers of  
110.17 commerce;

110.18 (9) a designee of the local environmental community selected by the Crow Wing County  
110.19 District 5 commissioner;

110.20 (10) a designee of a local education organization selected by the Crosby-Ironton School  
110.21 Board;

110.22 (11) a designee of one of the recreation area user groups selected by the Cuyuna Range  
110.23 Chamber of Commerce; and

110.24 (12) a member of the Cuyuna Country Heritage Preservation Society.

110.25 Sec. 8. Minnesota Statutes 2016, section 116D.04, subdivision 1a, is amended to read:

110.26 Subd. 1a. **Definitions.** For the purposes of this chapter, the following terms have the  
110.27 meanings given to them in this subdivision.

110.28 (a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

111.1 (b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02,  
111.2 subdivision 5.

111.3 (c) "Environmental assessment worksheet" means a brief document which is designed  
111.4 to set out the basic facts necessary to determine whether an environmental impact statement  
111.5 is required for a proposed action.

111.6 (d) "Governmental action" means activities, including projects wholly or partially  
111.7 conducted, permitted, assisted, financed, regulated, or approved by units of government  
111.8 including the federal government.

111.9 (e) "Governmental unit" means any state agency and any general or special purpose unit  
111.10 of government in the state including, but not limited to, watershed districts organized under  
111.11 chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic  
111.12 development authorities established under sections 469.090 to 469.108, but not including  
111.13 courts, school districts, the Department of Iron Range Resources and Rehabilitation, and  
111.14 regional development commissions other than the Metropolitan Council.

111.15 Sec. 9. Minnesota Statutes 2016, section 116J.423, subdivision 2, is amended to read:

111.16 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans ~~or~~  
111.17 including forgivable loans, equity investments, or grants for infrastructure in mineral, steel,  
111.18 or any other industry processing, production, manufacturing, or technology project that  
111.19 would enhance the economic diversification and that is located within the taconite ~~relief~~  
111.20 ~~tax~~ assistance area as defined under section ~~273.134~~ 273.1341. The commissioner must,  
111.21 prior to making any loans or equity investments and after consultation with industry and  
111.22 public officials, develop a strategy for making loans ~~and~~ equity investments, or grants for  
111.23 infrastructure that assists the taconite ~~relief~~ assistance area in retaining and enhancing its  
111.24 economic competitiveness. Money in the fund may also be used to pay for the costs of  
111.25 carrying out the commissioner's due diligence duties under this section.

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

111.27 Sec. 10. Minnesota Statutes 2016, section 116J.424, is amended to read:

111.28 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**  
111.29 **CONTRIBUTION.**

111.30 The commissioner of the Iron Range resources and rehabilitation Board ~~with approval~~  
111.31 ~~by the board,~~ after consultation with the Iron Range Resources and Rehabilitation Board,  
111.32 may provide an equal match for any loan or equity investment made for a project located

112.1 in the ~~tax relief~~ taconite assistance area defined in section ~~273.134, paragraph (b)~~ 273.1341,  
 112.2 by the Minnesota 21st century fund created by section 116J.423. The match may be in the  
 112.3 form of a loan or equity investment, notwithstanding whether the fund makes a loan or  
 112.4 equity investment. The state shall not acquire an equity interest because of an equity  
 112.5 investment or loan by the ~~board and the board at its sole discretion shall~~ commissioner of  
 112.6 Iron Range resources and rehabilitation and the commissioner of Iron Range resources and  
 112.7 rehabilitation, after consultation with the advisory board, shall have sole discretion to decide  
 112.8 what interest ~~it~~ the fund acquires in a project. The commissioner of employment and  
 112.9 economic development may require a commitment from the ~~board~~ commissioner of Iron  
 112.10 Range resources and rehabilitation to make the match prior to disbursing money from the  
 112.11 fund.

112.12 Sec. 11. Minnesota Statutes 2016, section 116J.994, subdivision 3, is amended to read:

112.13 Subd. 3. **Subsidy agreement.** (a) A recipient must enter into a subsidy agreement with  
 112.14 the grantor of the subsidy that includes:

112.15 (1) a description of the subsidy, including the amount and type of subsidy, and type of  
 112.16 district if the subsidy is tax increment financing;

112.17 (2) a statement of the public purposes for the subsidy;

112.18 (3) measurable, specific, and tangible goals for the subsidy;

112.19 (4) a description of the financial obligation of the recipient if the goals are not met;

112.20 (5) a statement of why the subsidy is needed;

112.21 (6) a commitment to continue operations in the jurisdiction where the subsidy is used  
 112.22 for at least five years after the benefit date;

112.23 (7) the name and address of the parent corporation of the recipient, if any; and

112.24 (8) a list of all financial assistance by all grantors for the project.

112.25 (b) Business subsidies in the form of grants must be structured as forgivable loans. For  
 112.26 other types of business subsidies, the agreement must state the fair market value of the  
 112.27 subsidy to the recipient, including the value of conveying property at less than a fair market  
 112.28 price, or other in-kind benefits to the recipient.

112.29 (c) If a business subsidy benefits more than one recipient, the grantor must assign a  
 112.30 proportion of the business subsidy to each recipient that signs a subsidy agreement. The  
 112.31 proportion assessed to each recipient must reflect a reasonable estimate of the recipient's  
 112.32 share of the total benefits of the project.

113.1 (d) The state or local government agency and the recipient must both sign the subsidy  
113.2 agreement and, if the grantor is a local government agency, the agreement must be approved  
113.3 by the local elected governing body, except for the St. Paul Port Authority and a seaway  
113.4 port authority.

113.5 (e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be  
113.6 authorized to move from the jurisdiction where the subsidy is used within the five-year  
113.7 period after the benefit date if, after a public hearing, the grantor approves the recipient's  
113.8 request to move. For the purpose of this paragraph, if the grantor is a state government  
113.9 agency other than the Department of Iron Range Resources and Rehabilitation Board,  
113.10 "jurisdiction" means a city or township.

113.11 Sec. 12. Minnesota Statutes 2016, section 116J.994, subdivision 5, is amended to read:

113.12 Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds  
113.13 \$500,000 for a state government grantor and \$150,000 for a local government grantor, the  
113.14 grantor must provide public notice and a hearing on the subsidy. A public hearing and notice  
113.15 under this subdivision is not required if a hearing and notice on the subsidy is otherwise  
113.16 required by law.

113.17 (b) Public notice of a proposed business subsidy under this subdivision by a state  
113.18 government grantor, other than the commissioner of Iron Range resources and rehabilitation  
113.19 Board, must be published in the State Register. Public notice of a proposed business subsidy  
113.20 under this subdivision by a local government grantor or the commissioner of Iron Range  
113.21 resources and rehabilitation Board must be published in a local newspaper of general  
113.22 circulation. The public notice must identify the location at which information about the  
113.23 business subsidy, including a summary of the terms of the subsidy, is available. Published  
113.24 notice should be sufficiently conspicuous in size and placement to distinguish the notice  
113.25 from the surrounding text. The grantor must make the information available in printed paper  
113.26 copies and, if possible, on the Internet. The government agency must provide at least a  
113.27 ten-day notice for the public hearing.

113.28 (c) The public notice must include the date, time, and place of the hearing.

113.29 (d) The public hearing by a state government grantor other than the commissioner of  
113.30 Iron Range resources and rehabilitation Board must be held in St. Paul.

113.31 (e) If more than one nonstate grantor provides a business subsidy to the same recipient,  
113.32 the nonstate grantors may designate one nonstate grantor to hold a single public hearing  
113.33 regarding the business subsidies provided by all nonstate grantors. For the purposes of this

114.1 paragraph, "nonstate grantor" includes the commissioner of Iron Range resources and  
114.2 rehabilitation Board.

114.3 (f) The public notice of any public meeting about a business subsidy agreement, including  
114.4 those required by this subdivision and by subdivision 4, must include notice that a person  
114.5 with residence in or the owner of taxable property in the granting jurisdiction may file a  
114.6 written complaint with the grantor if the grantor fails to comply with sections 116J.993 to  
114.7 116J.995, and that no action may be filed against the grantor for the failure to comply unless  
114.8 a written complaint is filed.

114.9 Sec. 13. Minnesota Statutes 2016, section 116J.994, subdivision 7, is amended to read:

114.10 Subd. 7. **Reports by recipients to grantors.** (a) A business subsidy grantor must monitor  
114.11 the progress by the recipient in achieving agreement goals.

114.12 (b) A recipient must provide information regarding goals and results for two years after  
114.13 the benefit date or until the goals are met, whichever is later. If the goals are not met, the  
114.14 recipient must continue to provide information on the subsidy until the subsidy is repaid.  
114.15 The information must be filed on forms developed by the commissioner in cooperation with  
114.16 representatives of local government. Copies of the completed forms must be sent to the  
114.17 local government agency that provided the subsidy or to the commissioner if the grantor is  
114.18 a state agency. If the commissioner of Iron Range resources and rehabilitation Board is the  
114.19 grantor, the copies must be sent to the ~~board~~ commissioner of Iron Range resources and  
114.20 rehabilitation. The report must include:

114.21 (1) the type, public purpose, and amount of subsidies and type of district, if the subsidy  
114.22 is tax increment financing;

114.23 (2) the hourly wage of each job created with separate bands of wages;

114.24 (3) the sum of the hourly wages and cost of health insurance provided by the employer  
114.25 with separate bands of wages;

114.26 (4) the date the job and wage goals will be reached;

114.27 (5) a statement of goals identified in the subsidy agreement and an update on achievement  
114.28 of those goals;

114.29 (6) the location of the recipient prior to receiving the business subsidy;

114.30 (7) the number of employees who ceased to be employed by the recipient when the  
114.31 recipient relocated to become eligible for the business subsidy;

115.1 (8) why the recipient did not complete the project outlined in the subsidy agreement at  
 115.2 their previous location, if the recipient was previously located at another site in Minnesota;

115.3 (9) the name and address of the parent corporation of the recipient, if any;

115.4 (10) a list of all financial assistance by all grantors for the project; and

115.5 (11) other information the commissioner may request.

115.6 A report must be filed no later than March 1 of each year for the previous year. The local  
 115.7 agency and the commissioner of Iron Range resources and rehabilitation Board must forward  
 115.8 copies of the reports received by recipients to the commissioner by April 1.

115.9 (c) Financial assistance that is excluded from the definition of "business subsidy" by  
 115.10 section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting  
 115.11 requirements of this subdivision, except that the report of the recipient must include instead:

115.12 (1) the type, public purpose, and amount of the financial assistance, and type of district  
 115.13 if the assistance is tax increment financing;

115.14 (2) progress towards meeting goals stated in the assistance agreement and the public  
 115.15 purpose of the assistance;

115.16 (3) if the agreement includes job creation, the hourly wage of each job created with  
 115.17 separate bands of wages;

115.18 (4) if the agreement includes job creation, the sum of the hourly wages and cost of health  
 115.19 insurance provided by the employer with separate bands of wages;

115.20 (5) the location of the recipient prior to receiving the assistance; and

115.21 (6) other information the grantor requests.

115.22 (d) If the recipient does not submit its report, the local government agency must mail  
 115.23 the recipient a warning within one week of the required filing date. If, after 14 days of the  
 115.24 postmarked date of the warning, the recipient fails to provide a report, the recipient must  
 115.25 pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The  
 115.26 maximum penalty shall not exceed \$1,000.

115.27 Sec. 14. Minnesota Statutes 2016, section 216B.161, subdivision 1, is amended to read:

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

115.30 (b) "Area development rate" means a rate schedule established by a utility that provides  
 115.31 customers within an area development zone service under a base utility rate schedule, except

116.1 that charges may be reduced from the base rate as agreed upon by the utility and the customer  
116.2 consistent with this section.

116.3 (c) "Area development zone" means a contiguous or noncontiguous area designated by  
116.4 an authority or municipality for development or redevelopment and within which one of  
116.5 the following conditions exists:

116.6 (1) obsolete buildings not suitable for improvement or conversion or other identified  
116.7 hazards to the health, safety, and general well-being of the community;

116.8 (2) buildings in need of substantial rehabilitation or in substandard condition; or

116.9 (3) low values and damaged investments.

116.10 (d) "Authority" means a rural development financing authority established under sections  
116.11 469.142 to 469.151; a housing and redevelopment authority established under sections  
116.12 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an  
116.13 economic development authority established under sections 469.090 to 469.108; a  
116.14 redevelopment agency as defined in sections 469.152 to 469.165; the commissioner of Iron  
116.15 Range resources and rehabilitation Board established under section 298.22; a municipality  
116.16 that is administering a development district created under sections 469.124 to 469.133 or  
116.17 any special law; a municipality that undertakes a project under sections 469.152 to 469.165,  
116.18 except a town located outside the metropolitan area as defined in section 473.121, subdivision  
116.19 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers  
116.20 of a port authority under any general or special law.

116.21 (e) "Municipality" means a city, however organized, and, with respect to a project  
116.22 undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in  
116.23 sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142  
116.24 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008,  
116.25 also includes any county.

116.26 Sec. 15. Minnesota Statutes 2016, section 216B.1694, subdivision 1, is amended to read:

116.27 Subdivision 1. **Definition.** For the purposes of this section, the term "innovative energy  
116.28 project" means a proposed energy-generation facility or group of facilities which may be  
116.29 located on up to three sites:

116.30 (1) that makes use of an innovative generation technology utilizing coal as a primary  
116.31 fuel in a highly efficient combined-cycle configuration with significantly reduced sulfur  
116.32 dioxide, nitrogen oxide, particulate, and mercury emissions from those of traditional  
116.33 technologies;

117.1 (2) that the project developer or owner certifies is a project capable of offering a long-term  
117.2 supply contract at a hedged, predictable cost; and

117.3 (3) that is designated by the commissioner of ~~the~~ Iron Range resources and rehabilitation  
117.4 ~~Board~~ as a project that is located in the taconite tax relief area on a site that has substantial  
117.5 real property with adequate infrastructure to support new or expanded development and  
117.6 that has received prior financial and other support from the board.

117.7 Sec. 16. Minnesota Statutes 2016, section 276A.01, subdivision 8, is amended to read:

117.8 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole  
117.9 or part within the area. If a municipality is located partly within and partly without the area,  
117.10 the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to  
117.11 taxation or taxing jurisdiction within the municipality are to the property or portion thereof  
117.12 that is located in that portion of the municipality within the area, except that the fiscal  
117.13 capacity of the municipality must be computed upon the basis of the valuation and population  
117.14 of the entire municipality. A municipality shall be excluded from the area if its municipal  
117.15 comprehensive zoning and planning policies conscientiously exclude most  
117.16 commercial-industrial development, for reasons other than preserving an agricultural use.  
117.17 The commissioner of Iron Range resources and rehabilitation ~~Board~~ and the commissioner  
117.18 of revenue shall jointly make this determination annually and shall notify those municipalities  
117.19 that are ineligible to participate in the tax base sharing program provided in this chapter for  
117.20 the following year. Before making the determination, the commissioner of Iron Range  
117.21 resources and rehabilitation must consult the Iron Range Resources and Rehabilitation  
117.22 Board.

117.23 Sec. 17. Minnesota Statutes 2016, section 276A.01, subdivision 17, is amended to read:

117.24 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to  
117.25 25 percent of the areawide levy certified by the commissioner of Iron Range resources and  
117.26 rehabilitation ~~Board~~, after consultation with the Iron Range Resources and Rehabilitation  
117.27 Board, to be used for the purposes of the Iron Range school consolidation and cooperatively  
117.28 operated school account under section 298.28, subdivision 7a.

117.29 (b) The allocation under paragraph (a) shall only be made after the commissioner of  
117.30 Iron Range resources and rehabilitation ~~Board~~, after consultation with the Iron Range  
117.31 Resources and Rehabilitation Board, has certified by June 30 that the Iron Range school  
117.32 consolidation and cooperatively operated account has insufficient funds to make payments  
117.33 as authorized under section 298.28, subdivision 7a.

118.1 Sec. 18. Minnesota Statutes 2016, section 276A.06, subdivision 8, is amended to read:

118.2 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine  
118.3 for each county the difference between the total levy on distribution value pursuant to  
118.4 subdivision 3, clause (1), including the school fund allocation within the county and the  
118.5 total tax on contribution value pursuant to subdivision 7, within the county. On or before  
118.6 May 16 of each year, the administrative auditor shall certify the differences so determined  
118.7 and the county's portion of the school fund allocation to each county auditor. In addition,  
118.8 the administrative auditor shall certify to those county auditors for whose county the total  
118.9 tax on contribution value exceeds the total levy on distribution value the settlement the  
118.10 county is to make to the other counties of the excess of the total tax on contribution value  
118.11 over the total levy on distribution value in the county. On or before June 15 and November  
118.12 15 of each year, each county treasurer in a county having a total tax on contribution value  
118.13 in excess of the total levy on distribution value shall pay one-half of the excess to the other  
118.14 counties in accordance with the administrative auditor's certification. On or before June 15  
118.15 and November 15 of each year, each county treasurer shall pay to the administrative auditor  
118.16 that county's share of the school fund allocation. On or before December 1 of each year,  
118.17 the administrative auditor shall pay the school fund allocation to the commissioner of Iron  
118.18 Range resources and rehabilitation Board for deposit in the Iron Range school consolidation  
118.19 and cooperatively operated account.

118.20 Sec. 19. Minnesota Statutes 2016, section 282.38, subdivision 1, is amended to read:

118.21 Subdivision 1. **Development.** In any county where the county board by proper resolution  
118.22 sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or  
118.23 section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation  
118.24 ~~with the approval of the board,~~ after consultation with the Iron Range Resources and  
118.25 Rehabilitation Board, may upon request of the county board assist said county in carrying  
118.26 out any project for the long range development of its forest resources through matching of  
118.27 funds or otherwise.

118.28 Sec. 20. Minnesota Statutes 2016, section 282.38, subdivision 3, is amended to read:

118.29 Subd. 3. **Not to affect commissioner of Iron Range resources and rehabilitation.**  
118.30 Nothing herein shall be construed to limit or abrogate the authority of the commissioner of  
118.31 Iron Range resources and rehabilitation to give temporary assistance to any county in the  
118.32 development of its land use program.

119.1 Sec. 21. Minnesota Statutes 2016, section 298.001, subdivision 8, is amended to read:

119.2 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the  
119.3 state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to  
119.4 298.297, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

119.5 Sec. 22. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision  
119.6 to read:

119.7 Subd. 12. **Advisory board.** "Advisory board" means the Iron Range Resources and  
119.8 Rehabilitation Board, as established under section 298.22. The acronym "IRRRB" means  
119.9 the advisory board.

119.10 Sec. 23. Minnesota Statutes 2016, section 298.018, subdivision 1, is amended to read:

119.11 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under  
119.12 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the  
119.13 taconite assistance area defined in section 273.1341, shall be allocated as follows:

119.14 (1) five percent to the city or town within which the minerals or energy resources are  
119.15 mined or extracted, or within which the concentrate was produced. If the mining and  
119.16 concentration, or different steps in either process, are carried on in more than one taxing  
119.17 district, the commissioner shall apportion equitably the proceeds among the cities and towns  
119.18 by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction,  
119.19 and the remainder to the concentrating plant and to the processes of concentration, and with  
119.20 respect to each thereof giving due consideration to the relative extent of the respective  
119.21 operations performed in each taxing district;

119.22 (2) ten percent to the taconite municipal aid account to be distributed as provided in  
119.23 section 298.282;

119.24 (3) ten percent to the school district within which the minerals or energy resources are  
119.25 mined or extracted, or within which the concentrate was produced. If the mining and  
119.26 concentration, or different steps in either process, are carried on in more than one school  
119.27 district, distribution among the school districts must be based on the apportionment formula  
119.28 prescribed in clause (1);

119.29 (4) 20 percent to a group of school districts comprised of those school districts wherein  
119.30 the mineral or energy resource was mined or extracted or in which there is a qualifying  
119.31 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
119.32 district indexes as follows: for each school district, its pupil units determined under section

120.1 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
 120.2 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
 120.3 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
 120.4 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
 120.5 portion of the distribution which its index bears to the sum of the indices for all school  
 120.6 districts that receive the distributions;

120.7 (5) 20 percent to the county within which the minerals or energy resources are mined  
 120.8 or extracted, or within which the concentrate was produced. If the mining and concentration,  
 120.9 or different steps in either process, are carried on in more than one county, distribution  
 120.10 among the counties must be based on the apportionment formula prescribed in clause (1),  
 120.11 provided that any county receiving distributions under this clause shall pay one percent of  
 120.12 its proceeds to the Range Association of Municipalities and Schools;

120.13 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed  
 120.14 as provided in sections 273.134 to 273.136;

120.15 (7) five percent to the commissioner of Iron Range resources and rehabilitation ~~Board~~  
 120.16 for the purposes of section 298.22;

120.17 (8) three percent to the Douglas J. Johnson economic protection trust fund; and

120.18 (9) seven percent to the taconite environmental protection fund.

120.19 The proceeds of the tax shall be distributed on July 15 each year.

120.20 Sec. 24. Minnesota Statutes 2016, section 298.17, is amended to read:

120.21 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

120.22 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock  
 120.23 companies, corporations, and associations, however or for whatever purpose organized,  
 120.24 engaged in the business of mining or producing iron ore or other ores, when collected shall  
 120.25 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,  
 120.26 article X, section 3, in the manner following: 90 percent shall be deposited in the state  
 120.27 treasury and credited to the general fund of which four-ninths shall be used for the support  
 120.28 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed  
 120.29 by this section shall be deposited in the state treasury and credited to the general fund for  
 120.30 the general support of the university.

120.31 (b) Of the money apportioned to the general fund by this section: (1) there is annually  
 120.32 appropriated and credited to the mining environmental and regulatory account in the special

121.1 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax  
 121.2 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.  
 121.3 Money in the mining environmental and regulatory account is appropriated annually to the  
 121.4 commissioner of natural resources to fund agency staff to work on environmental issues  
 121.5 and provide regulatory services for ferrous and nonferrous mining operations in this state.  
 121.6 Payment to the mining environmental and regulatory account shall be made by July 1  
 121.7 annually. The commissioner of natural resources shall execute an interagency agreement  
 121.8 with the Pollution Control Agency to assist with the provision of environmental regulatory  
 121.9 services such as monitoring and permitting required for ferrous and nonferrous mining  
 121.10 operations; (2) there is annually appropriated and credited to the Iron Range resources and  
 121.11 rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which  
 121.12 would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable  
 121.13 ton produced in the preceding calendar year, to be expended for the purposes of section  
 121.14 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and  
 121.15 rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school  
 121.16 consolidation and cooperatively operated school account under section 298.28, subdivision  
 121.17 7a, an amount equal to that which would have been generated by a six cent tax imposed by  
 121.18 section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the  
 121.19 Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

121.20 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to  
 121.21 provide environmental development grants to local governments located within any county  
 121.22 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,  
 121.23 which does not contain a municipality qualifying pursuant to section 273.134, paragraph  
 121.24 (b), or (ii) to provide economic development loans or grants to businesses located within  
 121.25 any such county, provided that the county board or an advisory group appointed by the  
 121.26 county board to provide recommendations on economic development shall make  
 121.27 recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~  
 121.28 regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account  
 121.29 shall be made by May 15 annually.

121.30 (d) Of the money allocated to Koochiching County, one-third must be paid to the  
 121.31 Koochiching County Economic Development Commission.

121.32 Sec. 25. Minnesota Statutes 2016, section 298.22, subdivision 1, is amended to read:

121.33 Subdivision 1. ~~The Office of Commissioner~~ **Department of Iron Range Resources**  
 121.34 **and Rehabilitation.** (a) The ~~Office of the Commissioner~~ Department of Iron Range

122.1 Resources and Rehabilitation is created as an agency in the executive branch of state  
 122.2 government. The governor shall appoint the commissioner of Iron Range resources and  
 122.3 rehabilitation under section 15.06. The commissioner may expend amounts appropriated  
 122.4 to the commissioner for projects after consultation with the advisory board created under  
 122.5 subdivision 1a.

122.6 (b) The commissioner may hold other positions or appointments that are not incompatible  
 122.7 with duties as commissioner of Iron Range resources and rehabilitation. The commissioner  
 122.8 may appoint a deputy commissioner. All expenses of the commissioner, including the  
 122.9 payment of staff and other assistance as may be necessary, must be paid out of the amounts  
 122.10 appropriated by section 298.28 or otherwise made available by law to the commissioner.  
 122.11 Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting  
 122.12 options available under section 471.345 when the commissioner determines it is in the best  
 122.13 interest of the agency. The agency is not subject to sections 16E.016 and 16C.05. The  
 122.14 commissioner has the authority to reimburse any nongovernmental manager operating  
 122.15 state-owned facilities within the Giants Ridge Recreation Area for purchasing materials,  
 122.16 supplies, equipment, or other items used in the operations at such facilities.

122.17 (c) When the commissioner determines that distress and unemployment exists or may  
 122.18 exist in the future in any county by reason of the removal of natural resources or a possibly  
 122.19 limited use of natural resources in the future and any resulting decrease in employment, the  
 122.20 commissioner may use whatever amounts of the appropriation made to the commissioner  
 122.21 of revenue in section 298.28 that are determined to be necessary and proper in the  
 122.22 development of the remaining resources of the county and in the vocational training and  
 122.23 rehabilitation of its residents, ~~except that the amount needed to cover cost overruns awarded~~  
 122.24 ~~to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in~~  
 122.25 ~~effect after July 1, 1985, is appropriated from the general fund.~~ For the purposes of this  
 122.26 section, "development of remaining resources" includes, but is not limited to, the promotion  
 122.27 of tourism.

122.28 Sec. 26. Minnesota Statutes 2016, section 298.22, subdivision 1a, is amended to read:

122.29 Subd. 1a. **Iron Range Resources and Rehabilitation Board.** (a) The Iron Range  
 122.30 Resources and Rehabilitation Board consists of the state senators and representatives elected  
 122.31 from state senatorial or legislative districts in which one-third or more of the residents reside  
 122.32 in a taconite assistance area as defined in section 273.1341. One additional state senator  
 122.33 shall also be appointed by the senate Subcommittee on Committees of the Committee on  
 122.34 Rules and Administration. All expenditures and projects made by the commissioner shall

123.1 first be submitted to the advisory board for approval. The advisory board shall recommend  
 123.2 approval or disapproval or modification of the expenditures and projects. The expenses of  
 123.3 the advisory board shall be paid by the state from the funds raised pursuant to this section.  
 123.4 Members of the advisory board may be reimbursed for expenses in the manner provided in  
 123.5 sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the  
 123.6 interims between legislative sessions in the manner provided in section 3.099, subdivision  
 123.7 1.

123.8 The members shall be appointed in January of every odd-numbered year, and shall serve  
 123.9 until January of the next odd-numbered year. Vacancies on the board shall be filled in the  
 123.10 same manner as original members were chosen.

123.11 (b) The advisory board must develop procedures to elect a chair who shall preside over  
 123.12 and convene meetings as often as necessary to conduct duties prescribed by this chapter.  
 123.13 The advisory board must meet at least two times per year to review the actions of the  
 123.14 commissioner.

123.15 Sec. 27. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
 123.16 read:

123.17 Subd. 1b. **Evaluation of programs.** (a) In evaluating programs proposed by the  
 123.18 commissioner, the advisory board must consider factors, including but not limited to the  
 123.19 extent to which the program:

123.20 (1) contributes to increasing the effectiveness of promoting or managing Iron Range  
 123.21 economic and workforce development, community development, minerals and natural  
 123.22 resources development, and any other issue as determined by the advisory board; and

123.23 (2) advances the strategic plan adopted under subdivision 1c.

123.24 (b) In evaluating programs proposed by the commissioner, the advisory board must  
 123.25 consider factors, including but not limited to:

123.26 (1) job creation or retention goals for the program, including but not limited to wages  
 123.27 and benefits; whether the jobs created are full time, part time, temporary, or permanent; and  
 123.28 whether the stated job creation or retention goals in the program proposal can be adequately  
 123.29 measured using methods established by the commissioner;

123.30 (2) how and to what extent the program is expected to impact the economic climate of  
 123.31 the Iron Range resources and rehabilitation services area;

123.32 (3) how the program would meet match requirements, if any; and

124.1 (4) whether the program meets the written objectives, priorities, and policies established  
 124.2 by the commissioner.

124.3 Sec. 28. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
 124.4 read:

124.5 Subd. 1c. **Strategic plan required.** The commissioner, in consultation with the advisory  
 124.6 board, shall adopt a four-year strategic plan for making expenditures, including identifying  
 124.7 the priority areas for funding for the term of the commissioner's appointment. The strategic  
 124.8 plan must be reviewed annually. The strategic plan must have clearly stated short- and  
 124.9 long-term goals and strategies for expenditures, provide measurable outcomes for  
 124.10 expenditures, and determine areas of emphasis for funding.

124.11 Sec. 29. Minnesota Statutes 2016, section 298.22, subdivision 5a, is amended to read:

124.12 Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board~~ after consultation  
 124.13 with the advisory board, may purchase forest lands in the taconite assistance area defined  
 124.14 ~~in~~ under section 273.1341 with funds specifically authorized for the purchase. The acquired  
 124.15 forest lands must be held in trust for the benefit of the citizens of the taconite assistance  
 124.16 area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed  
 124.17 and developed for recreation and economic development purposes. The commissioner, ~~upon~~  
 124.18 ~~approval by the~~ after consultation with the advisory board, may sell forest lands purchased  
 124.19 under this subdivision if the ~~board finds~~ commissioner determines that the sale advances  
 124.20 the purposes of the trust. Proceeds derived from the management or sale of the lands and  
 124.21 from the sale of timber or removal of gravel or other minerals from these forest lands shall  
 124.22 be deposited into an Iron Range Miners' Memorial Forest account that is established within  
 124.23 the state financial accounts. Funds may be expended from the account ~~upon approval~~ by  
 124.24 the commissioner, after consultation with the advisory board, to purchase, manage,  
 124.25 administer, convey interests in, and improve the forest lands. ~~With approval by the board,~~  
 124.26 After consultation with the advisory board, the commissioner may transfer money in the  
 124.27 Iron Range Miners' Memorial Forest account ~~may be transferred~~ into the corpus of the  
 124.28 Douglas J. Johnson economic protection trust fund established under sections 298.291 to  
 124.29 298.294. The property acquired under the authority granted by this subdivision and income  
 124.30 derived from the property or the operation or management of the property are exempt from  
 124.31 taxation by the state or its political subdivisions while held by the forest trust.

125.1 Sec. 30. Minnesota Statutes 2016, section 298.22, subdivision 6, is amended to read:

125.2 Subd. 6. **Private entity participation.** The commissioner, after consultation with the  
 125.3 advisory board, may acquire an equity interest in any project for which ~~the commissioner~~  
 125.4 provides funding. The commissioner may, after consultation with the advisory board,  
 125.5 establish, participate in the management of, and dispose of the assets of charitable  
 125.6 foundations, nonprofit limited liability companies, and nonprofit corporations associated  
 125.7 with any project for which ~~the commissioner~~ provides funding, including specifically,  
 125.8 but without limitation, a corporation within the meaning of section 317A.011, subdivision  
 125.9 6.

125.10 Sec. 31. Minnesota Statutes 2016, section 298.22, subdivision 10, is amended to read:

125.11 Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources  
 125.12 and rehabilitation may not sell or privatize the ~~Ironworld~~ Minnesota Discovery Center or  
 125.13 Giants Ridge Golf and Ski Resort without prior approval by the advisory board.

125.14 Sec. 32. Minnesota Statutes 2016, section 298.22, subdivision 11, is amended to read:

125.15 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation  
 125.16 shall annually prepare a budget for operational expenditures, programs, and projects, and  
 125.17 submit it to the Iron Range Resources and Rehabilitation Board. After the budget is approved  
 125.18 by the advisory board and the governor, the commissioner may spend money in accordance  
 125.19 with the approved budget.

125.20 Sec. 33. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
 125.21 read:

125.22 Subd. 13. **Grants and loans for economic development projects; requirements.** (a)  
 125.23 Prior to awarding any grants or approving loans from any fund or account from which the  
 125.24 commissioner has the authority under law to expend money, the commissioner must evaluate  
 125.25 applications based on criteria including, but not limited to:

125.26 (1) job creation or retention goals for the project, including but not limited to wages and  
 125.27 benefits, and whether the jobs created are full time, part time, temporary, or permanent;

125.28 (2) whether the applicant's stated job creation or retention goals can be adequately  
 125.29 measured using methods established by the commissioner;

125.30 (3) how and to what extent the project proposed by the applicant is expected to impact  
 125.31 the economic climate of the Iron Range resources and rehabilitation services area;

126.1 (4) how the applicant would meet match requirements, if any; and

126.2 (5) whether the project for which a grant or loan application has been submitted meets  
 126.3 the written objectives, priorities, and policies established by the commissioner.

126.4 (b) The commissioner, if appropriate, may include incentives in loan and grant award  
 126.5 agreements to promote and assist grant recipients in achieving the stated job creation and  
 126.6 retention objectives established by the commissioner.

126.7 (c) For all loans and grants awarded from funds under the commissioner's authority  
 126.8 pursuant to this chapter, the commissioner must:

126.9 (1) maintain a database for tracking loan and grant awards;

126.10 (2) maintain an objective mechanism for measuring job creation and retention;

126.11 (3) verify achievement of job creation and retention goals by grant and loan recipients;

126.12 (4) monitor grant and loan awards to ensure that projects comply with applicable Iron  
 126.13 Range resources and rehabilitation policies; and

126.14 (5) verify that grant or loan recipients have met applicable matching fund requirements.

126.15 Sec. 34. Minnesota Statutes 2016, section 298.221, is amended to read:

126.16 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

126.17 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant  
 126.18 to the terms of any contract entered into by the state under authority of section 298.22 and  
 126.19 any fees which may, in the discretion of the commissioner of Iron Range resources and  
 126.20 rehabilitation, be charged in connection with any project pursuant to that section as amended,  
 126.21 shall be deposited in the state treasury to the credit of the Iron Range resources and  
 126.22 rehabilitation ~~Board~~ account in the special revenue fund and are hereby appropriated for  
 126.23 the purposes of section 298.22.

126.24 (b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner  
 126.25 of the Iron Range resources and rehabilitation ~~Board~~ for payment of advertising contracts  
 126.26 if the commissioner determines that the merchandise can be used for special event prizes  
 126.27 or mementos at facilities operated by the ~~board~~ commissioner. Nothing in this paragraph  
 126.28 authorizes the commissioner or a member of the advisory board to receive merchandise for  
 126.29 personal use.

126.30 (c) All fees charged by the commissioner in connection with public use of the state-owned  
 126.31 ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived

127.1 by the commissioner from the operation or lease of those facilities and from the lease, sale,  
 127.2 or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be  
 127.3 deposited into an Iron Range resources and rehabilitation ~~Board~~ account that is created  
 127.4 within the state enterprise fund. All funds deposited in the enterprise fund account are  
 127.5 appropriated to the commissioner ~~to be expended, subject to approval by the board, and~~  
 127.6 may only be used, after consultation with the advisory board, as follows:

127.7 (1) to pay costs associated with the construction, equipping, operation, repair, or  
 127.8 improvement of the Giants Ridge Recreation Area facilities or lands;

127.9 (2) to pay principal, interest and associated bond issuance, reserve, and servicing costs  
 127.10 associated with the financing of the facilities; and

127.11 (3) to pay the costs of any other project authorized under section 298.22.

127.12 Sec. 35. Minnesota Statutes 2016, section 298.2211, subdivision 3, is amended to read:

127.13 Subd. 3. **Project approval.** ~~All projects authorized by this section shall be submitted~~  
 127.14 ~~by the commissioner to the Iron Range Resources and Rehabilitation Board for approval~~

127.15 ~~by the board~~ The commissioner may authorize a project under this section only after  
 127.16 consulting the advisory board. Prior to the commencement of a project involving the exercise  
 127.17 by the commissioner of any authority of sections 469.174 to 469.179, the governing body  
 127.18 of each municipality in which any part of the project is located and the county board of any  
 127.19 county containing portions of the project not located in an incorporated area shall by majority  
 127.20 vote approve or disapprove the project. Any project approved by the ~~board~~ commissioner  
 127.21 and the applicable governing bodies, if any, together with detailed information concerning  
 127.22 the project, its costs, the sources of its funding, and the amount of any bonded indebtedness  
 127.23 to be incurred in connection with the project, shall be transmitted to the governor, who shall  
 127.24 approve, disapprove, or return the proposal for additional consideration within 30 days of  
 127.25 receipt. No project authorized under this section shall be undertaken, and no obligations  
 127.26 shall be issued and no tax increments shall be expended for a project authorized under this  
 127.27 section until the project has been approved by the governor.

127.28 Sec. 36. Minnesota Statutes 2016, section 298.2211, subdivision 6, is amended to read:

127.29 Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the  
 127.30 commissioner of Iron Range resources and rehabilitation ~~Board~~ that have been established  
 127.31 according to prevailing market conditions and to recover operating costs need not be set by  
 127.32 rule.

128.1 Sec. 37. Minnesota Statutes 2016, section 298.2212, is amended to read:

128.2 **298.2212 INVESTMENT OF FUNDS.**

128.3 All funds credited to the Iron Range resources and rehabilitation ~~Board~~ account in the  
 128.4 special revenue fund for the purposes of section 298.22 must be invested pursuant to law.  
 128.5 The net interest and dividends from the investments are included and become part of the  
 128.6 funds available for purposes of section 298.22.

128.7 Sec. 38. Minnesota Statutes 2016, section 298.223, subdivision 1, is amended to read:

128.8 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection  
 128.9 fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast  
 128.10 Minnesota located within the taconite assistance area defined in section 273.1341, that are  
 128.11 adversely affected by the environmentally damaging operations involved in mining taconite  
 128.12 and iron ore and producing iron ore concentrate and for the purpose of promoting the  
 128.13 economic development of northeast Minnesota. The taconite environmental protection fund  
 128.14 shall be used for the following purposes:

128.15 (1) to initiate investigations into matters the commissioner of Iron Range resources and  
 128.16 rehabilitation ~~Board~~ determines are in need of study and which will determine the  
 128.17 environmental problems requiring remedial action;

128.18 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for  
 128.19 by state law;

128.20 (3) local economic development projects ~~but only if those projects are approved by the~~  
 128.21 ~~board~~, and public works, including construction of sewer and water systems located within  
 128.22 the taconite assistance area defined in section 273.1341;

128.23 (4) monitoring of mineral industry related health problems among mining employees;  
 128.24 and

128.25 (5) local public works projects under section 298.227, paragraph (c).

128.26 Sec. 39. Minnesota Statutes 2016, section 298.223, subdivision 2, is amended to read:

128.27 Subd. 2. **Administration.** ~~(a)~~ The taconite area environmental protection fund shall be  
 128.28 administered by the commissioner ~~of the Iron Range Resources and Rehabilitation Board,~~  
 128.29 who must consult with the advisory board before expending any funds. ~~The commissioner~~  
 128.30 ~~shall by September 1 of each year submit to the board a list of projects to be funded from~~

129.1 ~~the taconite area environmental protection fund, with such supporting information including~~  
 129.2 ~~description of the projects, plans, and cost estimates as may be necessary.~~

129.3 ~~(b) Each year no less than one-half of the amounts deposited into the taconite~~  
 129.4 ~~environmental protection fund must be used for public works projects, including construction~~  
 129.5 ~~of sewer and water systems, as specified under subdivision 1, clause (3). the Iron Range~~  
 129.6 ~~Resources and Rehabilitation Board may waive the requirements of this paragraph.~~

129.7 ~~(c) Upon approval by the board, the list of projects approved under this subdivision shall~~  
 129.8 ~~be submitted to the governor by November 1 of each year. By December 1 of each year,~~  
 129.9 ~~the governor shall approve or disapprove, or return for further consideration, each project.~~  
 129.10 ~~Funds for a project may be expended only upon approval of the project by the board and~~  
 129.11 ~~the governor. The commissioner may submit supplemental projects to the board and governor~~  
 129.12 ~~for approval at any time.~~

129.13 Sec. 40. Minnesota Statutes 2016, section 298.227, is amended to read:

129.14 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

129.15 ~~(a)~~ An amount equal to that distributed pursuant to each taconite producer's taxable  
 129.16 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the  
 129.17 commissioner of Iron Range resources and rehabilitation Board in a separate taconite  
 129.18 economic development fund for each taconite and direct reduced ore producer. Money from  
 129.19 the fund for each producer shall be released by the commissioner after review by a joint  
 129.20 committee consisting of an equal number of representatives of the salaried employees and  
 129.21 the nonsalaried production and maintenance employees of that producer. The District 11  
 129.22 director of the United States Steelworkers of America, on advice of each local employee  
 129.23 president, shall select the employee members. In nonorganized operations, the employee  
 129.24 committee shall be elected by the nonsalaried production and maintenance employees. The  
 129.25 review must be completed no later than six months after the producer presents a proposal  
 129.26 for expenditure of the funds to the committee. The funds held pursuant to this section may  
 129.27 be released only for workforce development and associated public facility improvement,  
 129.28 or for acquisition of plant and stationary mining equipment and facilities for the producer  
 129.29 or for research and development in Minnesota on new mining, or taconite, iron, or steel  
 129.30 production technology, but only if the producer provides a matching expenditure equal to  
 129.31 the amount of the distribution to be used for the same purpose beginning with distributions  
 129.32 in 2014. Effective for proposals for expenditures of money from the fund beginning May  
 129.33 26, 2007, the commissioner may not release the funds before the next scheduled meeting  
 129.34 of the board. If a proposed expenditure is not approved by the commissioner, after

130.1 consultation with the advisory board, the funds must be deposited in the Taconite  
130.2 Environmental Protection Fund under sections 298.222 to 298.225. ~~If a producer uses money~~  
130.3 ~~which has been released from the fund prior to May 26, 2007 to procure haulage trucks,~~  
130.4 ~~mobile equipment, or mining shovels, and the producer removes the piece of equipment~~  
130.5 ~~from the taconite tax relief area defined in section 273.134 within ten years from the date~~  
130.6 ~~of receipt of the money from the fund, a portion of the money granted from the fund must~~  
130.7 ~~be repaid to the taconite economic development fund. The portion of the money to be repaid~~  
130.8 ~~is 100 percent of the grant if the equipment is removed from the taconite tax relief area~~  
130.9 ~~within 12 months after receipt of the money from the fund, declining by ten percent for~~  
130.10 ~~each of the subsequent nine years during which the equipment remains within the taconite~~  
130.11 ~~tax relief area. If a taconite production facility is sold after operations at the facility had~~  
130.12 ~~ceased, any money remaining in the fund for the former producer may be released to the~~  
130.13 ~~purchaser of the facility on the terms otherwise applicable to the former producer under this~~  
130.14 ~~section. If a producer fails to provide matching funds for a proposed expenditure within six~~  
130.15 ~~months after the commissioner approves release of the funds, the funds are available for~~  
130.16 ~~release to another producer in proportion to the distribution provided and under the conditions~~  
130.17 ~~of this section. Any portion of the fund which is not released by the commissioner within~~  
130.18 ~~one year of its deposit in the fund shall be divided between the taconite environmental~~  
130.19 ~~protection fund created in section 298.223 and the Douglas J. Johnson economic protection~~  
130.20 ~~trust fund created in section 298.292 for placement in their respective special accounts.~~  
130.21 ~~Two-thirds of the unreleased funds shall be distributed to the taconite environmental~~  
130.22 ~~protection fund and one-third to the Douglas J. Johnson economic protection trust fund.~~

130.23 ~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of~~  
130.24 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~  
130.25 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed under~~  
130.26 ~~paragraph (a), may be used for a loan or grant for the cost of providing for a value-added~~  
130.27 ~~wood product facility located in the taconite tax relief area and in a county that contains a~~  
130.28 ~~city of the first class. This amount must be deducted from the distribution under paragraph~~  
130.29 ~~(a) for which a matching expenditure by the producer is not required. The granting of the~~  
130.30 ~~loan or grant is subject to approval by the board. If the money is provided as a loan, interest~~  
130.31 ~~must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii)~~  
130.32 ~~Repayments of the loan and interest, if any, must be deposited in the taconite environment~~  
130.33 ~~protection fund under sections 298.222 to 298.225. If a loan or grant is not made under this~~  
130.34 ~~paragraph by July 1, 2012, the amount that had been made available for the loan under this~~  
130.35 ~~paragraph must be transferred to the taconite environment protection fund under sections~~  
130.36 ~~298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section~~

131.1 ~~that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a~~  
 131.2 ~~pro-rata basis.~~

131.3 ~~(c) Repayment or transfer of money to the taconite environmental protection fund under~~  
 131.4 ~~paragraph (b), item (ii), must be allocated by the Iron Range resources and rehabilitation~~  
 131.5 ~~Board for public works projects in house legislative districts in the same proportion as~~  
 131.6 ~~taxable tonnage of production in 2007 in each house legislative district, for distribution in~~  
 131.7 ~~2008, bears to total taxable tonnage of production in 2007, for distribution in 2008.~~  
 131.8 ~~Notwithstanding any other law to the contrary, expenditures under this paragraph do not~~  
 131.9 ~~require approval by the governor. For purposes of this paragraph, "house legislative districts"~~  
 131.10 ~~means the legislative districts in existence on May 15, 2009.~~

131.11 Sec. 41. Minnesota Statutes 2016, section 298.27, is amended to read:

131.12 **298.27 COLLECTION AND PAYMENT OF TAX.**

131.13 The taxes provided by section 298.24 shall be paid directly to each eligible county and  
 131.14 the commissioner of Iron Range resources and rehabilitation Board. The commissioner of  
 131.15 revenue shall notify each producer of the amount to be paid each recipient prior to February  
 131.16 15. Every person subject to taxes imposed by section 298.24 shall file a correct report  
 131.17 covering the preceding year. The report must contain the information required by the  
 131.18 commissioner of revenue. The report shall be filed by each producer on or before February  
 131.19 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be  
 131.20 paid on or before February 24. A remittance equal to the remaining total tax required to be  
 131.21 paid hereunder shall be paid on or before August 24. On or before February 25 and August  
 131.22 25, the county auditor shall make distribution of the payments previously received by the  
 131.23 county in the manner provided by section 298.28. Reports shall be made and hearings held  
 131.24 upon the determination of the tax in accordance with procedures established by the  
 131.25 commissioner of revenue. The commissioner of revenue shall have authority to make  
 131.26 reasonable rules as to the form and manner of filing reports necessary for the determination  
 131.27 of the tax hereunder, and by such rules may require the production of such information as  
 131.28 may be reasonably necessary or convenient for the determination and apportionment of the  
 131.29 tax. All the provisions of the occupation tax law with reference to the assessment and  
 131.30 determination of the occupation tax, including all provisions for appeals from or review of  
 131.31 the orders of the commissioner of revenue relative thereto, but not including provisions for  
 131.32 refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent  
 131.33 herewith. If any person subject to section 298.24 shall fail to make the report provided for  
 131.34 in this section at the time and in the manner herein provided, the commissioner of revenue

132.1 shall in such case, upon information possessed or obtained, ascertain the kind and amount  
 132.2 of ore mined or produced and thereon find and determine the amount of the tax due from  
 132.3 such person. There shall be added to the amount of tax due a penalty for failure to report  
 132.4 on or before February 1, which penalty shall equal ten percent of the tax imposed and be  
 132.5 treated as a part thereof.

132.6 If any person responsible for making a tax payment at the time and in the manner herein  
 132.7 provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount  
 132.8 so due, which penalty shall be treated as part of the tax due.

132.9 In the case of any underpayment of the tax payment required herein, there may be added  
 132.10 and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

132.11 A person having a liability of \$120,000 or more during a calendar year must remit all  
 132.12 liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The  
 132.13 funds transfer payment date, as defined in section 336.4A-401, must be on or before the  
 132.14 date the tax is due. If the date the tax is due is not a funds transfer business day, as defined  
 132.15 in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the  
 132.16 funds transfer business day next following the date the tax is due.

132.17 Sec. 42. Minnesota Statutes 2016, section 298.28, subdivision 7, is amended to read:

132.18 Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998  
 132.19 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and  
 132.20 rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be  
 132.21 increased for distribution years 1999 through 2014 and for distribution in 2018 and  
 132.22 subsequent years in the same proportion as the increase in the implicit price deflator as  
 132.23 provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision  
 132.24 shall be expended within or for the benefit of the taconite assistance area defined in section  
 132.25 273.1341. ~~No part of the fund provided in this subdivision may be used to provide loans~~  
 132.26 ~~for the operation of private business unless the loan is approved by the governor.~~

132.27 Sec. 43. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:

132.28 Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.**  
 132.29 (a) The following amounts must be allocated to the commissioner of Iron Range resources  
 132.30 and rehabilitation ~~Board~~ to be deposited in the Iron Range school consolidation and  
 132.31 cooperatively operated school account that is hereby created:

133.1 (1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed  
133.2 under section 298.24; and

133.3 (ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed  
133.4 under section 298.24;

133.5 (2) the amount as determined under section 298.17, paragraph (b), clause (3);

133.6 (3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax  
133.7 proceeds attributable to the increase in the implicit price deflator as provided in section  
133.8 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J.  
133.9 Johnson economic protection trust fund;

133.10 (ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased  
133.11 tax proceeds attributable to the increase in the implicit price deflator as provided in section  
133.12 298.24, subdivision 1, for distribution years 2015 and 2016, with the remaining one-third  
133.13 to be distributed to the Douglas J. Johnson economic protection trust fund; and

133.14 (iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased  
133.15 tax proceeds attributable to the increase in the implicit price deflator as provided in section  
133.16 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining  
133.17 one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

133.18 (4) any other amount as provided by law.

133.19 (b) Expenditures from this account may be approved as ongoing annual expenditures  
133.20 and shall be made only to provide disbursements to assist school districts with the payment  
133.21 of bonds that were issued for qualified school projects, or for any other school disbursement  
133.22 as approved by the commissioner of Iron Range resources and rehabilitation after consultation  
133.23 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,  
133.24 "qualified school projects" means school projects within the taconite assistance area as  
133.25 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;  
133.26 and (2) approved by the commissioner of education pursuant to section 123B.71.

133.27 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for  
133.28 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset  
133.29 any reduction in debt service equalization aid that the school district qualifies for in that  
133.30 year, under section 123B.53, subdivision 6, compared with the amount the school district  
133.31 qualified for in fiscal year 2018.

134.1 (d) No expenditure under this section shall be made unless approved by ~~seven members~~  
134.2 ~~of the commissioner of Iron Range resources and rehabilitation after consultation with the~~  
134.3 Iron Range Resources and Rehabilitation Board.

134.4 Sec. 44. Minnesota Statutes 2016, section 298.28, subdivision 9c, is amended to read:

134.5 Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the  
134.6 city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the  
134.7 Hockey Hall of Fame, provided that it continues to operate in that city, and provided that  
134.8 the city of Eveleth certifies to the St. Louis County auditor that it has received donations  
134.9 for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame  
134.10 ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and  
134.11 the governing body of the city determines that it is unlikely to resume operation there within  
134.12 a six-month period, the distribution under this subdivision shall be made to the commissioner  
134.13 of Iron Range resources and rehabilitation ~~Board~~.

134.14 Sec. 45. Minnesota Statutes 2016, section 298.28, subdivision 9d, is amended to read:

134.15 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be  
134.16 ~~allocated to the Iron Range Resources and Rehabilitation Board to be~~ deposited in an Iron  
134.17 Range higher education account that is hereby created, to be used for higher education  
134.18 programs conducted at educational institutions in the taconite assistance area defined in  
134.19 section 273.1341. The Iron Range Higher Education committee under section 298.2214,  
134.20 and the commissioner of Iron Range resources and rehabilitation ~~Board~~, after consultation  
134.21 with the advisory board, must approve all expenditures from the account.

134.22 Sec. 46. Minnesota Statutes 2016, section 298.28, subdivision 11, is amended to read:

134.23 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which  
134.24 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the  
134.25 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with  
134.26 interest earned on all money distributed under this section prior to distribution, shall be  
134.27 divided between the taconite environmental protection fund created in section 298.223 and  
134.28 the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows:  
134.29 Two-thirds to the taconite environmental protection fund and one-third to the Douglas J.  
134.30 Johnson economic protection trust fund. The proceeds shall be placed in the respective  
134.31 special accounts.

135.1 (b) There shall be distributed to each city, town, and county the amount that it received  
135.2 under Minnesota Statutes 1978, section 294.26<sub>2</sub> in calendar year 1977; provided, however,  
135.3 that the amount distributed in 1981 to the unorganized territory number 2 of Lake County  
135.4 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company  
135.5 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of  
135.6 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of  
135.7 Erie Mining Company in each taxing district.

135.8 (c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account  
135.9 the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount  
135.10 distributed under this paragraph shall be expended within or for the benefit of the taconite  
135.11 assistance area defined in section 273.1341.

135.12 (d) There shall be distributed to each school district 62 percent of the amount that it  
135.13 received under Minnesota Statutes 1978, section 294.26<sub>2</sub> in calendar year 1977.

135.14 Sec. 47. Minnesota Statutes 2016, section 298.292, subdivision 2, is amended to read:

135.15 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust  
135.16 fund may be used for the following purposes:

135.17 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation  
135.18 with private sources of financing, but a loan to a private enterprise shall be for a principal  
135.19 amount not to exceed one-half of the cost of the project for which financing is sought, and  
135.20 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight  
135.21 percent or an interest rate three percentage points less than a full faith and credit obligation  
135.22 of the United States government of comparable maturity, at the time that the loan is approved;

135.23 (2) to fund reserve accounts established to secure the payment when due of the principal  
135.24 of and interest on bonds issued pursuant to section 298.2211;

135.25 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on  
135.26 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or  
135.27 retrofitting heating facilities in connection with district heating systems or systems utilizing  
135.28 alternative energy sources;

135.29 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
135.30 entities that are engaging in, or that will engage in, projects or programs that have the  
135.31 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
135.32 or enterprise unless at least two other unrelated investors make investments of at least  
135.33 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.

136.1 Johnson economic protection trust fund may not exceed the amount of the largest investment  
 136.2 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
 136.3 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
 136.4 which the investment is made or to any individual who owns more than 40 percent of the  
 136.5 value of the entity, in any of the following relationships: spouse, parent, child, sibling,  
 136.6 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
 136.7 interests in it. For purposes of determining the limitations under this clause, the amount of  
 136.8 investments made by an investor other than the Douglas J. Johnson economic protection  
 136.9 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
 136.10 the period beginning one year before the date of the investment by the Douglas J. Johnson  
 136.11 economic protection trust fund; and

136.12 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to  
 136.13 be held and managed as a public trust for the benefit of the area for the purposes authorized  
 136.14 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the  
 136.15 commissioner ~~upon approval by the~~, after consultation with the advisory board. The net  
 136.16 proceeds must be deposited in the trust fund for the purposes and uses of this section.

136.17 Money from the trust fund shall be expended only in or for the benefit of the taconite  
 136.18 assistance area defined in section 273.1341.

136.19 Sec. 48. Minnesota Statutes 2016, section 298.296, is amended to read:

136.20 **298.296 OPERATION OF FUND.**

136.21 Subdivision 1. **Project approval.** ~~The board and commissioner shall by August 1 of~~  
 136.22 ~~each year prepare a list of projects to be funded from the Douglas J. Johnson economic~~  
 136.23 ~~protection trust with necessary supporting information including description of the projects,~~  
 136.24 ~~plans, and cost estimates. These Projects shall be consistent with the priorities established~~  
 136.25 ~~in section 298.292 and shall not be approved by the board unless it~~ commissioner unless  
 136.26 the commissioner, after consultation with the advisory board, finds that:

136.27 (a) the project will materially assist, directly or indirectly, the creation of additional  
 136.28 long-term employment opportunities;

136.29 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

136.30 (c) in the case of assistance to private enterprise, the project will serve a sound business  
 136.31 purpose.

136.32 ~~Each project must be approved by over one-half of all of the members of the board and~~  
 136.33 ~~the commissioner of Iron Range resources and rehabilitation. The list of projects shall be~~

137.1 ~~submitted to the governor, who shall, by November 15 of each year, approve or disapprove,~~  
 137.2 ~~or return for further consideration, each project. The money for a project may be expended~~  
 137.3 ~~only upon approval of the project by the governor. The board may submit supplemental~~  
 137.4 ~~projects for approval at any time.~~

137.5 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on  
 137.6 projects and for administration of the trust fund only from the net interest, earnings, and  
 137.7 dividends arising from the investment of the trust at any time, including net interest, earnings,  
 137.8 and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for  
 137.9 use in fiscal year 1983, except that any amount required to be paid out of the trust fund to  
 137.10 provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and  
 137.11 to make school bond payments and payments to recipients of taconite production tax proceeds  
 137.12 pursuant to section 298.225, may be taken from the corpus of the trust.

137.13 ~~(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus~~  
 137.14 ~~of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000~~  
 137.15 ~~from the corpus of the trust may be made available for use as provided in section 298.2961.~~

137.16 ~~(e)~~ (b) Additionally, an amount equal to 20 percent of the value of the corpus of the trust  
 137.17 on May 18, 2002, ~~not including the funds authorized in paragraph (b),~~ plus the amounts  
 137.18 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8,  
 137.19 section 17, may be expended on projects. ~~Funds~~ The commissioner may be expended expend  
 137.20 funds for projects under this paragraph only if ~~the project:~~

137.21 (1) the project is for the purposes established under section 298.292, subdivision 1,  
 137.22 clause (1) or (2); and

137.23 (2) ~~is approved by two-thirds of all of the members of the board~~ the commissioner has  
 137.24 consulted with the advisory board.

137.25 No money made available under this paragraph or paragraph ~~(d)~~ (c) can be used for  
 137.26 administrative or operating expenses of the Department of Iron Range Resources and  
 137.27 Rehabilitation Board or expenses relating to any facilities owned or operated by the ~~board~~  
 137.28 commissioner on May 18, 2002.

137.29 ~~(d) Upon recommendation by a unanimous vote of all members of the board,~~ (c) The  
 137.30 commissioner may spend amounts in addition to those authorized under paragraphs (a), and  
 137.31 (b), and (c) may be expended on projects described in section 298.292, subdivision 1, only  
 137.32 after consultation with the advisory board.

138.1 ~~(e)~~ (d) Annual administrative costs, not including detailed engineering expenses for the  
 138.2 projects, shall not exceed five percent of the net interest, dividends, and earnings arising  
 138.3 from the trust in the preceding fiscal year.

138.4 ~~(f)~~ (e) Principal and interest received in repayment of loans made pursuant to this section,  
 138.5 and earnings on other investments made under section 298.292, subdivision 2, clause (4),  
 138.6 shall be deposited in the state treasury and credited to the trust. These receipts are  
 138.7 appropriated to the board for the purposes of sections 298.291 to ~~298.298~~ 298.297.

138.8 ~~(g)~~ (f) Additionally, notwithstanding section 298.293, ~~upon the approval of the board,~~  
 138.9 the commissioner, after consultation with the advisory board, may expend money from the  
 138.10 corpus of the trust ~~may be expended~~ to purchase forest lands within the taconite assistance  
 138.11 area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

138.12 Subd. 3. **Administration.** The commissioner ~~and staff of the~~ Iron Range resources and  
 138.13 rehabilitation ~~Board~~ shall administer the program under which funds are expended pursuant  
 138.14 to sections 298.292 to ~~298.298~~ 298.297.

138.15 Subd. 4. **Temporary loan authority.** ~~(a) The board may recommend that~~ After  
 138.16 consultation with the advisory board, the commissioner may use up to \$7,500,000 from the  
 138.17 corpus of the trust ~~may be used~~ for loans, loan guarantees, grants, or equity investments as  
 138.18 provided in this subdivision. The money would be available for loans for construction and  
 138.19 equipping of facilities constituting (1) a value added iron products plant, which may be  
 138.20 either a new plant or a facility incorporated into an existing plant that produces iron upgraded  
 138.21 to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic  
 138.22 content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject  
 138.23 to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this  
 138.24 paragraph may not exceed \$5,000,000 for any facility.

138.25 ~~(b) Additionally, the board must reserve the first \$2,000,000 of the net interest, dividends,~~  
 138.26 ~~and earnings arising from the investment of the trust after June 30, 1996, to be used for~~  
 138.27 ~~grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph~~  
 138.28 ~~(a). This amount must be reserved until it is used as described in this subdivision.~~

138.29 ~~(e)~~ (b) Additionally, ~~the board may recommend that~~ the commissioner, after consultation  
 138.30 with the advisory board, may use up to \$5,500,000 from the corpus of the trust ~~may be used~~  
 138.31 for additional grants, loans, loan guarantees, or equity investments for the purposes set forth  
 138.32 in paragraph (a).

139.1 ~~(d)~~ (c) ~~The board~~ commissioner, after consultation with the advisory board, may require  
 139.2 that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this  
 139.3 section.

139.4 Sec. 49. Minnesota Statutes 2016, section 298.2961, is amended to read:

139.5 **298.2961 PRODUCER GRANTS.**

139.6 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J.  
 139.7 Johnson economic protection trust fund to a special account in the taconite area environmental  
 139.8 protection fund for grants to producers on a project-by-project basis as provided in this  
 139.9 section.

139.10 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are  
 139.11 appropriated for grants to producers on a project-by-project basis as provided in this section.

139.12 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

139.13 (1) environmentally unique reclamation projects; or

139.14 (2) pit or plant repairs, expansions, or modernizations other than for a value added iron  
 139.15 products plant.

139.16 ~~(b) To be proposed by the board, a project must be approved by the board. The money~~  
 139.17 ~~for a project may be spent only upon approval of the project by the governor. The board~~  
 139.18 ~~may submit supplemental projects for approval at any time~~ The commissioner may approve  
 139.19 a project only after consultation with the advisory board.

139.20 (c) The commissioner, after consultation with the advisory board, may require that ~~it~~  
 139.21 the fund receive an equity percentage in any project to which it contributes under this section.

139.22 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at  
 139.23 the facility had ceased, any money remaining in the taconite environmental fund for the  
 139.24 former producer may be released to the purchaser of the facility on the terms otherwise  
 139.25 applicable to the former producer under this section.

139.26 (b) Any portion of the taconite environmental fund that is not released by the  
 139.27 commissioner within three years of its deposit in the taconite environmental fund shall be  
 139.28 divided between the taconite environmental protection fund created in section 298.223 and  
 139.29 the Douglas J. Johnson economic protection trust fund created in section 298.292 for  
 139.30 placement in their respective special accounts. Two-thirds of the unreleased funds must be  
 139.31 distributed to the taconite environmental protection fund and one-third to the Douglas J.  
 139.32 Johnson economic protection trust fund.

140.1 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under  
 140.2 section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision.  
 140.3 Any grant or loan made under this subdivision must be approved by the commissioner, after  
 140.4 consultation with the advisory board, established under section 298.22.

140.5 (b) All distributions received in 2009 and subsequent years are allocated for projects  
 140.6 under section 298.223, subdivision 1.

140.7 Sec. 50. Minnesota Statutes 2016, section 298.297, is amended to read:

140.8 **298.297 ADVISORY COMMITTEES.**

140.9 Before submission of a project to the advisory board, the commissioner of Iron Range  
 140.10 resources and rehabilitation shall appoint a technical advisory committee consisting of one  
 140.11 or more persons who are knowledgeable in areas related to the objectives of the proposal.  
 140.12 Members of the committees shall be compensated as provided in section 15.059, subdivision  
 140.13 3. The advisory board shall not ~~æ~~ make recommendations on a proposal until it has received  
 140.14 the evaluation and recommendations of the technical advisory committee or until 15 days  
 140.15 have elapsed since the proposal was transmitted to the advisory committee, whichever  
 140.16 occurs first.

140.17 Sec. 51. Minnesota Statutes 2016, section 298.46, subdivision 2, is amended to read:

140.18 Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly  
 140.19 constituted authorities of a taxing district there are in existence reserves of unmined iron  
 140.20 ore located in such district, these authorities may petition the commissioner of Iron Range  
 140.21 resources and rehabilitation Board for authority to petition the county assessor to verify the  
 140.22 existence of such reserves and to ascertain the value thereof by drilling in a manner consistent  
 140.23 with established engineering and geological exploration methods, in order that such taxing  
 140.24 district may be able to forecast in a proper manner its future economic and fiscal potentials.  
 140.25 The commissioner of Iron Range resources and rehabilitation may grant the authority to  
 140.26 petition only after consultation with the advisory board.

140.27 Sec. 52. Minnesota Statutes 2016, section 298.46, subdivision 5, is amended to read:

140.28 Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling  
 140.29 plus any damages to the property which may be assessed by the district court shall be paid  
 140.30 by the commissioner of Iron Range resources and rehabilitation Board from amounts  
 140.31 appropriated to ~~that board~~ the commissioner of Iron Range resources and rehabilitation  
 140.32 under section 298.22. The commissioner of Iron Range resources and rehabilitation Board

141.1 shall be reimbursed for one-half of the amounts thus expended. Such reimbursement shall  
 141.2 be made by the taxing districts in the proportion that each such taxing district's levy on the  
 141.3 property involved bears to the total levy on such property. Such reimbursement shall be  
 141.4 made to the commissioner of Iron Range resources and rehabilitation Board in the manner  
 141.5 provided by section 298.221.

141.6 Sec. 53. Minnesota Statutes 2016, section 298.46, subdivision 6, is amended to read:

141.7 Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district  
 141.8 refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor  
 141.9 is hereby authorized to reduce payments required to be made by the county to such taxing  
 141.10 district under other provisions of law. Thereafter the auditor shall draw a warrant, which  
 141.11 shall be deposited with the state treasury in accordance with section 298.221, to the credit  
 141.12 of the commissioner of Iron Range resources and rehabilitation Board.

141.13 Sec. 54. Minnesota Statutes 2016, section 466.03, subdivision 6c, is amended to read:

141.14 Subd. 6c. **Water access sites.** Any claim based upon the construction, operation, or  
 141.15 maintenance by a municipality of a water access site created by the commissioner of Iron  
 141.16 Range resources and rehabilitation Board. A water access site under this subdivision that  
 141.17 provides access to an idled, water filled mine pit also includes the entire water filled area  
 141.18 of the pit, and, further, claims related to a mine pit water access site under this subdivision  
 141.19 include those based upon the caving or slumping of mine pit walls.

141.20 Sec. 55. Minnesota Statutes 2016, section 469.310, subdivision 9, is amended to read:

141.21 Subd. 9. **Local government unit.** "Local government unit" means a statutory or home  
 141.22 rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation  
 141.23 ~~agency~~, regional development commission, or a federally designated economic development  
 141.24 district.

141.25 Sec. 56. Minnesota Statutes 2016, section 474A.02, subdivision 21, is amended to read:

141.26 Subd. 21. **Preliminary resolution.** "Preliminary resolution" means a resolution adopted  
 141.27 by the governing body or board of the issuer, or ~~in the case of the~~ by the commissioner of  
 141.28 Iron Range resources and rehabilitation Board ~~by the commissioner~~. The resolution must  
 141.29 express a preliminary intention of the issuer to issue obligations for a specific project,  
 141.30 identify the proposed project, and disclose the proposed amount of qualified bonds to be

142.1 issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify  
142.2 a specific project.

142.3 Sec. 57. Laws 2010, chapter 389, article 5, section 7, is amended to read:

142.4 **Sec. 7. GIANTS RIDGE RECREATION AREA TAXING AUTHORITY.**

142.5 Subdivision 1. **Additional taxes authorized.** Notwithstanding Minnesota Statutes,  
142.6 section 477A.016, or any other law, ordinance, or charter provision to the contrary, the city  
142.7 of Biwabik, upon approval both by its governing body and by the vote of at least seven  
142.8 members of the Iron Range Resources and Rehabilitation Board, may impose any or all of  
142.9 the taxes described in this section.

142.10 Subd. 2. **Use of proceeds.** The proceeds of any taxes imposed under this section, less  
142.11 refunds and costs of collection, must be deposited into the Iron Range Resources and  
142.12 Rehabilitation Board account enterprise fund created under the provisions of Minnesota  
142.13 Statutes, section 298.221, paragraph (c), and must be dedicated and expended by the  
142.14 commissioner of the Iron Range resources and rehabilitation Board, ~~upon approval by the~~  
142.15 ~~vote of at least seven members of~~ after consultation with the Iron Range Resources and  
142.16 Rehabilitation Board, to pay costs for the construction, renovation, improvement, expansion,  
142.17 and maintenance of public recreational facilities located in those portions of the city within  
142.18 the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,  
142.19 subdivision 7, or to pay any principal, interest, or premium on any bond issued to finance  
142.20 the construction, renovation, improvement, or expansion of such public recreational facilities.

142.21 Subd. 3. **Lodging tax.** (a) The city of Biwabik, upon approval both by its governing  
142.22 body and by the vote of at least seven members of the Iron Range Resources and  
142.23 Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on the  
142.24 gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This  
142.25 tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and may  
142.26 be imposed only on gross lodging receipts generated within the Giants Ridge Recreation  
142.27 Area as defined in Minnesota Statutes, section 298.22, subdivision 7.

142.28 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax  
142.29 imposed under paragraph (a), the change must be approved by both the governing body of  
142.30 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after  
142.31 the commissioner of Iron Range resources and rehabilitation consults with the Iron Range  
142.32 Resources and Rehabilitation Board.

143.1 Subd. 4. **Admissions and recreation tax.** (a) The city of Biwabik, upon approval both  
143.2 by its governing body and by the vote of at least seven members of the Iron Range Resources  
143.3 and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent  
143.4 on admission receipts to entertainment and recreational facilities and on receipts from the  
143.5 rental of recreation equipment, at sites within the Giants Ridge Recreation Area as defined  
143.6 in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes,  
143.7 section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration,  
143.8 collection, and enforcement of the tax authorized in this subdivision.

143.9 (b) If the city imposes the tax under paragraph (a), it must include in the ordinance an  
143.10 exemption for purchases of season tickets or passes.

143.11 (c) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax  
143.12 imposed under paragraph (a), the change must be approved by both the governing body of  
143.13 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after  
143.14 the commissioner of Iron Range resources and rehabilitation consults with the Iron Range  
143.15 Resources and Rehabilitation Board.

143.16 Subd. 5. **Food and beverage tax.** (a) The city of Biwabik, upon approval both by its  
143.17 governing body and by the vote of at least seven members of the Iron Range Resources and  
143.18 Rehabilitation Board, may impose, by ordinance, an additional sales tax of not more than  
143.19 one percent on gross receipts of food and beverages sold whether it is consumed on or off  
143.20 the premises by restaurants and places of refreshment as defined by resolution of the city  
143.21 within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,  
143.22 subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions  
143.23 2 and 3, govern the imposition, administration, collection, and enforcement of the tax  
143.24 authorized in this subdivision.

143.25 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax  
143.26 imposed under paragraph (a), the change must be approved by both the governing body of  
143.27 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after  
143.28 the commissioner of Iron Range resources and rehabilitation consults with the Iron Range  
143.29 Resources and Rehabilitation Board.

143.30 **EFFECTIVE DATE.** This section is effective August 1, 2017, without local approval  
143.31 pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

144.1 Sec. 58. DEPARTMENT OF IRON RANGE RESOURCES AND  
144.2 REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM  
144.3 AUTHORIZATION.

144.4 (a) "Commissioner" as used in this section means the commissioner of Iron Range  
144.5 resources and rehabilitation unless otherwise specified.

144.6 (b) Notwithstanding any law to the contrary, the commissioner, in consultation with the  
144.7 commissioner of management and budget, shall offer a targeted early separation incentive  
144.8 program for employees of the commissioner who have attained the age of 60 years or who  
144.9 have received credit for at least 30 years of allowable service under the provisions of  
144.10 Minnesota Statutes, chapter 352. The commissioner shall also offer a targeted separation  
144.11 incentive program for employees of the commissioner whose positions are in support of  
144.12 operations at Giants Ridge and will be eliminated if the department no longer directly  
144.13 manages Giants Ridge operations.

144.14 (c) The early separation incentive program may include one or more of the following:

144.15 (1) employer-paid postseparation health, medical, and dental insurance until age 65; and

144.16 (2) cash incentives that may, but are not required to be, used to purchase additional years  
144.17 of service credit through the Minnesota State Retirement System, to the extent that the  
144.18 purchases are otherwise authorized by law.

144.19 (d) The commissioner shall establish eligibility requirements for employees to receive  
144.20 an incentive. The commissioner must exclude from eligibility for the incentive program  
144.21 employees having less than 20 years of allowable service who would otherwise qualify for  
144.22 the incentive program.

144.23 (e) The commissioner, consistent with the established program provisions under paragraph  
144.24 (b), and with the eligibility requirements under paragraph (f), may designate specific  
144.25 programs or employees as eligible to be offered the incentive program.

144.26 (f) Acceptance of the offered incentive must be voluntary on the part of the employee  
144.27 and must be in writing. The incentive may only be offered at the sole discretion of the  
144.28 commissioner.

144.29 (g) The cost of the incentive is payable solely by funds made available to the  
144.30 commissioner by law, but only on prior approval of the expenditures by the commissioner,  
144.31 after consultation with the Iron Range Resources and Rehabilitation Board.

144.32 (h) Unilateral implementation of this section by the commissioner is not an unfair labor  
144.33 practice under Minnesota Statutes, chapter 179A.

145.1 **EFFECTIVE DATE.** This section is effective the day following final enactment. This  
 145.2 section expires July 30, 2018.

145.3 Sec. 59. **REVISOR'S INSTRUCTION.**

145.4 The revisor of statutes, with cooperation from the House Research Department and the  
 145.5 Senate Counsel, Research and Fiscal Analysis Office, shall prepare legislation that makes  
 145.6 conforming changes in accordance with the provisions of this article. The revisor shall  
 145.7 submit the proposal, in a form ready for introduction, during the 2018 regular legislative  
 145.8 session to the chairs and ranking minority members of the senate and house of representatives  
 145.9 committees with jurisdiction over jobs and economic development.

145.10 Sec. 60. **REPEALER.**

145.11 Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; and 298.298, are  
 145.12 repealed.

145.13

## ARTICLE 8

145.14

### COMMERCE POLICY

145.15 Section 1. Minnesota Statutes 2016, section 45.0135, subdivision 6, is amended to read:

145.16 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account  
 145.17 is created in the state treasury. Money received from assessments under subdivision 7 and  
 145.18 transferred from the automobile theft prevention account in ~~section~~ sections 65B.84,  
 145.19 subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund  
 145.20 is appropriated to the commissioner of commerce for the purposes specified in this section  
 145.21 and sections 60A.951 to 60A.956.

145.22 Sec. 2. Minnesota Statutes 2016, section 46.131, subdivision 7, is amended to read:

145.23 Subd. 7. **Fiscal year assessments.** Such assessments shall be levied on July 1, 1965,  
 145.24 and ~~at~~ prior to the beginning of each fiscal period beginning July 1 and ending June 30  
 145.25 thereafter, and shall be based on the total estimated expense as herein referred to during  
 145.26 such period. Assessment revenue will be remitted to the commissioner for deposit in the  
 145.27 financial institutions account on or before July 1 of each year.

146.1 Sec. 3. Minnesota Statutes 2016, section 46.131, is amended by adding a subdivision to  
146.2 read:

146.3 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions  
146.4 account is created as a separate account in the special revenue fund. The account consists  
146.5 of funds received from assessments under subdivision 7 and examination fees under  
146.6 subdivision 8. Earnings, including interest, dividends, and any other earnings arising from  
146.7 account assets, must be credited to the account.

146.8 (b) Funds in the account are annually appropriated to the commissioner of commerce  
146.9 for activities under this section.

146.10 **EFFECTIVE DATE.** This section is effective July 1, 2017.

146.11 Sec. 4. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

146.12 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The  
146.13 commissioner of commerce shall:

146.14 (1) develop and sponsor the implementation of statewide plans, programs, and strategies  
146.15 to combat automobile theft, improve the administration of the automobile theft laws, and  
146.16 provide a forum for identification of critical problems for those persons dealing with  
146.17 automobile theft;

146.18 (2) coordinate the development, adoption, and implementation of plans, programs, and  
146.19 strategies relating to interagency and intergovernmental cooperation with respect to  
146.20 automobile theft enforcement;

146.21 (3) annually audit the plans and programs that have been funded in whole or in part to  
146.22 evaluate the effectiveness of the plans and programs and withdraw funding should the  
146.23 commissioner determine that a plan or program is ineffective or is no longer in need of  
146.24 further financial support from the fund;

146.25 (4) develop a plan of operation including:

146.26 (i) an assessment of the scope of the problem of automobile theft, including areas of the  
146.27 state where the problem is greatest;

146.28 (ii) an analysis of various methods of combating the problem of automobile theft;

146.29 (iii) a plan for providing financial support to combat automobile theft;

146.30 (iv) a plan for eliminating car hijacking; and

146.31 (v) an estimate of the funds required to implement the plan; and

147.1 (5) distribute money, in consultation with the commissioner of public safety, pursuant  
147.2 to subdivision 3 from the automobile theft prevention special revenue account for automobile  
147.3 theft prevention activities, including:

147.4 (i) paying the administrative costs of the program;

147.5 (ii) providing financial support to the State Patrol and local law enforcement agencies  
147.6 for automobile theft enforcement teams;

147.7 (iii) providing financial support to state or local law enforcement agencies for programs  
147.8 designed to reduce the incidence of automobile theft and for improved equipment and  
147.9 techniques for responding to automobile thefts;

147.10 (iv) providing financial support to local prosecutors for programs designed to reduce  
147.11 the incidence of automobile theft;

147.12 (v) providing financial support to judicial agencies for programs designed to reduce the  
147.13 incidence of automobile theft;

147.14 (vi) providing financial support for neighborhood or community organizations or business  
147.15 organizations for programs designed to reduce the incidence of automobile theft and to  
147.16 educate people about the common methods of automobile theft, the models of automobiles  
147.17 most likely to be stolen, and the times and places automobile theft is most likely to occur;  
147.18 and

147.19 (vii) providing financial support for automobile theft educational and training programs  
147.20 for state and local law enforcement officials, driver and vehicle services exam and inspections  
147.21 staff, and members of the judiciary.

147.22 (b) The commissioner may not spend in any fiscal year more than ten percent of the  
147.23 money in the fund for the program's administrative and operating costs. The commissioner  
147.24 is annually appropriated and must distribute the amount of the proceeds credited to the  
147.25 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000  
147.26 each year to the ~~general fund~~ insurance fraud prevention account described in section 297I.11,  
147.27 subdivision 2.

147.28 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances  
147.29 in the auto theft prevention account to the insurance fraud prevention account under section  
147.30 45.0135, subdivision 6.

148.1 Sec. 5. [72A.328] AFFINITY GROUP.

148.2 Subdivision 1. Definitions. (a) For purposes of this section the following terms have  
 148.3 the meanings given.

148.4 (b) "Affinity program" means a group of individuals who are members of an entity that  
 148.5 offers individuals benefits based on their membership in that entity. Affinity program does  
 148.6 not include an entity that obtains group insurance, as defined in section 60A.02, subdivision  
 148.7 28, or risk retention groups as defined in section 60E.02, subdivision 12.

148.8 (c) "Policy" means an individually underwritten policy of private passenger vehicle  
 148.9 insurance, as defined in section 65B.001, subdivision 2, or an individually underwritten  
 148.10 policy of homeowner's insurance, as defined in section 65A.27, subdivision 4.

148.11 Subd. 2. Discount. An insurance company may offer an individual a discount or other  
 148.12 benefit relating to a policy based on the individual's membership in an affinity program if:

148.13 (1) the benefit or discount is based on an actuarial justification; and

148.14 (2) the insurance company offers the benefit or discount to all members of the affinity  
 148.15 program eligible for the discount or benefit.

148.16 Sec. 6. Minnesota Statutes 2016, section 80A.61, is amended to read:

148.17 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**  
 148.18 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**  
 148.19 **REPRESENTATIVE.**

148.20 (a) Application for initial registration by broker-dealer, agent, ~~or~~ investment adviser,  
 148.21 or investment adviser representative. A person shall register as a broker-dealer, agent,  
 148.22 ~~or~~ investment adviser, or investment adviser representative by filing an application and a  
 148.23 consent to service of process complying with section 80A.88, and paying the fee specified  
 148.24 in section 80A.65 and any reasonable fees charged by the designee of the administrator for  
 148.25 processing the filing. The application must contain:

148.26 (1) the information or record required for the filing of a uniform application; and

148.27 (2) upon request by the administrator, any other financial or other information or record  
 148.28 that the administrator determines is appropriate.

148.29 (b) Amendment. If the information or record contained in an application filed under  
 148.30 subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant  
 148.31 shall promptly file a correcting amendment.

149.1 (c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not  
149.2 pending under section 80A.67, registration becomes effective at noon on the 45th day after  
149.3 a completed application is filed, unless the registration is denied. A rule adopted or order  
149.4 issued under this chapter may set an earlier effective date or may defer the effective date  
149.5 until noon on the 45th day after the filing of any amendment completing the application.

149.6 (d) **Registration renewal.** A registration is effective until midnight on December 31 of  
149.7 the year for which the application for registration is filed. Unless an order is in effect under  
149.8 section 80A.67, a registration may be automatically renewed each year by filing such records  
149.9 as are required by rule adopted or order issued under this chapter, by paying the fee specified  
149.10 in section 80A.65, and by paying costs charged by the designee of the administrator for  
149.11 processing the filings.

149.12 (e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter  
149.13 may impose such other conditions, not inconsistent with the National Securities Markets  
149.14 Improvement Act of 1996. An order issued under this chapter may waive, in whole or in  
149.15 part, specific requirements in connection with registration as are in the public interest and  
149.16 for the protection of investors.

149.17 (f) **Funding portal registration.** A funding portal that has its principal place of business  
149.18 in the state of Minnesota shall register with the state of Minnesota by filing with the  
149.19 administrator a copy of the information or record required for the filing of an application  
149.20 for registration as a funding portal in the manner established by the Securities and Exchange  
149.21 Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with  
149.22 any rule adopted or order issued, and any amendments thereto.

149.23 (g) **Application for investment adviser representative registration.**

149.24 (1) The application for initial registration as an investment adviser representative pursuant  
149.25 to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities  
149.26 Industry Registration or Transfer) in accordance with the form instructions and by filing  
149.27 the form U-4 with the IARD. The application for initial registration must also include the  
149.28 following:

149.29 (i) proof of compliance by the investment adviser representative with the examination  
149.30 requirements of:

149.31 (A) the Uniform Investment Adviser Law Examination (Series 65); or

149.32 (B) the General Securities Representative Examination (Series 7) and the Uniform  
149.33 Combined State Law Examination (Series 66);

150.1 (ii) any other information the administrator may reasonably require.

150.2 (2) The application for the annual renewal registration as an investment adviser  
150.3 representative shall be filed with the IARD.

150.4 (3)(i) The investment adviser representative is under a continuing obligation to update  
150.5 information required by Form U-4 as changes occur;

150.6 (ii) An investment adviser representative and the investment adviser must file promptly  
150.7 with the IARD any amendments to the representative's Form U-4; and

150.8 (iii) An amendment will be considered to be filed promptly if the amendment is filed  
150.9 within 30 days of the event that requires the filing of the amendment.

150.10 (4) An application for initial or renewal of registration is not considered filed for purposes  
150.11 of section 80A.58 until the required fee and all required submissions have been received  
150.12 by the administrator.

150.13 (5) The application for withdrawal of registration as an investment adviser representative  
150.14 pursuant to section 80A.58 shall be completed by following the instructions on Form U-5  
150.15 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5  
150.16 with the IARD.

150.17 Sec. 7. Minnesota Statutes 2016, section 80A.65, subdivision 2, is amended to read:

150.18 Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial  
150.19 or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, ~~\$50~~ \$65  
150.20 in the case of an agent, ~~and~~ \$100 in the case of an investment adviser, and \$50 in the case  
150.21 of an investment adviser representative. When an application is denied or withdrawn, the  
150.22 filing fee shall be retained. A registered agent who has terminated employment with one  
150.23 broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer  
150.24 fee of \$25.

150.25 Sec. 8. Minnesota Statutes 2016, section 216B.62, subdivision 3b, is amended to read:

150.26 Subd. 3b. **Assessment for department regional and national duties.** In addition to  
150.27 other assessments in subdivision 3, the department may assess up to ~~\$1,000,000~~ \$500,000  
150.28 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount  
150.29 in this subdivision shall be assessed to energy utilities in proportion to their respective gross  
150.30 operating revenues from retail sales of gas or electric service within the state during the last  
150.31 calendar year and shall be deposited into an account in the special revenue fund and is  
150.32 appropriated to the commissioner of commerce for the purposes of section 216A.07,

151.1 subdivision 3a. An assessment made under this subdivision is not subject to the cap on  
 151.2 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,  
 151.3 an "energy utility" means public utilities, generation and transmission cooperative electric  
 151.4 associations, and municipal power agencies providing natural gas or electric service in the  
 151.5 state. This subdivision expires June 30, ~~2017~~ 2018.

151.6 Sec. 9. [239.7511] GAS TAX SIGN ON PETROLEUM DISPENSER.

151.7 (a) The director must ensure that signs having 12-point font or greater are affixed on  
 151.8 retail petroleum dispensers as follows:

151.9 (1) for regular or premium gasoline, a sign that reads: "The price for each gallon of  
 151.10 gasoline includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline  
 151.11 tax of 18.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and  
 151.12 bridges, according to the Minnesota Constitution."; and

151.13 (2) for diesel fuel, a sign that reads: "The price for each gallon of diesel fuel includes  
 151.14 the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 24.4 cents  
 151.15 per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according  
 151.16 to the Minnesota Constitution."

151.17 (b) The director must distribute the signs under this section to the owner or operator of  
 151.18 retail petroleum dispensers. To the extent possible, the director must coordinate the  
 151.19 distribution of signs with other duties the director may have involving retail petroleum  
 151.20 dispensers.

151.21 (c) If the amount of the gasoline tax described in paragraph (a), clauses (1) and (2),  
 151.22 changes, the director must distribute revised signs to reflect the updated gasoline tax amounts  
 151.23 within 12 calendar months of the change.

151.24 (d) The director is prohibited from assessing any penalty, fine, or fee on the owner or  
 151.25 operator of a retail petroleum dispenser that has a missing, destroyed, defaced, or otherwise  
 151.26 damaged gas tax sign.

151.27 Sec. 10. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

151.28 Subd. 2. **Automobile theft prevention account.** A special revenue account in the state  
 151.29 treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1.  
 151.30 Of the revenue in the account, \$1,300,000 each year must be transferred to the ~~general fund~~  
 151.31 insurance fraud prevention account under section 45.0135, subdivision 6. Revenues in excess

152.1 of \$1,300,000 each year may be used only for the automobile theft prevention program  
152.2 described in section 65B.84.

152.3 Sec. 11. Minnesota Statutes 2016, section 325J.06, is amended to read:

152.4 **325J.06 EFFECT OF NONREDEMPTION.**

152.5 (a) A pledgor shall have no obligation to redeem pledged goods or make any payment  
152.6 on a pawn transaction. Pledged goods not redeemed within at least 60 days of the date of  
152.7 the pawn transaction, ~~renewal, or extension~~ shall automatically be forfeited to the  
152.8 pawnbroker, and qualified right, title, and interest in and to the goods shall automatically  
152.9 vest in the pawnbroker.

152.10 (b) The pawnbroker's right, title, and interest in the pledged goods under paragraph (a)  
152.11 is qualified only by the pledgor's right, while the pledged goods remain in possession of the  
152.12 pawnbroker and not sold to a third party, to redeem the goods by paying the loan plus fees  
152.13 and/or interest accrued up to the date of redemption.

152.14 (c) A pawn transaction that involves holding only the title to property is subject to chapter  
152.15 168A or 336.

152.16 Sec. 12. Minnesota Statutes 2016, section 345.42, is amended by adding a subdivision to  
152.17 read:

152.18 Subd. 1a. **Required lists.** (a) Beginning January 1, 2018, and annually thereafter, and  
152.19 provided that a member has requested it, the commissioner shall provide to each member  
152.20 of the legislature a list in electronic form of all persons appearing to be owners of abandoned  
152.21 property whose last known address is located in the legislator's respective legislative district.

152.22 (b) Beginning July 1, 2017, and every six months thereafter, and provided that a county  
152.23 has requested it, the commissioner shall provide to the county a list in electronic form of  
152.24 all persons appearing to be owners of abandoned property whose last known address is  
152.25 located in the county. A request under this paragraph must be made in writing by a person  
152.26 authorized by the county to make the request and is good until canceled.

152.27 **EFFECTIVE DATE.** This section is effective January 1, 2018.

152.28 Sec. 13. Minnesota Statutes 2016, section 345.49, is amended to read:

152.29 **345.49 CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.**

153.1 Subdivision 1. **Filing.** (a) Any person claiming an interest in any property delivered to  
153.2 the state under sections 345.31 to 345.60 may file a claim thereto or to the proceeds from  
153.3 the sale thereof on the form prescribed by the commissioner.

153.4 (b) Any person claiming an interest in property evidenced by a will or trust document,  
153.5 or court order, may submit to the commissioner only such portions of the document or order  
153.6 necessary to establish a claim.

153.7 Subd. 2. **Appropriation.** There is hereby appropriated to the persons entitled to a refund,  
153.8 from the fund in the state treasury to which the money was credited, an amount sufficient  
153.9 to make the refund and payment.

153.10 Subd. 3. **Data.** Government data received by the commissioner pursuant to this section  
153.11 is nonpublic data or private data on individuals, as defined in section 13.02, subdivisions 9  
153.12 and 12.

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

153.14 Sec. 14. **[471.9998] MERCHANT BAGS.**

153.15 Subdivision 1. **Merchant option.** All merchants, itinerant vendors, and peddlers doing  
153.16 business in this state shall have the option to provide customers a paper, plastic, or reusable  
153.17 bag for the packaging of any item or good purchased, provided such purchase is of a size  
153.18 and manner commensurate with the use of paper, plastic, or reusable bags.

153.19 Subd. 2. **Prohibition; bag ban.** Notwithstanding any other provision of law, no political  
153.20 subdivision shall impose any ban upon the use of paper, plastic, or reusable bags for  
153.21 packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

153.22 **EFFECTIVE DATE.** This section is effective May 31, 2017. Ordinances existing on  
153.23 the effective date of this section that would be prohibited under this section are invalid as  
153.24 of the effective date of this section.

153.25 Sec. 15. **REPORT ON UNCLAIMED PROPERTY DIVISION.**

153.26 The commissioner shall report by February 15, 2018, to the chairs and ranking minority  
153.27 members of the standing committees of the house of representatives and senate having  
153.28 jurisdiction over commerce regarding the process owners of abandoned property must  
153.29 comply with in order to file an allowed claim under Minnesota Statutes, chapter 345. The  
153.30 report shall include information regarding the documentation and identification necessary  
153.31 for owners of each type of abandoned property under Minnesota Statutes, chapter 345, to  
153.32 file an allowed claim.

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

154.2 Sec. 16. **REPEALER.**

154.3 Minnesota Statutes 2016, section 46.131, subdivision 5, is repealed.

154.4 **ARTICLE 9**

154.5 **TELECOMMUNICATIONS**

154.6 Section 1. Minnesota Statutes 2016, section 237.162, subdivision 2, is amended to read:

154.7 Subd. 2. **Local government unit.** "Local government unit" means a county, home rule  
154.8 charter or statutory city, ~~or town,~~ or the Metropolitan Council.

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

154.10 Sec. 2. Minnesota Statutes 2016, section 237.162, subdivision 4, is amended to read:

154.11 Subd. 4. **Telecommunications right-of-way user.** (a) "Telecommunications right-of-way  
154.12 user" means a person owning or controlling a facility in the public right-of-way, or seeking  
154.13 to own or control a facility in the public right-of-way, that is used or is intended to be used  
154.14 for providing wireless service, or transporting telecommunications or other voice or data  
154.15 information.

154.16 (b) A cable communication system defined and regulated under chapter 238, and  
154.17 telecommunications activities related to providing natural gas or electric energy services  
154.18 ~~whether provided by,~~ a public utility as defined in section 216B.02, a municipality, a  
154.19 municipal gas or power agency organized under chapter 453 or 453A, or a cooperative  
154.20 electric association organized under chapter 308A, are not telecommunications right-of-way  
154.21 users for the purposes of this section and section 237.163, except to the extent these entities  
154.22 are offering wireless services.

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

154.24 Sec. 3. Minnesota Statutes 2016, section 237.162, subdivision 9, is amended to read:

154.25 Subd. 9. **Management costs or rights-of-way management costs.** (a) "Management  
154.26 costs" or "rights-of-way management costs" means the actual costs a local government unit  
154.27 incurs in managing its public rights-of-way, and includes such costs, if incurred, as those  
154.28 associated with registering applicants; issuing, processing, and verifying right-of-way or  
154.29 small wireless facility permit applications; inspecting job sites and restoration projects;  
154.30 maintaining, supporting, protecting, or moving user equipment during public right-of-way

155.1 work; determining the adequacy of right-of-way restoration; restoring work inadequately  
 155.2 performed after providing notice and the opportunity to correct the work; and revoking  
 155.3 right-of-way or small wireless facility permits.

155.4 (b) Management costs do not include:

155.5 (1) payment by a telecommunications right-of-way user for the use of the public  
 155.6 right-of-way;

155.7 (2) unreasonable fees of a third-party contractor used by a local government unit as part  
 155.8 of managing its public rights-of-way, including but not limited to any third-party contractor  
 155.9 fee tied to or based upon customer counts, access lines, revenue generated by the  
 155.10 telecommunications right-of-way user, or revenue generated for a local government unit;  
 155.11 or

155.12 (3) the fees and cost of litigation relating to the interpretation of this section or section  
 155.13 237.163 or any ordinance enacted under those sections, or the local unit of government's  
 155.14 fees and costs related to appeals taken pursuant to section 237.163, subdivision 5.

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

155.16 Sec. 4. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to  
 155.17 read:

155.18 Subd. 10. **Collocate.** "Collocate" or "collocation" means to install, mount, maintain,  
 155.19 modify, operate, or replace a small wireless facility on, under, within, or adjacent to an  
 155.20 existing wireless support structure that is owned privately or by a local government unit.

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

155.22 Sec. 5. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to  
 155.23 read:

155.24 Subd. 11. **Small wireless facility.** "Small wireless facility" means:

155.25 (1) a wireless facility that meets both of the following qualifications:

155.26 (i) each antenna is located inside an enclosure of no more than six cubic feet in volume  
 155.27 or, in the case of an antenna that has exposed elements, the antenna and all its exposed  
 155.28 elements could fit within an enclosure of no more than six cubic feet; and

155.29 (ii) all other wireless equipment associated with the small wireless facility, excluding  
 155.30 electric meters, concealment elements, telecommunications demarcation boxes, battery  
 155.31 backup power systems, grounding equipment, power transfer switches, cutoff switches,

156.1 cable, conduit, vertical cable runs for the connection of power and other services, and any  
 156.2 equipment concealed from public view within or behind an existing structure or concealment,  
 156.3 is in aggregate no more than 28 cubic feet in volume; or

156.4 (2) a micro wireless facility.

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

156.6 Sec. 6. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to  
 156.7 read:

156.8 Subd. 12. **Utility pole.** "Utility pole" means a pole that is used in whole or in part to  
 156.9 facilitate telecommunications or electric service.

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

156.11 Sec. 7. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to  
 156.12 read:

156.13 Subd. 13. **Wireless facility.** (a) "Wireless facility" means equipment at a fixed location  
 156.14 that enables the provision of wireless services between user equipment and a wireless service  
 156.15 network, including:

156.16 (1) equipment associated with wireless service;

156.17 (2) a radio transceiver, antenna, coaxial or fiber-optic cable, regular and backup power  
 156.18 supplies, and comparable equipment, regardless of technological configuration; and

156.19 (3) a small wireless facility.

156.20 (b) "Wireless facility" does not include:

156.21 (1) wireless support structures;

156.22 (2) wireline backhaul facilities; or

156.23 (3) coaxial or fiber-optic cables (i) between utility poles or wireless support structures,  
 156.24 or (ii) that are not otherwise immediately adjacent to or directly associated with a specific  
 156.25 antenna.

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

157.1 Sec. 8. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to  
157.2 read:

157.3 Subd. 14. **Micro wireless facility.** "Micro wireless facility" means a small wireless  
157.4 facility that is no larger than 24 inches long, 15 inches wide, and 12 inches high, and whose  
157.5 exterior antenna, if any, is no longer than 11 inches.

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

157.7 Sec. 9. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to  
157.8 read:

157.9 Subd. 15. **Wireless service.** "Wireless service" means any service using licensed or  
157.10 unlicensed wireless spectrum, including the use of Wi-Fi, whether at a fixed location or by  
157.11 means of a mobile device, that is provided using wireless facilities. Wireless service does  
157.12 not include services regulated under Title VI of the Communications Act of 1934, as  
157.13 amended, including a cable service under United States Code, title 47, section 522, clause  
157.14 (6).

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

157.16 Sec. 10. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision  
157.17 to read:

157.18 Subd. 16. **Wireless support structure.** "Wireless support structure" means a new or  
157.19 existing structure in a public right-of-way designed to support or capable of supporting  
157.20 small wireless facilities, as reasonably determined by a local government unit.

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

157.22 Sec. 11. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision  
157.23 to read:

157.24 Subd. 17. **Wireline backhaul facility.** "Wireline backhaul facility" means a facility  
157.25 used to transport communications data by wire from a wireless facility to a communications  
157.26 network.

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

157.28 Sec. 12. Minnesota Statutes 2016, section 237.163, subdivision 2, is amended to read:

157.29 Subd. 2. **Generally.** (a) Subject to this section, a telecommunications right-of-way user  
157.30 authorized to do business under the laws of this state or by license of the Federal

158.1 Communications Commission may construct, maintain, and operate small wireless facilities,  
158.2 conduit, cable, switches, and related appurtenances and facilities along, across, upon, above,  
158.3 and under any public right-of-way.

158.4 (b) Subject to this section, a local government unit has the authority to manage its public  
158.5 rights-of-way and to recover its rights-of-way management costs. Except as provided in  
158.6 subdivisions 3a, 3b, and 3c, the authority defined in this section may be exercised at the  
158.7 option of the local government unit. ~~The exercise of this authority~~ and is not mandated under  
158.8 this section. A local government unit may, by ordinance:

158.9 (1) require a telecommunications right-of-way user seeking to excavate or obstruct a  
158.10 public right-of-way for the purpose of providing telecommunications services to obtain a  
158.11 right-of-way permit to do so and to impose permit conditions consistent with the local  
158.12 government unit's management of the right-of-way;

158.13 (2) require a telecommunications right-of-way user using, occupying, or seeking to use  
158.14 or occupy a public right-of-way for the purpose of providing telecommunications services  
158.15 to register with the local government unit by providing the local government unit with the  
158.16 following information:

158.17 (i) the applicant's name, gopher state one-call registration number under section 216D.03,  
158.18 address, and telephone and facsimile numbers;

158.19 (ii) the name, address, and telephone and facsimile numbers of the applicant's local  
158.20 representative;

158.21 (iii) proof of adequate insurance; and

158.22 (iv) other information deemed reasonably necessary by the local government unit for  
158.23 the efficient administration of the public right-of-way; and

158.24 (3) require telecommunications right-of-way users to submit to the local government  
158.25 unit plans for construction and major maintenance that provide reasonable notice to the  
158.26 local government unit of projects that the telecommunications right-of-way user expects to  
158.27 undertake that may require excavation and obstruction of public rights-of-way.

158.28 (c) A local government unit may also require a telecommunications right-of-way user  
158.29 that is registered with the local government unit pursuant to paragraph (b), clause (2), to  
158.30 periodically update the information in its registration application.

158.31 (d) Notwithstanding sections 394.34 and 462.355, or any other law, a local government  
158.32 unit must not establish a moratorium with respect to:

159.1 (1) filing, receiving, or processing applications for right-of-way or small wireless facility  
 159.2 permits; or

159.3 (2) issuing or approving right-of-way or small wireless facility permits.

159.4 (e) A telecommunications right-of-way user may place a new wireless support structure  
 159.5 or collocate small wireless facilities on wireless support structures located within a public  
 159.6 right-of-way, subject to the approval procedures under this section and, for collocation on  
 159.7 wireless support structures owned by a local government unit, the reasonable terms,  
 159.8 conditions, and rates set forth under this section. A local government unit may prohibit,  
 159.9 regulate, or charge a fee to install wireless support structures or to collocate small wireless  
 159.10 facilities only as provided in this section.

159.11 (f) The placement of small wireless facilities and wireless support structures to  
 159.12 accommodate small wireless facilities are a permitted use in a public right-of-way, except  
 159.13 that a local government unit may require a person to obtain a special or conditional land  
 159.14 use permit to install a new wireless support structure for the siting of a small wireless facility  
 159.15 in a right-of-way in a district or area zoned for single-family residential use or within a  
 159.16 historic district established by federal or state law or city ordinance as of the date of  
 159.17 application for a small wireless facility permit. This paragraph does not apply to areas  
 159.18 outside a public right-of-way that are zoned and used exclusively for single-family residential  
 159.19 use.

159.20 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
 159.21 that paragraph (d) is effective January 1, 2018, for a local government unit that has not  
 159.22 enacted an ordinance regulating public rights-of-way as of May 18, 2017.

159.23 Sec. 13. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision  
 159.24 to read:

159.25 **Subd. 3a. Small wireless facility permits; general.** (a) A local government unit:

159.26 (1) may require a telecommunications right-of-way user to obtain a permit or permits  
 159.27 under this section to place a new wireless support structure or collocate a small wireless  
 159.28 facility in a public right-of-way managed by the local government unit;

159.29 (2) must not require an applicant for a small wireless facility permit to provide any  
 159.30 information that:

159.31 (i) has previously been provided to the local government unit by the applicant in an  
 159.32 application for a small wireless permit, which specific reference shall be provided to the  
 159.33 local government unit by the applicant; and

160.1 (ii) is not reasonably necessary to review a permit application for compliance with  
160.2 generally applicable and reasonable health, safety, and welfare regulations, and to  
160.3 demonstrate compliance with applicable Federal Communications Commission regulations  
160.4 governing radio frequency exposure, or other information required by this section;

160.5 (3) must ensure that any application for a small wireless facility permit is processed on  
160.6 a nondiscriminatory basis; and

160.7 (4) must specify that the term of a small wireless facility permit is equal to the length  
160.8 of time that the small wireless facility is in use, unless the permit is revoked under this  
160.9 section.

160.10 (b) An applicant may file a consolidated permit application to collocate up to 15 small  
160.11 wireless facilities, or a greater number if agreed to by a local government unit, provided  
160.12 that all the small wireless facilities in the application:

160.13 (1) are located within a two-mile radius;

160.14 (2) consist of substantially similar equipment; and

160.15 (3) are to be placed on similar types of wireless support structures.

160.16 In rendering a decision on a consolidated permit application, a local government unit may  
160.17 approve a permit for some small wireless facilities and deny a permit for others, but may  
160.18 not use denial of one or more permits as a basis to deny all the small wireless facilities in  
160.19 the application.

160.20 (c) If a local government unit receives applications within a single seven-day period  
160.21 from one or more applicants seeking approval of permits for more than 30 small wireless  
160.22 facilities, the local government unit may extend the 90-day deadline imposed in subdivision  
160.23 3c by an additional 30 days. If a local government unit elects to invoke this extension, it  
160.24 must inform in writing any applicant to whom the extension will be applied.

160.25 (d) A local government unit is prohibited from requiring a person to pay a small wireless  
160.26 facility permit fee, obtain a small wireless facility permit, or enter into a small wireless  
160.27 facility collocation agreement solely in order to conduct any of the following activities:

160.28 (1) routine maintenance of a small wireless facility;

160.29 (2) replacement of a small wireless facility with a new facility that is substantially similar  
160.30 or smaller in size, weight, height, and wind or structural loading than the small wireless  
160.31 facility being replaced; or

161.1 (3) installation, placement, maintenance, operation, or replacement of micro wireless  
161.2 facilities that are suspended on cables strung between existing utility poles in compliance  
161.3 with national safety codes.

161.4 A local government unit may require advance notification of these activities if the work  
161.5 will obstruct a public right-of-way.

161.6 (e) Nothing in this subdivision affects the need for an entity seeking to place a small  
161.7 wireless facility on a wireless support structure that is not owned by a local government  
161.8 unit to obtain from the owner of the wireless support structure any necessary authority to  
161.9 place the small wireless facility, nor shall any provision of this chapter be deemed to affect  
161.10 the rates, terms, and conditions for access to or placement of a small wireless facility or a  
161.11 wireless support structure not owned by a local government unit. This subdivision does not  
161.12 affect any existing agreement between a local government unit and an entity concerning  
161.13 the placement of small wireless facilities on local government unit-owned wireless support  
161.14 structures.

161.15 (f) No later than six months after the effective date of this act or three months after  
161.16 receiving a small wireless facility permit application from a wireless service provider, a  
161.17 local government unit that has elected to set forth terms and conditions of collocation in a  
161.18 standard small wireless facility collocation agreement shall develop and make available an  
161.19 agreement that complies with the requirements of this section and section 237.162. A  
161.20 standard small wireless facility collocation agreement shall be substantially complete.  
161.21 Notwithstanding any law to the contrary, the parties to a small wireless facility collocation  
161.22 agreement may incorporate additional terms and conditions mutually agreed upon into a  
161.23 small wireless facility collocation agreement. A small wireless facility collocation agreement  
161.24 between a local government unit and a wireless service provider is considered public data  
161.25 not on individuals and is accessible to the public under section 13.03.

161.26 (g) An approval of a small wireless facility permit under this section authorizes the  
161.27 installation, placement, maintenance, or operation of a small wireless facility to provide  
161.28 wireless service and shall not be construed to confer authorization to (1) provide any service  
161.29 other than a wireless service, or (2) install, place, maintain, or operate a wireline backhaul  
161.30 facility in the right-of-way.

161.31 (h) The terms and conditions of collocation under this subdivision:

161.32 (1) may be set forth in a small wireless facility collocation agreement, if a local  
161.33 government unit elects to utilize such an agreement;

161.34 (2) must be nondiscriminatory, competitively neutral, and commercially reasonable; and

162.1 (3) must comply with this section and section 237.162.

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

162.3 Sec. 14. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision  
162.4 to read:

162.5 **Subd. 3b. Small wireless facility permits; placement.** (a) A local government unit may  
162.6 not require the placement of small wireless facilities on any specific wireless support structure  
162.7 other than the wireless support structure proposed in the permit application.

162.8 (b) A local government unit must not limit the placement of small wireless facilities,  
162.9 either by minimum separation distances between small wireless facilities or maximum  
162.10 height limitations, except that each wireless support structure installed in the right-of-way  
162.11 after the effective date of this act shall not exceed 50 feet above ground level, unless the  
162.12 local government unit agrees to a greater height, subject to local zoning regulations, and  
162.13 may be subject to separation requirements in relation to other wireless support structures.

162.14 (c) Notwithstanding paragraph (b), a wireless support structure that replaces an existing  
162.15 wireless support structure that is higher than 50 feet above ground level may be placed at  
162.16 the height of the existing wireless support structure, unless the local government unit agrees  
162.17 to a greater height, subject to local zoning regulations.

162.18 (d) Wireless facilities constructed in the right-of-way after the effective date of this act  
162.19 may not extend more than ten feet above an existing wireless support structure in place as  
162.20 of the effective date of this act.

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

162.22 Sec. 15. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision  
162.23 to read:

162.24 **Subd. 3c. Small wireless facility permits; approval.** (a) Except as provided in  
162.25 subdivision 4, a local government unit shall issue a small wireless facility permit to a  
162.26 telecommunications right-of-way user seeking to install a new or replacement wireless  
162.27 support structure for a small wireless facility, or to collocate a small wireless facility on a  
162.28 wireless support structure in a public right-of-way. In processing and approving a small  
162.29 wireless facility permit, a local government unit may condition its approval on compliance  
162.30 with:

162.31 (1) generally applicable and reasonable health, safety, and welfare regulations consistent  
162.32 with the local government unit's public right-of-way management;

- 163.1 (2) reasonable accommodations for decorative wireless support structures or signs; and  
163.2 (3) any reasonable restocking, replacement, or relocation requirements when a new  
163.3 wireless support structure is placed in a public right-of-way.
- 163.4 (b) A local government unit has 90 days after the date a small wireless facility permit  
163.5 application is filed to issue or deny the permit, or the permit is automatically issued. To toll  
163.6 the 90-day clock, the local government unit must provide a written notice of incompleteness  
163.7 to the applicant within 30 days of receipt of the application, clearly and specifically  
163.8 delineating all missing documents or information. Information delineated in the notice is  
163.9 limited to documents or information publicly required as of the date of application and  
163.10 reasonably related to a local government unit's determination whether the proposed equipment  
163.11 falls within the definition of a small wireless facility and whether the proposed deployment  
163.12 satisfies all health, safety, and welfare regulations applicable to the small wireless facility  
163.13 permit request. Upon an applicant's submittal of additional documents or information in  
163.14 response to a notice of incompleteness, the local government unit has ten days to notify the  
163.15 applicant in writing of any information requested in the initial notice of incompleteness that  
163.16 is still missing. Second or subsequent notices of incompleteness may not specify documents  
163.17 or information that were not delineated in the original notice of incompleteness. Requests  
163.18 for information not requested in the initial notice of incompleteness do not toll the 90-day  
163.19 clock. Parties can mutually agree in writing to toll the 90-day clock at any time. Section  
163.20 15.99 does not apply to this paragraph or paragraph (c).
- 163.21 For the purposes of this subdivision, "toll the 90-day clock" means to halt the progression  
163.22 of days that count towards the 90-day deadline.
- 163.23 (c) Except as provided in subdivision 3a, paragraph (c), a small wireless facility permit  
163.24 and any associated encroachment or building permit required by a local government unit,  
163.25 are deemed approved if the local government unit fails to approve or deny the application  
163.26 within 90 days after the permit application has been filed, unless the applicant and the local  
163.27 government unit have mutually agreed in writing to extend the 90-day deadline.
- 163.28 (d) Nothing in this subdivision precludes a local government unit from applying generally  
163.29 applicable and reasonable health, safety, and welfare regulations when evaluating and  
163.30 deciding to approve or deny a small wireless facility permit.
- 163.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

164.1 Sec. 16. Minnesota Statutes 2016, section 237.163, subdivision 4, is amended to read:

164.2 Subd. 4. **Permit denial or revocation.** (a) A local government unit may deny any  
164.3 application for a right-of-way or small wireless facility permit if the telecommunications  
164.4 right-of-way user does not comply with a provision of this section.

164.5 (b) A local government unit may deny an application for a right-of-way permit if the  
164.6 local government unit determines that the denial is necessary to protect the health, safety,  
164.7 and welfare or when necessary to protect the public right-of-way and its current use.

164.8 (c) A local government unit may revoke a right-of-way or small wireless facility permit  
164.9 granted to a telecommunications right-of-way user, with or without fee refund, in the event  
164.10 of a substantial breach of the terms and conditions of statute, ordinance, rule, or regulation  
164.11 or any material condition of the permit. A substantial breach by a permittee includes, but  
164.12 is not limited to, the following:

164.13 (1) a material violation of a provision of the right-of-way or small wireless facility  
164.14 permit;

164.15 (2) an evasion or attempt to evade any material provision of the right-of-way or small  
164.16 wireless facility permit, or the perpetration or attempt to perpetrate any fraud or deceit upon  
164.17 the local government unit or its citizens;

164.18 (3) a material misrepresentation of fact in the right-of-way or small wireless facility  
164.19 permit application;

164.20 (4) a failure to complete work in a timely manner, unless a permit extension is obtained  
164.21 or unless the failure to complete work is due to reasons beyond the permittee's control; and

164.22 (5) a failure to correct, in a timely manner, work that does not conform to applicable  
164.23 standards, conditions, or codes, upon inspection and notification by the local government  
164.24 unit of the faulty condition.

164.25 (d) Subject to this subdivision, a local government unit may not deny an application for  
164.26 a right-of-way or small wireless facility permit for failure to include a project in a plan  
164.27 submitted to the local government unit under subdivision 2, paragraph (b), clause (3), when  
164.28 the telecommunications right-of-way user has used commercially reasonable efforts to  
164.29 anticipate and plan for the project.

164.30 (e) In no event may a local government unit unreasonably withhold approval of an  
164.31 application for a right-of-way or small wireless facility permit, or unreasonably revoke a  
164.32 permit.

165.1 (f) Any denial or revocation of a right-of-way or small wireless facility permit must be  
 165.2 made in writing and must document the basis for the denial. The local government unit must  
 165.3 notify the telecommunications right-of-way user in writing within three business days of  
 165.4 the decision to deny or revoke a permit. If a permit application is denied, the  
 165.5 telecommunications right-of-way user may cure the deficiencies identified by the local  
 165.6 government unit and resubmit its application. If the telecommunications right-of-way user  
 165.7 resubmits the application within 30 days of receiving written notice of the denial, it may  
 165.8 not be charged an additional filing or processing fee. The local government unit must approve  
 165.9 or deny the revised application within 30 days after the revised application is submitted.

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

165.11 Sec. 17. Minnesota Statutes 2016, section 237.163, subdivision 6, is amended to read:

165.12 Subd. 6. **Fees.** (a) A local government unit may recover its right-of-way management  
 165.13 costs by imposing a fee for registration, a fee for each right-of-way or small wireless facility  
 165.14 permit, or, when appropriate, a fee applicable to a particular telecommunications right-of-way  
 165.15 user when that user causes the local government unit to incur costs as a result of actions or  
 165.16 inactions of that user. A local government unit may not recover costs from a  
 165.17 telecommunications right-of-way user costs or an owner of a cable communications system  
 165.18 awarded a franchise under chapter 238 caused by another entity's activity in the right-of-way.

165.19 (b) Fees, or other right-of-way obligations, imposed by a local government unit on  
 165.20 telecommunications right-of-way users under this section must be:

165.21 (1) based on the actual costs incurred by the local government unit in managing the  
 165.22 public right-of-way;

165.23 (2) based on an allocation among all users of the public right-of-way, including the local  
 165.24 government unit itself, which shall reflect the proportionate costs imposed on the local  
 165.25 government unit by each of the various types of uses of the public rights-of-way;

165.26 (3) imposed on a competitively neutral basis; and

165.27 (4) imposed in a manner so that aboveground uses of public rights-of-way do not bear  
 165.28 costs incurred by the local government unit to regulate underground uses of public  
 165.29 rights-of-way.

165.30 (c) The rights, duties, and obligations regarding the use of the public right-of-way  
 165.31 imposed under this section must be applied to all users of the public right-of-way, including  
 165.32 the local government unit while recognizing regulation must reflect the distinct engineering,  
 165.33 construction, operation, maintenance and public and worker safety requirements, and

166.1 standards applicable to various users of the public rights-of-way. For users subject to the  
166.2 franchising authority of a local government unit, to the extent those rights, duties, and  
166.3 obligations are addressed in the terms of an applicable franchise agreement, the terms of  
166.4 the franchise shall prevail over any conflicting provision in an ordinance.

166.5 (d) A wireless service provider may collocate small wireless facilities on wireless support  
166.6 structures owned or controlled by a local government unit and located within the public  
166.7 roads or rights-of-way without being required to apply for or enter into any individual  
166.8 license, franchise, or other agreement with the local government unit or any other entity,  
166.9 other than a standard small wireless facility collocation agreement under subdivision 3a,  
166.10 paragraph (f), if the local unit of government elects to utilize such an agreement.

166.11 (e) Any initial engineering survey and preparatory construction work associated with  
166.12 collocation must be paid by the cost causer in the form of a onetime, nonrecurring,  
166.13 commercially reasonable, nondiscriminatory, and competitively neutral charge to recover  
166.14 the costs associated with a proposed attachment.

166.15 (f) Total application fees for a small wireless facility permit must comply with this  
166.16 subdivision with respect to costs related to the permit.

166.17 (g) A local government unit may elect to charge each small wireless facility attached to  
166.18 a wireless support structure owned by the local government unit a fee, in addition to other  
166.19 fees or charges allowed under this subdivision, consisting of:

166.20 (1) up to \$150 per year for rent to occupy space on a wireless support structure;

166.21 (2) up to \$25 per year for maintenance associated with the space occupied on a wireless  
166.22 support structure; and

166.23 (3) a monthly fee for electricity used to operate a small wireless facility, if not purchased  
166.24 directly from a utility, at the rate of:

166.25 (i) \$73 per radio node less than or equal to 100 max watts;

166.26 (ii) \$182 per radio node over 100 max watts; or

166.27 (iii) the actual costs of electricity, if the actual costs exceed the amount in item (i) or

166.28 (ii).

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

167.1 Sec. 18. Minnesota Statutes 2016, section 237.163, subdivision 7, is amended to read:

167.2 Subd. 7. **Additional right-of-way provisions.** (a) In managing the public rights-of-way  
167.3 and in imposing fees under this section, no local government unit may:

167.4 (1) unlawfully discriminate among telecommunications right-of-way users;

167.5 (2) grant a preference to any telecommunications right-of-way user;

167.6 (3) create or erect any unreasonable requirement for entry to the public rights-of-way  
167.7 by telecommunications right-of-way users; or

167.8 (4) require a telecommunications right-of-way user to obtain a franchise or pay for the  
167.9 use of the right-of-way.

167.10 (b) A telecommunications right-of-way user need not apply for or obtain right-of-way  
167.11 permits for facilities that are located in public rights-of-way on May 10, 1997, for which  
167.12 the user has obtained the required consent of the local government unit, or that are otherwise  
167.13 lawfully occupying the public right-of-way. However, the telecommunications right-of-way  
167.14 user may be required to register and to obtain a right-of-way permit for an excavation or  
167.15 obstruction of existing facilities within the public right-of-way after May 10, 1997.

167.16 (c) Data and documents exchanged between a local government unit and a  
167.17 telecommunications right-of-way user are subject to the terms of chapter 13. A local  
167.18 government unit not complying with this paragraph is subject to the penalties set forth in  
167.19 section 13.08.

167.20 (d) A local government unit may not collect a fee imposed under this section through  
167.21 the provision of in-kind services by a telecommunications right-of-way user, nor may a  
167.22 local government unit require the provision of in-kind services as a condition of consent to  
167.23 use the local government unit's public right-of-way or to obtain a small wireless facility  
167.24 permit.

167.25 (e) Except as provided in this chapter or required by federal law, a local government  
167.26 unit shall not adopt or enforce any regulation on the placement or operation of  
167.27 communications facilities in the right-of-way where the entity is already authorized to  
167.28 operate in the right-of-way, and shall not regulate or impose or collect fees on  
167.29 communications services except to the extent specifically provided for in the existing  
167.30 authorization, and unless expressly required by state or federal statute.

168.1 Sec. 19. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision  
168.2 to read:

168.3 Subd. 9. **Authorized contractors.** (a) Nothing in this section precludes a  
168.4 telecommunications right-of-way user from authorizing another entity or individual to act  
168.5 on its behalf to install, construct, maintain, or repair a facility or facilities owned or controlled  
168.6 by the telecommunications right-of-way user.

168.7 (b) A local government unit is prohibited from imposing fees or requirements on an  
168.8 authorized entity or individual for actions on behalf of a telecommunications right-of-way  
168.9 user that are in addition to or different from the fees and requirements it is authorized to  
168.10 impose on the telecommunications right-of-way user under this section.

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

168.12 Sec. 20. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision  
168.13 to read:

168.14 Subd. 10. **Exemptions.** (a) Notwithstanding any other provision in this chapter, this  
168.15 section does not apply to a wireless support structure owned, operated, maintained, or served  
168.16 by a municipal electric utility.

168.17 (b) Subdivisions 3a, 3b, 3c, and subdivision 6, paragraphs (d) through (g), and subdivision  
168.18 7, paragraph (e), do not apply to the collocation or regulation of small wireless facilities  
168.19 issued a permit by a local government unit before the effective date of this act under an  
168.20 ordinance enacted before May 18, 2017, that regulates the collocation of small wireless  
168.21 facilities.

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

## 168.23 **ARTICLE 10**

### 168.24 **ENERGY POLICY**

168.25 Section 1. Minnesota Statutes 2016, section 3.8851, subdivision 1, is amended to read:

168.26 Subdivision 1. **Establishment.** (a) There is established a Legislative Energy Commission  
168.27 to study and to make recommendations for legislation concerning issues related to its duties  
168.28 under subdivision 3.

168.29 (b) The commission consists of:

168.30 (1) ~~ten~~ nine members of the house of representatives, five of whom are appointed by  
168.31 the speaker of the house; and four of whom ~~must be from~~ are appointed by the leader of the

169.1 minority caucus, ~~and including the chair of the committee with primary jurisdiction over~~  
 169.2 ~~energy policy; the chair or another member of each of the committees with primary~~  
 169.3 ~~jurisdiction over environmental policy, agricultural policy, and transportation policy; and~~

169.4 (2) ~~ten~~ nine members of the senate ~~to be~~, five of whom are appointed by the Subcommittee  
 169.5 ~~on Committees~~, leader of the majority caucus and four of whom must be from are appointed  
 169.6 by the leader of the minority caucus, ~~and including the chair of the committee with primary~~  
 169.7 ~~jurisdiction over energy policy; and the chair or another member of each of the committees~~  
 169.8 ~~with primary jurisdiction over environmental policy, agricultural policy, and transportation~~  
 169.9 ~~policy.~~

169.10 (c) The commission may employ full-time and part-time staff, contract for consulting  
 169.11 services, and may reimburse the expenses of persons requested to assist it in its duties. The  
 169.12 director of the Legislative Coordinating Commission shall assist the commission in  
 169.13 administrative matters. The commission shall elect cochairs, one member of the house of  
 169.14 representatives and one member of the senate from among the committee and subcommittee  
 169.15 chairs named to the commission. The commission members from the house of representatives  
 169.16 shall elect the house of representatives cochair, and the commission members from the  
 169.17 senate shall elect the senate cochair.

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

169.19 Sec. 2. Minnesota Statutes 2016, section 16B.323, is amended to read:

169.20 **16B.323 SOLAR ENERGY IN STATE BUILDINGS.**

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

169.23 (b) ~~"Made in Minnesota" means the manufacture in this state of:~~

169.24 (1) ~~components of a solar thermal system certified by the Solar Rating and Certification~~  
 169.25 ~~Corporation; or~~

169.26 (2) ~~solar photovoltaic modules that:~~

169.27 (i) ~~are manufactured at a manufacturing facility in Minnesota that is registered and~~  
 169.28 ~~authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory,~~  
 169.29 ~~CSA International, Intertek, or an equivalent independent testing agency;~~

169.30 (ii) ~~bear certification marks from Underwriters Laboratory, CSA International, Intertek,~~  
 169.31 ~~or an equivalent independent testing agency; and~~

170.1 ~~(iii) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses~~  
 170.2 ~~(1), (5), and (6).~~

170.3 ~~For the purposes of clause (2), "manufactured" has the meaning given in section~~  
 170.4 ~~116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~

170.5 ~~(e)~~ (b) "Major renovation" means a substantial addition to an existing building, or a  
 170.6 substantial change to the interior configuration or the energy system of an existing building.

170.7 ~~(d)~~ (c) "Solar energy system" means solar photovoltaic ~~modules~~ devices alone or installed  
 170.8 in conjunction with a solar thermal system.

170.9 ~~(e) "Solar Photovoltaic module~~ (d) "Photovoltaic device" has the meaning given in  
 170.10 section ~~116C.7791, subdivision 1, paragraph (e)~~ 216C.06, subdivision 16.

170.11 ~~(f)~~ (e) "Solar thermal system" has the meaning given "qualifying solar thermal project"  
 170.12 in section 216B.2411, subdivision 2, paragraph (e).

170.13 ~~(g)~~ (f) "State building" means a building whose construction or renovation is paid wholly  
 170.14 or in part by the state from the bond proceeds fund.

170.15 Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for  
 170.16 the construction or major renovation of a state building, after the completion of a cost-benefit  
 170.17 analysis, may include installation of "~~Made in Minnesota~~" solar energy systems of ~~40~~ up  
 170.18 to 300 kilowatts capacity on, adjacent, or in proximity to the state building.

170.19 (b) The capacity of a solar energy system must be less than ~~40~~ 300 kilowatts to the extent  
 170.20 necessary to match the electrical load of the building, ~~or to the extent the capacity must be~~  
 170.21 no more than necessary to keep the costs for the installation below the five percent maximum  
 170.22 set by paragraph (c).

170.23 (c) The cost of the solar energy system must not exceed five percent of the appropriations  
 170.24 from the bond proceeds fund for the construction or renovation of the state building. Purchase  
 170.25 and installation of a solar thermal system may account for no more than 25 percent of the  
 170.26 cost of a solar energy system installation.

170.27 (d) A project subject to this section is ineligible to receive a rebate for the installation  
 170.28 of a solar energy system under section 116C.7791 or from any utility.

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

171.1 Sec. 3. Minnesota Statutes 2016, section 116C.779, subdivision 1, is amended to read:

171.2 Subdivision 1. **Renewable development account.** (a) The renewable development  
171.3 account is established as a separate account in the special revenue fund in the state treasury.  
171.4 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
171.5 as interest, dividends, and any other earnings arising from assets of the account, shall be  
171.6 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
171.7 canceled to the general fund but remain in the account until expended. The account shall  
171.8 be administered by the commissioner of management and budget as provided under this  
171.9 section.

171.10 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
171.11 plant must transfer all funds in the renewable development account previously established  
171.12 under this subdivision and managed by the public utility to the renewable development  
171.13 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
171.14 that have not yet been expended and unencumbered funds required to be paid in calendar  
171.15 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject  
171.16 to transfer under this paragraph.

171.17 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
171.18 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
171.19 plant must transfer to a ~~renewable development~~ renewable development account \$500,000  
171.20 each year for each dry cask containing spent fuel that is located at the Prairie Island power  
171.21 plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in  
171.22 operation if ordered by the commission pursuant to paragraph ~~(e)~~ (i). The fund transfer must  
171.23 be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility  
171.24 at Prairie Island for any part of a year.

171.25 ~~(b)~~ (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
171.26 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
171.27 plant must transfer to the renewable development account \$350,000 each year for each dry  
171.28 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
171.29 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
171.30 by the commission pursuant to paragraph ~~(e)~~ (i). The fund transfer must be made if nuclear  
171.31 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
171.32 any part of a year.

172.1 (e) Each year, the public utility shall withhold from the funds transferred to the renewable  
172.2 development account under paragraphs (c) and (d) the amount necessary to pay its obligations  
172.3 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

172.4 (f) If the commission approves a new or amended power purchase agreement, the  
172.5 termination of a power purchase agreement, or the purchase and closure of a facility under  
172.6 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
172.7 the public utility subject to this section shall enter into a contract with the city in which the  
172.8 poultry litter plant is located to provide grants to the city for the purposes of economic  
172.9 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
172.10 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
172.11 by the public utility from funds withheld from the transfer to the renewable development  
172.12 account, as provided in paragraphs (b) and (e).

172.13 (g) If the commission approves a new or amended power purchase agreement, or the  
172.14 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
172.15 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
172.16 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
172.17 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
172.18 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
172.19 30 days after the commission approves the new or amended power purchase agreement, or  
172.20 the termination of the power purchase agreement, and on each June 1 thereafter through  
172.21 2021, to assist the transition required by the new, amended, or terminated power purchase  
172.22 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
172.23 to the renewable development account as provided in paragraphs (b) and (e).

172.24 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
172.25 and (g) is limited to the amount deposited into the renewable development account, and its  
172.26 predecessor, the renewable development account, established under this section, that was  
172.27 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
172.28 10.

172.29 ~~(e)~~ (i) After discontinuation of operation of the Prairie Island nuclear plant or the  
172.30 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
172.31 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
172.32 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
172.33 facility for any year in which the commission finds, by the preponderance of the evidence,  
172.34 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored

173.1 at the facility to a permanent or interim storage site out of the state. This determination shall  
 173.2 be made at least every two years.

173.3 ~~(d)~~ (j) Funds in the account may be expended only for any of the following purposes:

173.4 ~~(1) to increase the market penetration within the state of renewable electric energy~~  
 173.5 ~~resources at reasonable costs;~~

173.6 ~~(2) to promote the start-up, expansion, and attraction of renewable electric energy projects~~  
 173.7 ~~and companies within the state;~~

173.8 ~~(3) to stimulate research and development within the state into~~ of renewable electric  
 173.9 energy technologies; ~~and~~

173.10 ~~(4) to develop near-commercial and demonstration scale renewable electric projects or~~  
 173.11 ~~near-commercial and demonstration scale electric infrastructure delivery projects if those~~  
 173.12 ~~delivery projects enhance the delivery of renewable electric energy~~

173.13 (2) to encourage grid modernization, including, but not limited to, projects that implement  
 173.14 electricity storage, load control, and smart meter technology; and

173.15 (3) to stimulate other innovative energy projects that reduce demand and increase system  
 173.16 efficiency and flexibility.

173.17 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
 173.18 from the utility that owns a nuclear-powered electric generating plant in this state or the  
 173.19 Prairie Island Indian community or its members.

173.20 The utility that owns a nuclear generating plant is eligible to apply for ~~renewable development~~  
 173.21 ~~account~~ grants under this subdivision.

173.22 (k) For the purposes of paragraph (j), the following terms have the meanings given:

173.23 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
 173.24 (c), clauses (1), (2), (4), and (5); and

173.25 (2) "grid modernization" means:

173.26 (i) enhancing the reliability of the electrical grid;

173.27 (ii) improving the security of the electrical grid against cyberthreats and physical threats;

173.28 and

173.29 (iii) increasing energy conservation opportunities by facilitating communication between  
 173.30 the utility and its customers through the use of two-way meters, control technologies, energy

174.1 storage and microgrids, technologies to enable demand response, and other innovative  
 174.2 technologies.

174.3 ~~(e) Expenditures authorized by this subdivision from the account may be made only~~  
 174.4 ~~after approval by order of the Public Utilities Commission upon a petition by the public~~  
 174.5 ~~utility. The commission may approve proposed expenditures, may disapprove proposed~~  
 174.6 ~~expenditures that it finds to be not in compliance with this subdivision or otherwise not in~~  
 174.7 ~~the public interest, and may, if agreed to by the public utility, modify proposed expenditures.~~  
 174.8 ~~The commission may approve reasonable and necessary expenditures for administering the~~  
 174.9 ~~account in an amount not to exceed five percent of expenditures. Commission approval is~~  
 174.10 ~~not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or~~  
 174.11 ~~other law.~~

174.12 ~~(f) The account shall be managed by the public utility but the public utility must consult~~  
 174.13 ~~about account expenditures with an~~ (l) A renewable development account advisory group  
 174.14 that includes, among others, representatives of the public utility and its ratepayers, and  
 174.15 includes at least one representative of the Prairie Island Indian community appointed by  
 174.16 that community's tribal council, shall develop recommendations on account expenditures.  
 174.17 ~~The commission may require that other interests be represented on the advisory group. The~~  
 174.18 ~~advisory group must be consulted with respect to the general scope of expenditures in~~  
 174.19 ~~designing design a request for proposal and in evaluating evaluate projects submitted in~~  
 174.20 ~~response to a request for proposals. In addition to consulting with~~ The advisory group, ~~the~~  
 174.21 ~~public utility~~ must utilize an independent third-party expert to evaluate proposals submitted  
 174.22 in response to a request for proposal, including all proposals made by the public utility. A  
 174.23 request for proposal for research and development under paragraph ~~(d)~~ (j), clause ~~(3)~~ (1),  
 174.24 may be limited to or include a request to higher education institutions located in Minnesota  
 174.25 for multiple projects authorized under paragraph ~~(d)~~ (j), clause ~~(3)~~ (1). The request for  
 174.26 multiple projects may include a provision that exempts the projects from the third-party  
 174.27 expert review and instead provides for project evaluation and selection by a merit peer  
 174.28 review grant system. ~~The utility should attempt to reach agreement with the advisory group~~  
 174.29 ~~after consulting with it but the utility has full and sole authority to determine which~~  
 174.30 ~~expenditures shall be submitted to the commission for commission approval.~~ In the process  
 174.31 of determining request for proposal scope and subject and in evaluating responses to request  
 174.32 for proposals, the ~~public utility~~ advisory group must strongly consider, where reasonable,  
 174.33 potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

174.34 (m) The advisory group shall submit funding recommendations to the public utility,  
 174.35 which has full and sole authority to determine which expenditures shall be submitted by

175.1 the advisory group to the legislature. The commission may approve proposed expenditures,  
 175.2 may disapprove proposed expenditures that it finds not to be in compliance with this  
 175.3 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,  
 175.4 modify proposed expenditures. The commission shall, by order, submit its funding  
 175.5 recommendations to the legislature as provided under paragraph (n).

175.6 ~~(g) Funds in~~ (n) The commission shall present its recommended appropriations from  
 175.7 the account to the senate and house of representatives committees with jurisdiction over  
 175.8 energy policy and finance annually by February 15. Expenditures from the account may  
 175.9 ~~not must be directly appropriated by the legislature by a law enacted after January 1, 2012,~~  
 175.10 ~~and unless appropriated by a law enacted prior to that date may be expended only pursuant~~  
 175.11 ~~to an order of the commission according to this subdivision. In enacting appropriations from~~  
 175.12 the account, the legislature:

175.13 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
 175.14 a project recommended by the commission; and

175.15 (2) may not appropriate money for a project the commission has not recommended  
 175.16 funding.

175.17 ~~(h) (n)~~ (n) A request for proposal for renewable energy generation projects must, when  
 175.18 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
 175.19 energy source.

175.20 ~~(i) (o)~~ (o) ~~The public utility advisory group~~ must annually, by February 15, report to the  
 175.21 chairs and ranking minority members of the legislative committees with jurisdiction over  
 175.22 energy policy on projects funded by the account for the prior year and all previous years.  
 175.23 The report must, to the extent possible and reasonable, itemize the actual and projected  
 175.24 financial benefit to the public utility's ratepayers of each project.

175.25 (p) By February 1, 2018, and each February 1 thereafter, the commissioner of  
 175.26 management and budget shall submit a written report regarding the availability of funds in  
 175.27 and obligations of the account to the chairs and ranking minority members of the senate  
 175.28 and house committees with jurisdiction over energy policy and finance, the public utility,  
 175.29 and the advisory group.

175.30 ~~(j) (q)~~ (q) A project receiving funds from the account must produce a written final report  
 175.31 that includes sufficient detail for technical readers and a clearly written summary for  
 175.32 nontechnical readers. The report must include an evaluation of the project's financial,  
 175.33 environmental, and other benefits to the state and the public utility's ratepayers.

176.1 ~~(k)~~ (r) Final reports, any mid-project status reports, and renewable development account  
 176.2 financial reports must be posted online on a public Web site designated by the ~~commissioner~~  
 176.3 commissioner of commerce.

176.4 ~~(h)~~ (s) All final reports must acknowledge that the project was made possible in whole  
 176.5 or part by the Minnesota renewable development ~~fund~~ account, noting that the ~~fund~~ account  
 176.6 is financed by the public utility's ratepayers.

176.7 (t) Of the amount in the renewable development account, priority must be given to  
 176.8 making the payments required under section 216C.417.

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

176.10 Sec. 4. Minnesota Statutes 2016, section 116C.7792, is amended to read:

176.11 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

176.12 The utility subject to section 116C.779 shall operate a program to provide solar energy  
 176.13 production incentives for solar energy systems of no more than a total nameplate capacity  
 176.14 of 20 kilowatts direct current. The program shall be operated for ~~five~~ eight consecutive  
 176.15 calendar years commencing in 2014. \$5,000,000 shall be allocated ~~for~~ in each of the ~~five~~  
 176.16 first four years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh  
 176.17 years, and \$5,000,000 in the eighth year from funds withheld from transfer to the renewable  
 176.18 development account established in section 116C.779 to a separate under section 116C.779,  
 176.19 subdivision 1, paragraphs (b) and (e), and placed in a separate account for the purpose of  
 176.20 the solar production incentive program. The solar system must be sized to less than 120  
 176.21 percent of the customer's on-site annual energy consumption. The production incentive  
 176.22 must be paid for ten years commencing with the commissioning of the system. The utility  
 176.23 must file a plan to operate the program with the commissioner of commerce. The utility  
 176.24 may not operate the program until it is approved by the commissioner.

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

176.26 Sec. 5. Minnesota Statutes 2016, section 216B.164, subdivision 2, is amended to read:

176.27 Subd. 2. **Applicability; rights maintained.** (a) This section as well as any rules  
 176.28 promulgated by the commission to implement this section or the Public Utility Regulatory  
 176.29 Policies Act of 1978, Public Law 95-617, Statutes at Large, volume 92, page 3117, as  
 176.30 amended, and the Federal Energy Regulatory Commission regulations thereunder, Code of  
 176.31 Federal Regulations, title 18, part 292, as amended, shall, unless otherwise provided in this

177.1 section, apply to all Minnesota electric utilities, including cooperative electric associations  
177.2 and municipal electric utilities.

177.3 (b) Nothing in this section shall be construed to alter the rights and duties of any person  
177.4 pursuant to the Public Utility Regulatory Policies Act of 1978, Public Law 95-617, Statutes  
177.5 at Large, volume 92, page 3117, as amended, and the Federal Energy Regulatory Commission  
177.6 regulations thereunder, Code of Federal Regulations, title 18, part 292, as amended.

177.7 Sec. 6. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

177.8 Subd. 5. **Dispute; resolution.** (a) In the event of disputes between ~~an electric~~ a public  
177.9 utility and a qualifying facility, either party may request a determination of the issue by the  
177.10 commission. In any such determination, the burden of proof shall be on the public utility.  
177.11 The commission in its order resolving each such dispute shall require payments to the  
177.12 prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys'  
177.13 fees, except that the qualifying facility will be required to pay the costs, disbursements, and  
177.14 attorneys' fees of the public utility only if the commission finds that the claims of the  
177.15 qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

177.16 (b) Notwithstanding subdivisions 9 and 11, a qualifying facility over 20 megawatts may,  
177.17 until December 31, 2022, request that the commission resolve a dispute with any utility,  
177.18 including a cooperative electric association or municipal utility, under paragraph (a).

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

177.20 Sec. 7. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

177.21 Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision~~  
177.22 ~~5,~~ and with respect to municipal electric utilities only, the term "commission" means the  
177.23 governing body of each municipal electric utility that adopts and has in effect rules  
177.24 implementing this section which are consistent with the rules adopted by the Minnesota  
177.25 Public Utilities Commission under subdivision 6. As used in this subdivision, the governing  
177.26 body of a municipal electric utility means the city council of that municipality; except that,  
177.27 if another board, commission, or body is empowered by law or resolution of the city council  
177.28 or by its charter to establish and regulate rates and days for the distribution of electric energy  
177.29 within the service area of the city, that board, commission, or body shall be considered the  
177.30 governing body of the municipal electric utility.

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

178.1 Sec. 8. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision  
178.2 to read:

178.3 Subd. 11. **Cooperative electric association.** (a) For purposes of this section only, the  
178.4 term "commission" means the board of directors of a cooperative association that (1) elects,  
178.5 by resolution, to assume the authority delegated to the Public Utilities Commission over  
178.6 cooperative electric associations under this section, and (2) adopts and has in effect rules  
178.7 implementing this section. The rules must provide for a process to resolve disputes that  
178.8 arise under this section, and must include a provision that a request by either party for  
178.9 mediation of the dispute by an independent third party must be implemented in accordance  
178.10 with paragraph (b). A cooperative electric association that has adopted a resolution and  
178.11 rules under this subdivision is exempt from regulation by the Public Utilities Commission  
178.12 under this section.

178.13 (b) In the event of a dispute between a cooperative electric association and one or more  
178.14 of its members, either party may request mediation of the dispute only after all attempts to  
178.15 settle the dispute under the cooperative electric association's dispute resolution process have  
178.16 been exhausted. The parties must mutually agree upon the selection of a mediator, who  
178.17 must be listed on the roster of neutrals for civil matters established by the state court  
178.18 administrator under Rule 114.12 of Minnesota's General Rules of Practice for the District  
178.19 Courts. The cooperative electric association shall pay 90 percent of the cost of mediation,  
178.20 and the member or members who initiated the dispute shall pay ten percent of the cost of  
178.21 mediation.

178.22 (c) Except as provided in paragraph (d), any proceedings concerning the activities of a  
178.23 cooperative electric association under this section that are pending at the Public Utilities  
178.24 Commission on the effective date of this section are terminated on that date.

178.25 (d) The Public Utilities Commission may complete its investigation in Docket No. 16-512  
178.26 to assess whether the methodology used by cooperative associations to establish a fee under  
178.27 section 216B.164, subdivision 3, paragraph (a), complies with state law if the commission  
178.28 determines that completing the investigation is necessary to protect the public interest, in  
178.29 which case it shall complete the investigation no later than December 31, 2017. A  
178.30 methodology that the commission determines complies with state law may not be challenged  
178.31 in a dispute under this section. If the commission determines that a methodology does not  
178.32 comply with state law, it shall clearly state the changes necessary to bring the methodology  
178.33 into compliance, and a cooperative electric association shall modify its methodology in  
178.34 accordance with the commission's directives.

179.1 (e) For a cooperative electric association that elects to operate under the provisions of  
 179.2 paragraph (a), disputes arising under this section subsequent to a cooperative electric  
 179.3 association's modification of its methodology under paragraph (d) shall be addressed under  
 179.4 the cooperative association's rules and paragraph (b), as applicable.

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

179.6 Sec. 9. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

179.7 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a  
 179.8 and 2b, each public utility shall generate or procure sufficient electricity generated by solar  
 179.9 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at  
 179.10 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is  
 179.11 generated by solar energy.

179.12 (b) For a public utility with more than 200,000 retail electric customers, at least ten  
 179.13 percent of the 1.5 percent goal must be met by solar energy generated by or procured from  
 179.14 solar photovoltaic devices with a nameplate capacity of 20 kilowatts or less.

179.15 (c) A public utility with between 50,000 and 200,000 retail electric customers:

179.16 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by  
 179.17 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or  
 179.18 less; and

179.19 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions  
 179.20 of 40 kilowatts or less to a community solar garden program operated by the public utility  
 179.21 that has been approved by the commission.

179.22 ~~(b)~~ (d) The solar energy standard established in this subdivision is subject to all the  
 179.23 provisions of this section governing a utility's standard obligation under subdivision 2a.

179.24 ~~(e)~~ (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the  
 179.25 retail electric sales in Minnesota be generated by solar energy.

179.26 ~~(d)~~ (f) For the purposes of calculating the total retail electric sales of a public utility  
 179.27 under this subdivision, there shall be excluded retail electric sales to customers that are:

179.28 (1) an iron mining extraction and processing facility, including a scam mining facility  
 179.29 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

179.30 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board  
 179.31 manufacturer.

180.1 Those customers may not have included in the rates charged to them by the public utility  
180.2 any costs of satisfying the solar standard specified by this subdivision.

180.3 ~~(e)~~(g) A public utility may not use energy used to satisfy the solar energy standard under  
180.4 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may  
180.5 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the  
180.6 solar standard under this subdivision.

180.7 ~~(f)~~(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated  
180.8 with a solar photovoltaic device installed and generating electricity in Minnesota after  
180.9 August 1, 2013, but before 2020 may be used to meet the solar energy standard established  
180.10 under this subdivision.

180.11 ~~(g)~~(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall  
180.12 file a report with the commission reporting its progress in achieving the solar energy standard  
180.13 established under this subdivision.

180.14 **EFFECTIVE DATE.** This section is effective July 1, 2017.

180.15 Sec. 10. Minnesota Statutes 2016, section 216B.1694, subdivision 3, is amended to read:

180.16 Subd. 3. **Staging and permitting.** (a) A natural gas-fired plant that is located on one  
180.17 site designated as an innovative energy project site under subdivision 1, clause (3), is  
180.18 accorded the regulatory incentives granted to an innovative energy project under subdivision  
180.19 2, clauses (1) to (3), and may exercise the authorities therein.

180.20 (b) Following issuance of a final state or federal environmental impact statement for an  
180.21 innovative energy project that was a subject of contested case proceedings before an  
180.22 administrative law judge:

180.23 (1) site and route permits and water appropriation approvals for an innovative energy  
180.24 project must also be deemed valid for a plant meeting the requirements of paragraph (a)  
180.25 and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required  
180.26 state or federal preconstruction permit is issued or (ii) June 30, ~~2019~~ 2025; and

180.27 (2) no air, water, or other permit issued by a state agency that is necessary for constructing  
180.28 an innovative energy project may be the subject of contested case hearings, notwithstanding  
180.29 Minnesota Rules, parts 7000.1750 to 7000.2200.

181.1 Sec. 11. Minnesota Statutes 2016, section 216B.241, subdivision 1b, is amended to read:

181.2 Subd. 1b. **Conservation improvement by cooperative association or municipality.**

181.3 (a) This subdivision applies to:

181.4 (1) a cooperative electric association that provides retail service to ~~its~~ more than 5,000  
181.5 members;

181.6 (2) a municipality that provides electric service to more than 1,000 retail customers; and

181.7 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales  
181.8 to natural gas ~~to~~ retail customers.

181.9 (b) Each cooperative electric association and municipality subject to this subdivision  
181.10 shall spend and invest for energy conservation improvements under this subdivision the  
181.11 following amounts:

181.12 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas  
181.13 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross  
181.14 operating revenues from electric and gas service provided in the state to large electric  
181.15 customer facilities; and

181.16 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues  
181.17 from service provided in the state, excluding gross operating revenues from service provided  
181.18 in the state to large electric customer facilities indirectly through a distribution cooperative  
181.19 electric association.

181.20 (c) Each municipality and cooperative electric association subject to this subdivision  
181.21 shall identify and implement energy conservation improvement spending and investments  
181.22 that are appropriate for the municipality or association, except that a municipality or  
181.23 association may not spend or invest for energy conservation improvements that directly  
181.24 benefit a large energy facility or a large electric customer facility for which the commissioner  
181.25 has issued an exemption under subdivision 1a, paragraph (b).

181.26 (d) Each municipality and cooperative electric association subject to this subdivision  
181.27 may spend and invest annually up to ten percent of the total amount required to be spent  
181.28 and invested on energy conservation improvements under this subdivision on research and  
181.29 development projects that meet the definition of energy conservation improvement in  
181.30 subdivision 1 and that are funded directly by the municipality or cooperative electric  
181.31 association.

181.32 (e) Load-management activities may be used to meet 50 percent of the conservation  
181.33 investment and spending requirements of this subdivision.

182.1 (f) A generation and transmission cooperative electric association that provides energy  
 182.2 services to cooperative electric associations that provide electric service at retail to consumers  
 182.3 may invest in energy conservation improvements on behalf of the associations it serves and  
 182.4 may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate  
 182.5 basis. A municipal power agency or other not-for-profit entity that provides energy service  
 182.6 to municipal utilities that provide electric service at retail may invest in energy conservation  
 182.7 improvements on behalf of the municipal utilities it serves and may fulfill the conservation,  
 182.8 spending, reporting, and energy-savings goals on an aggregate basis, under an agreement  
 182.9 between the municipal power agency or not-for-profit entity and each municipal utility for  
 182.10 funding the investments.

182.11 (g) Each municipality or cooperative shall file energy conservation improvement plans  
 182.12 by June 1 on a schedule determined by order of the commissioner, but at least every three  
 182.13 years. Plans received by June 1 must be approved or approved as modified by the  
 182.14 commissioner by December 1 of the same year. The municipality or cooperative shall  
 182.15 provide an evaluation to the commissioner detailing its energy conservation improvement  
 182.16 spending and investments for the previous period. The evaluation must briefly describe  
 182.17 each conservation program and must specify the energy savings or increased efficiency in  
 182.18 the use of energy within the service territory of the utility or association that is the result of  
 182.19 the spending and investments. The evaluation must analyze the cost-effectiveness of the  
 182.20 utility's or association's conservation programs, using a list of baseline energy and capacity  
 182.21 savings assumptions developed in consultation with the department. The commissioner  
 182.22 shall review each evaluation and make recommendations, where appropriate, to the  
 182.23 municipality or association to increase the effectiveness of conservation improvement  
 182.24 activities.

182.25 ~~(h) MS 2010 [Expired, 1Sp2003 c 11 art 3 s 4; 2007 c 136 art 2 s 5]~~

182.26 ~~(h)~~ (h) The commissioner shall consider and may require a utility, association, or other  
 182.27 entity providing energy efficiency and conservation services under this section to undertake  
 182.28 a program suggested by an outside source, including a political subdivision, nonprofit  
 182.29 corporation, or community organization.

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

182.31 Sec. 12. Minnesota Statutes 2016, section 216B.241, subdivision 1c, is amended to read:

182.32 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving  
 182.33 goals for energy conservation improvement expenditures and shall evaluate an energy  
 182.34 conservation improvement program on how well it meets the goals set.

183.1 (b) Each individual utility and association shall have an annual energy-savings goal  
183.2 equivalent to 1.5 percent of gross annual retail energy sales unless modified by the  
183.3 commissioner under paragraph (d). The savings goals must be calculated based on the most  
183.4 recent three-year weather-normalized average. A utility or association may elect to carry  
183.5 forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar  
183.6 years, except that savings from electric utility infrastructure projects allowed under paragraph  
183.7 (d) may be carried forward for five years. A particular energy savings can be used only for  
183.8 one year's goal.

183.9 (c) The commissioner must adopt a filing schedule that is designed to have all utilities  
183.10 and associations operating under an energy-savings plan by calendar year 2010.

183.11 (d) In its energy conservation improvement plan filing, a utility or association may  
183.12 request the commissioner to adjust its annual energy-savings percentage goal based on its  
183.13 historical conservation investment experience, customer class makeup, load growth, a  
183.14 conservation potential study, or other factors the commissioner determines warrants an  
183.15 adjustment. The commissioner may not approve a plan of a public utility that provides for  
183.16 an annual energy-savings goal of less than one percent of gross annual retail energy sales  
183.17 from energy conservation improvements.

183.18 A utility or association may include in its energy conservation plan energy savings from  
183.19 electric utility infrastructure projects approved by the commission under section 216B.1636  
183.20 or waste heat recovery converted into electricity projects that may count as energy savings  
183.21 in addition to a minimum energy-savings goal of at least one percent for energy conservation  
183.22 improvements. Energy savings from electric utility infrastructure projects, as defined in  
183.23 section 216B.1636, may be included in the energy conservation plan of a municipal utility  
183.24 or cooperative electric association. Electric utility infrastructure projects must result in  
183.25 increased energy efficiency greater than that which would have occurred through normal  
183.26 maintenance activity.

183.27 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure  
183.28 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the  
183.29 energy-savings goal established in this subdivision.

183.30 (f) An association or utility is not required to make energy conservation investments to  
183.31 attain the energy-savings goals of this subdivision that are not cost-effective even if the  
183.32 investment is necessary to attain the energy-savings goals. For the purpose of this paragraph,  
183.33 in determining cost-effectiveness, the commissioner shall consider the costs and benefits  
183.34 to ratepayers, the utility, participants, and society. In addition, the commissioner shall

184.1 consider the rate at which an association or municipal utility is increasing its energy savings  
184.2 and its expenditures on energy conservation.

184.3 (g) On an annual basis, the commissioner shall produce and make publicly available a  
184.4 report on the annual energy savings and estimated carbon dioxide reductions achieved by  
184.5 the energy conservation improvement programs for the two most recent years for which  
184.6 data is available. The commissioner shall report on program performance both in the  
184.7 aggregate and for each entity filing an energy conservation improvement plan for approval  
184.8 or review by the commissioner.

184.9 (h) By January 15, 2010, the commissioner shall report to the legislature whether the  
184.10 spending requirements under subdivisions 1a and 1b are necessary to achieve the  
184.11 energy-savings goals established in this subdivision.

184.12 (i) This subdivision does not apply to:

184.13 (1) a cooperative electric association with fewer than 5,000 members;

184.14 (2) a municipal utility with fewer than 1,000 retail electric customers; or

184.15 (3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales  
184.16 to retail natural gas customers.

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

184.18 Sec. 13. Minnesota Statutes 2016, section 216B.241, subdivision 1d, is amended to read:

184.19 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation  
184.20 improvement programs on the basis of cost-effectiveness and the reliability of the  
184.21 technologies employed. The commissioner shall, by order, establish, maintain, and update  
184.22 energy-savings assumptions that must be used when filing energy conservation improvement  
184.23 programs. The commissioner shall establish an inventory of the most effective energy  
184.24 conservation programs, techniques, and technologies, and encourage all Minnesota utilities  
184.25 to implement them, where appropriate, in their service territories. The commissioner shall  
184.26 describe these programs in sufficient detail to provide a utility reasonable guidance  
184.27 concerning implementation. The commissioner shall prioritize the opportunities in order of  
184.28 potential energy savings and in order of cost-effectiveness. The commissioner may contract  
184.29 with a third party to carry out any of the commissioner's duties under this subdivision, and  
184.30 to obtain technical assistance to evaluate the effectiveness of any conservation improvement  
184.31 program. The commissioner may assess up to \$850,000 annually for the purposes of this  
184.32 subdivision. The assessments must be deposited in the state treasury and credited to the  
184.33 energy and conservation account created under subdivision 2a. An assessment made under

185.1 this subdivision is not subject to the cap on assessments provided by section 216B.62, or  
 185.2 any other law.

185.3 (b) Of the assessment authorized under paragraph (a), the commissioner may expend  
 185.4 up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing  
 185.5 technical support for a uniform electronic data reporting and tracking system available to  
 185.6 all utilities subject to this section, in order to enable accurate measurement of the cost and  
 185.7 energy savings of the energy conservation improvements required by this section. This  
 185.8 paragraph expires June 30, 2017, and may be used for no more than three annual assessments  
 185.9 occurring prior to that date 2018.

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

185.11 Sec. 14. Minnesota Statutes 2016, section 216B.241, subdivision 2, is amended to read:

185.12 Subd. 2. **Programs.** (a) The commissioner may require public utilities to make  
 185.13 investments and expenditures in energy conservation improvements, explicitly setting forth  
 185.14 the interest rates, prices, and terms under which the improvements must be offered to the  
 185.15 customers. The required programs must cover no more than a three-year period. Public  
 185.16 utilities shall file conservation improvement plans by June 1, on a schedule determined by  
 185.17 order of the commissioner, but at least every three years. Plans received by a public utility  
 185.18 by June 1 must be approved or approved as modified by the commissioner by December 1  
 185.19 of that same year. The commissioner shall evaluate the program on the basis of  
 185.20 cost-effectiveness and the reliability of technologies employed. The commissioner's order  
 185.21 must provide to the extent practicable for a free choice, by consumers participating in the  
 185.22 program, of the device, method, material, or project constituting the energy conservation  
 185.23 improvement and for a free choice of the seller, installer, or contractor of the energy  
 185.24 conservation improvement, provided that the device, method, material, or project seller,  
 185.25 installer, or contractor is duly licensed, certified, approved, or qualified, including under  
 185.26 the residential conservation services program, where applicable.

185.27 (b) The commissioner may require a utility subject to subdivision 1c to make an energy  
 185.28 conservation improvement investment or expenditure whenever the commissioner finds  
 185.29 that the improvement will result in energy savings at a total cost to the utility less than the  
 185.30 cost to the utility to produce or purchase an equivalent amount of new supply of energy.  
 185.31 The commissioner shall nevertheless ensure that every public utility operate one or more  
 185.32 programs under periodic review by the department.

185.33 (c) Each public utility subject to subdivision 1a may spend and invest annually up to ten  
 185.34 percent of the total amount required to be spent and invested on energy conservation

186.1 improvements under this section by the utility on research and development projects that  
186.2 meet the definition of energy conservation improvement in subdivision 1 and that are funded  
186.3 directly by the public utility.

186.4 (d) A public utility may not spend for or invest in energy conservation improvements  
186.5 that directly benefit a large energy facility or a large electric customer facility for which the  
186.6 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The  
186.7 commissioner shall consider and may require a utility to undertake a program suggested by  
186.8 an outside source, including a political subdivision, a nonprofit corporation, or community  
186.9 organization.

186.10 (e) A utility, a political subdivision, or a nonprofit or community organization that has  
186.11 suggested a program, the attorney general acting on behalf of consumers and small business  
186.12 interests, or a utility customer that has suggested a program and is not represented by the  
186.13 attorney general under section 8.33 may petition the commission to modify or revoke a  
186.14 department decision under this section, and the commission may do so if it determines that  
186.15 the program is not cost-effective, does not adequately address the residential conservation  
186.16 improvement needs of low-income persons, has a long-range negative effect on one or more  
186.17 classes of customers, or is otherwise not in the public interest. The commission shall reject  
186.18 a petition that, on its face, fails to make a reasonable argument that a program is not in the  
186.19 public interest.

186.20 (f) The commissioner may order a public utility to include, with the filing of the utility's  
186.21 annual status report, the results of an independent audit of the utility's conservation  
186.22 improvement programs and expenditures performed by the department or an auditor with  
186.23 experience in the provision of energy conservation and energy efficiency services approved  
186.24 by the commissioner and chosen by the utility. The audit must specify the energy savings  
186.25 or increased efficiency in the use of energy within the service territory of the utility that is  
186.26 the result of the spending and investments. The audit must evaluate the cost-effectiveness  
186.27 of the utility's conservation programs.

186.28 (g) A gas utility may not spend for or invest in energy conservation improvements that  
186.29 directly benefit a large customer facility or commercial gas customer facility for which the  
186.30 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or  
186.31 (e). The commissioner shall consider and may require a utility to undertake a program  
186.32 suggested by an outside source, including a political subdivision, a nonprofit corporation,  
186.33 or a community organization.

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

187.1 Sec. 15. Minnesota Statutes 2016, section 216B.241, subdivision 5, is amended to read:

187.2 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric  
187.3 association, and municipal utility that provides electric service to retail customers and is  
187.4 subject to subdivision 1c shall include as part of its conservation improvement activities a  
187.5 program to strongly encourage the use of fluorescent and high-intensity discharge lamps.  
187.6 The program must include at least a public information campaign to encourage use of the  
187.7 lamps and proper management of spent lamps by all customer classifications.

187.8 (b) A public utility that provides electric service at retail to 200,000 or more customers  
187.9 shall establish, either directly or through contracts with other persons, including lamp  
187.10 manufacturers, distributors, wholesalers, and retailers and local government units, a system  
187.11 to collect for delivery to a reclamation or recycling facility spent fluorescent and  
187.12 high-intensity discharge lamps from households and from small businesses as defined in  
187.13 section 645.445 that generate an average of fewer than ten spent lamps per year.

187.14 (c) A collection system must include establishing reasonably convenient locations for  
187.15 collecting spent lamps from households and financial incentives sufficient to encourage  
187.16 spent lamp generators to take the lamps to the collection locations. Financial incentives may  
187.17 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash  
187.18 back system, or any other financial incentive or group of incentives designed to collect the  
187.19 maximum number of spent lamps from households and small businesses that is reasonably  
187.20 feasible.

187.21 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,  
187.22 a cooperative electric association, or a municipal utility that provides electric service at  
187.23 retail to customers may establish a collection system under paragraphs (b) and (c) as part  
187.24 of conservation improvement activities required under this section.

187.25 (e) The commissioner of the Pollution Control Agency may not, unless clearly required  
187.26 by federal law, require a public utility, cooperative electric association, or municipality that  
187.27 establishes a household fluorescent and high-intensity discharge lamp collection system  
187.28 under this section to manage the lamps as hazardous waste as long as the lamps are managed  
187.29 to avoid breakage and are delivered to a recycling or reclamation facility that removes  
187.30 mercury and other toxic materials contained in the lamps prior to placement of the lamps  
187.31 in solid waste.

187.32 (f) If a public utility, cooperative electric association, or municipal utility contracts with  
187.33 a local government unit to provide a collection system under this subdivision, the contract

188.1 must provide for payment to the local government unit of all the unit's incremental costs of  
188.2 collecting and managing spent lamps.

188.3 (g) All the costs incurred by a public utility, cooperative electric association, or municipal  
188.4 utility for promotion and collection of fluorescent and high-intensity discharge lamps under  
188.5 this subdivision are conservation improvement spending under this section.

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

188.7 Sec. 16. Minnesota Statutes 2016, section 216B.241, subdivision 5d, is amended to read:

188.8 Subd. 5d. **On-bill repayment programs.** (a) For the purposes of this subdivision:

188.9 (1) "utility" means a public utility, municipal utility, or cooperative electric association  
188.10 subject to subdivision 1c that provides electric or natural gas service to retail customers;  
188.11 and

188.12 (2) "on-bill repayment program" means a program in which a utility collects on a  
188.13 customer's bill repayment of a loan to the customer by an eligible lender to finance the  
188.14 customer's investment in eligible energy conservation or renewable energy projects, and  
188.15 remits loan repayments to the lender.

188.16 (b) A utility may include as part of its conservation improvement plan an on-bill  
188.17 repayment program to enable a customer to finance eligible projects with installment loans  
188.18 originated by an eligible lender. An eligible project is one that is either an energy conservation  
188.19 improvement, or a project installed on the customer's site that uses an eligible renewable  
188.20 energy source as that term is defined in section 216B.2411, subdivision 2, paragraph (b),  
188.21 but does not include mixed municipal solid waste or refuse-derived fuel from mixed  
188.22 municipal solid waste. An eligible renewable energy source also includes solar thermal  
188.23 technology that collects the sun's radiant energy and uses that energy to heat or cool air or  
188.24 water, and meets the requirements of section 216C.25. To be an eligible lender, a lender  
188.25 must:

188.26 (1) have a federal or state charter and be eligible for federal deposit insurance;

188.27 (2) be a government entity, including an entity established under chapter 469, that has  
188.28 authority to provide financial assistance for energy efficiency and renewable energy projects;

188.29 (3) be a joint venture by utilities established under section 452.25; or

188.30 (4) be licensed, certified, or otherwise have its lending activities overseen by a state or  
188.31 federal government agency.

189.1 The commissioner must allow a utility broad discretion in designing and implementing an  
189.2 on-bill repayment program, provided that the program complies with this subdivision.

189.3 (c) A utility may establish an on-bill repayment program for all customer classes or for  
189.4 a specific customer class.

189.5 (d) A public utility that implements an on-bill repayment program under this subdivision  
189.6 must enter into a contract with one or more eligible lenders that complies with the  
189.7 requirements of this subdivision and contains provisions addressing capital commitments,  
189.8 loan origination, transfer of loans to the public utility for on-bill repayment, and acceptance  
189.9 of loans returned due to delinquency or default.

189.10 (e) A public utility's contract with a lender must require the lender to comply with all  
189.11 applicable federal and state laws, rules, and regulations related to lending practices and  
189.12 consumer protection; to conform to reasonable and prudent lending standards; and to provide  
189.13 businesses that sell, maintain, and install eligible projects the ability to participate in an  
189.14 on-bill repayment program under this subdivision on a nondiscriminatory basis.

189.15 (f) A public utility's contract with a lender may provide:

189.16 (1) for the public utility to purchase loans from the lender with a condition that the lender  
189.17 must purchase back loans in delinquency or default; or

189.18 (2) for the lender to retain ownership of loans with the public utility servicing the loans  
189.19 through on-bill repayment as long as payments are current.

189.20 The risk of default must remain with the lender. The lender shall not have recourse against  
189.21 the public utility except in the event of negligence or breach of contract by the utility.

189.22 (g) If a public utility customer makes a partial payment on a utility bill that includes a  
189.23 loan installment, the partial payment must be credited first to the amount owed for utility  
189.24 service, including taxes and fees. A public utility may not suspend or terminate a customer's  
189.25 utility service for delinquency or default on a loan that is being serviced through the public  
189.26 utility's on-bill repayment program.

189.27 (h) An outstanding balance on a loan being repaid under this subdivision is a financial  
189.28 obligation only of the customer who is signatory to the loan, and not to any subsequent  
189.29 customer occupying the property associated with the loan. If the public utility purchases  
189.30 loans from the lender as authorized under paragraph (f), clause (1), the public utility must  
189.31 return to the lender a loan not repaid when a customer borrower no longer occupies the  
189.32 property.

190.1 (i) Costs incurred by a public utility under this subdivision are recoverable as provided  
190.2 in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs  
190.3 for billing system modifications necessary to implement and operate an on-bill repayment  
190.4 program and for ongoing costs to operate the program. Costs in a plan approved by the  
190.5 commissioner may be counted toward a utility's conservation spending requirements under  
190.6 subdivisions 1a and 1b. Energy savings from energy conservation improvements resulting  
190.7 from this section may be counted toward satisfying a utility's energy-savings goals under  
190.8 subdivision 1c.

190.9 (j) This subdivision does not require a utility to terminate or modify an existing financing  
190.10 program and does not prohibit a utility from establishing an on-bill financing program in  
190.11 which the utility provides the financing capital.

190.12 (k) A municipal utility or cooperative electric association that implements an on-bill  
190.13 repayment program shall design the program to address the issues identified in paragraphs  
190.14 (d) through (h) as determined by the governing board of the utility or association.

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

190.16 Sec. 17. Minnesota Statutes 2016, section 216B.241, subdivision 7, is amended to read:

190.17 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility  
190.18 and association subject to subdivision 1c provides low-income programs. When approving  
190.19 spending and energy-savings goals for low-income programs, the commissioner shall  
190.20 consider historic spending and participation levels, energy savings for low-income programs,  
190.21 and the number of low-income persons residing in the utility's service territory. A municipal  
190.22 utility that furnishes gas service must spend at least 0.2 percent, and a public utility furnishing  
190.23 gas service must spend at least 0.4 percent, of its most recent three-year average gross  
190.24 operating revenue from residential customers in the state on low-income programs. A utility  
190.25 or association that furnishes electric service must spend at least 0.1 percent of its gross  
190.26 operating revenue from residential customers in the state on low-income programs. For a  
190.27 generation and transmission cooperative association, this requirement shall apply to each  
190.28 association's members' aggregate gross operating revenue from sale of electricity to residential  
190.29 customers in the state. Beginning in 2010, a utility or association that furnishes electric  
190.30 service must spend 0.2 percent of its gross operating revenue from residential customers in  
190.31 the state on low-income programs.

190.32 (b) To meet the requirements of paragraph (a), a utility or association may contribute  
190.33 money to the energy and conservation account. An energy conservation improvement plan  
190.34 must state the amount, if any, of low-income energy conservation improvement funds the

191.1 utility or association will contribute to the energy and conservation account. Contributions  
 191.2 must be remitted to the commissioner by February 1 of each year.

191.3 (c) The commissioner shall establish low-income programs to utilize money contributed  
 191.4 to the energy and conservation account under paragraph (b). In establishing low-income  
 191.5 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and  
 191.6 community organizations, especially organizations engaged in providing energy and  
 191.7 weatherization assistance to low-income persons. Money contributed to the energy and  
 191.8 conservation account under paragraph (b) must provide programs for low-income persons,  
 191.9 including low-income renters, in the service territory of the utility or association providing  
 191.10 the money. The commissioner shall record and report expenditures and energy savings  
 191.11 achieved as a result of low-income programs funded through the energy and conservation  
 191.12 account in the report required under subdivision 1c, paragraph (g). The commissioner may  
 191.13 contract with a political subdivision, nonprofit or community organization, public utility,  
 191.14 municipality, or cooperative electric association to implement low-income programs funded  
 191.15 through the energy and conservation account.

191.16 (d) A utility or association may petition the commissioner to modify its required spending  
 191.17 under paragraph (a) if the utility or association and the commissioner have been unable to  
 191.18 expend the amount required under paragraph (a) for three consecutive years.

191.19 (e) The costs and benefits associated with any approved low-income gas or electric  
 191.20 conservation improvement program that is not cost-effective when considering the costs  
 191.21 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation  
 191.22 of net economic benefits for purposes of calculating the financial incentive to the utility.  
 191.23 The energy and demand savings may, at the discretion of the utility, be applied toward the  
 191.24 calculation of overall portfolio energy and demand savings for purposes of determining  
 191.25 progress toward annual goals and in the financial incentive mechanism.

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

191.27 Sec. 18. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

191.28 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with  
 191.29 the commission periodically in accordance with rules adopted by the commission. The  
 191.30 commission shall approve, reject, or modify the plan of a public utility, as defined in section  
 191.31 216B.02, subdivision 4, consistent with the public interest.

191.32 (b) In the resource plan proceedings of all other utilities, the commission's order shall  
 191.33 be advisory and the order's findings and conclusions shall constitute prima facie evidence

192.1 which may be rebutted by substantial evidence in all other proceedings. With respect to  
 192.2 utilities other than those defined in section 216B.02, subdivision 4, the commission shall  
 192.3 consider the filing requirements and decisions in any comparable proceedings in another  
 192.4 jurisdiction.

192.5 (c) As a part of its resource plan filing, a utility shall include the least cost plan for  
 192.6 meeting 50 and 75 percent of all energy needs from both new and refurbished capacity  
 192.7 needs generating facilities through a combination of conservation and renewable energy  
 192.8 resources.

192.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.  
 192.10 Paragraph (c) applies to resource plans filed with the commission on or after July 1, 2017.

192.11 Sec. 19. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

192.12 Subd. 4. **Preference for renewable energy facility.** The commission shall not approve  
 192.13 a new or refurbished nonrenewable energy facility in an integrated resource plan or a  
 192.14 certificate of need, pursuant to section 216B.243, nor shall the commission allow rate  
 192.15 recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the  
 192.16 utility has demonstrated that a renewable energy facility is not in the public interest. When  
 192.17 making the public interest determination, the commission must ~~include~~ consider:

192.18 (1) whether the resource plan helps the utility achieve the greenhouse gas reduction  
 192.19 goals under section 216H.02, the renewable energy standard under section 216B.1691, or  
 192.20 the solar energy standard under section 216B.1691, subdivision 2f;

192.21 (2) impacts on local and regional grid reliability;

192.22 (3) utility and ratepayer impacts resulting from the intermittent nature of renewable  
 192.23 energy facilities, including but not limited to the costs of purchasing wholesale electricity  
 192.24 in the market and the costs of providing ancillary services; and

192.25 (4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility,  
 192.26 changes in transmission costs, portfolio diversification, and environmental compliance  
 192.27 costs.

192.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

193.1 Sec. 20. Minnesota Statutes 2016, section 216B.2424, is amended by adding a subdivision  
193.2 to read:

193.3 Subd. 9. **Adjustment of biomass fuel requirement.** (a) Notwithstanding any provision  
193.4 in this section, the public utility subject to this section may, with respect to a facility approved  
193.5 under this section, file a petition with the commission for approval of:

193.6 (1) a new or amended power purchase agreement;

193.7 (2) the early termination of a power purchase agreement; or

193.8 (3) the purchase and closure of the facility.

193.9 (b) The commission may approve a new or amended power purchase agreement under  
193.10 this subdivision, notwithstanding the fuel requirements of this section, if the commission  
193.11 determines that:

193.12 (1) all parties to the original power purchase agreement, or their successors or assigns,  
193.13 as applicable, agree to the terms and conditions of the new or amended power purchase  
193.14 agreement; and

193.15 (2) the new or amended power purchase agreement is in the best interest of the customers  
193.16 of the public utility subject to this section, taking into consideration any savings realized  
193.17 by customers in the new or amended power purchase agreement and any costs imposed on  
193.18 customers under paragraph (e). A new or amended power purchase agreement approved  
193.19 under this paragraph may be for any term agreed to by the parties and may govern the  
193.20 purchase of any amount of energy.

193.21 (c) The commission may approve the early termination of a power purchase agreement  
193.22 or the purchase and closure of a facility under this subdivision if it determines that:

193.23 (1) all parties to the power purchase agreement, or their successors or assigns, as  
193.24 applicable, agree to the early termination of the power purchase agreement or the purchase  
193.25 and closure of the facility; and

193.26 (2) the early termination of the power purchase agreement or the purchase and closure  
193.27 of the facility is in the best interest of the customers of the public utility subject to this  
193.28 section, taking into consideration any savings realized by customers as a result of the early  
193.29 termination of the power purchase agreement or the purchase and closure of the facility and  
193.30 any costs imposed on the customers under paragraph (e).

193.31 (d) The commission's approval of a new or amended power purchase agreement under  
193.32 paragraph (b) or of the termination of a power purchase agreement or the purchase and

194.1 closure of a facility under paragraph (c), shall not require the public utility subject to this  
 194.2 section to purchase replacement amounts of biomass energy to fulfill the requirements of  
 194.3 this section.

194.4 (e) A utility may petition the commission to approve a rate schedule that provides for  
 194.5 the automatic adjustment of charges to recover investments, expenses and costs, and earnings  
 194.6 on the investments associated with a new or amended power purchase agreement, the early  
 194.7 termination of a power purchase agreement, or the purchase and closure of a facility. The  
 194.8 commission may approve the rate schedule upon a showing that the recovery of investments,  
 194.9 expenses and costs, and earnings on the investments is less than the costs that would have  
 194.10 been recovered from customers had the utility continued to purchase energy under the power  
 194.11 purchase agreement in effect before any option available under this section is approved by  
 194.12 the commission. If approved by the commission, cost recovery under this paragraph may  
 194.13 include all cost recovery allowed for renewable facilities under section 216B.1645,  
 194.14 subdivisions 2 and 2a.

194.15 (f) This subdivision does not apply to a St. Paul district heating and cooling system  
 194.16 cogeneration facility, and nothing in this subdivision precludes a public utility that operates  
 194.17 a nuclear-power electric generating plant from filing a petition with the commission for  
 194.18 approval of a new or amended power purchase agreement with such a facility.

194.19 (g) For the purposes of this subdivision, "facility" means a biomass facility previously  
 194.20 approved by the commission to satisfy a portion of the biomass mandate in this section.

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

194.22 Sec. 21. Minnesota Statutes 2016, section 216C.05, subdivision 2, is amended to read:

194.23 Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

194.24 (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of  
 194.25 electricity and natural gas be achieved through cost-effective energy efficiency;

194.26 (2) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the  
 194.27 year 2015, through increased reliance on energy efficiency and renewable energy alternatives;

194.28 ~~and~~

194.29 (3) 25 percent of the total energy used in the state be derived from renewable energy  
 194.30 resources by the year 2025-; and

194.31 (4) retail electricity rates for each customer class be at least five percent below the  
 194.32 national average.

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

195.2 Sec. 22. **[216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA"**  
195.3 **SOLAR ENERGY PRODUCTION INCENTIVES.**

195.4 Subdivision 1. **General provisions.** Payment of a "Made in Minnesota" solar energy  
195.5 production incentive to an owner whose application was approved by the commissioner of  
195.6 commerce under section 216C.415, by May 1, 2017, must be administered under the  
195.7 provisions of Minnesota Statutes 2016, sections 216C.411; 216C.413; 216C.414, subdivisions  
195.8 1 to 3 and 5; and 216C.415. No incentive payments may be made under this section to an  
195.9 owner whose application was approved by the commissioner after May 1, 2017.

195.10 Subd. 2. **Appropriation.** (a) Unspent money remaining in the account established under  
195.11 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the  
195.12 renewable development account in the special revenue fund established under Minnesota  
195.13 Statutes, section 116C.779, subdivision 1.

195.14 (b) There is annually appropriated from the renewable development account in the special  
195.15 revenue fund established in Minnesota Statutes, section 116C.779, to the commissioner of  
195.16 commerce money sufficient to make the incentive payments required under Minnesota  
195.17 Statutes 2016, section 216C.415. Any funds appropriated under this paragraph that are  
195.18 unexpended at the end of a fiscal year cancel to the renewable development account.

195.19 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of  
195.20 this appropriation may be used for administrative costs.

195.21 Subd. 3. **Eligibility window; payment duration.** (a) Payments may be made under this  
195.22 subdivision only for solar photovoltaic module installations that meet the requirements of  
195.23 subdivision 1 and that first begin generating electricity between January 1, 2014, and October  
195.24 31, 2018.

195.25 (b) The payment eligibility window of the incentive begins and runs consecutively from  
195.26 the date the solar photovoltaic modules first begins generating electricity.

195.27 (c) An owner of solar photovoltaic modules may receive payments under this section  
195.28 for a particular module for a period of ten years, provided that sufficient funds are available  
195.29 in the account.

195.30 (d) No payment may be made under this section for electricity generated after October  
195.31 31, 2028.

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

196.1 Sec. 23. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision  
196.2 to read:

196.3 Subd. 7a. **Multifamily residential dwelling.** "Multifamily residential dwelling" means  
196.4 a residential dwelling containing five or more units intended for use as a residence by tenants  
196.5 or lessees of the owner.

196.6 Sec. 24. Minnesota Statutes 2016, section 216H.03, subdivision 3, is amended to read:

196.7 Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless  
196.8 preempted by federal law, until a comprehensive and enforceable state law or rule pertaining  
196.9 to greenhouse gases that directly limits and substantially reduces, over time, statewide power  
196.10 sector carbon dioxide emissions is enacted and in effect, and except as allowed in  
196.11 subdivisions 4 to 7, on and after August 1, 2009, no person shall:

196.12 ~~(1) construct within the state a new large energy facility that would contribute to statewide~~  
196.13 ~~power sector carbon dioxide emissions;~~

196.14 ~~(2) import or commit to import from outside the state power from a new large energy~~  
196.15 ~~facility that would contribute to statewide power sector carbon dioxide emissions; or~~

196.16 ~~(3) enter into a new long-term power purchase agreement that would increase statewide~~  
196.17 ~~power sector carbon dioxide emissions. For purposes of this section, a long-term power~~  
196.18 ~~purchase agreement means an agreement to purchase 50 megawatts of capacity or more for~~  
196.19 ~~a term exceeding five years.~~

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

196.21 Sec. 25. Minnesota Statutes 2016, section 216H.03, subdivision 4, is amended to read:

196.22 Subd. 4. **Exception for facilities that offset emissions.** (a) ~~The prohibitions in prohibition~~  
196.23 ~~under subdivision 3 ~~do~~ does not apply if the project proponent demonstrates to the Public~~  
196.24 ~~Utilities Commission's satisfaction that it will offset the new contribution to statewide power~~  
196.25 ~~sector carbon dioxide emissions with a carbon dioxide reduction project identified in~~  
196.26 ~~paragraph (b) and in compliance with paragraph (c).~~

196.27 (b) A project proponent may offset in an amount equal to or greater than the proposed  
196.28 new contribution to statewide power sector carbon dioxide emissions in either, or a  
196.29 combination of both, of the following ways:

196.30 (1) by reducing an existing facility's contribution to statewide power sector carbon  
196.31 dioxide emissions; or

197.1 (2) by purchasing carbon dioxide allowances from a state or group of states that has a  
197.2 carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

197.3 (c) The Public Utilities Commission shall not find that a proposed carbon dioxide  
197.4 reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide  
197.5 power sector carbon dioxide emissions unless the proposed offsets are permanent,  
197.6 quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section  
197.7 does not exempt emissions that have been offset under this subdivision and emissions  
197.8 exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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

197.10 Sec. 26. Minnesota Statutes 2016, section 216H.03, subdivision 7, is amended to read:

197.11 Subd. 7. **Other exemptions.** The ~~prohibitions in~~ prohibition under subdivision 3 ~~do~~ does  
197.12 not apply to:

197.13 (1) a new large energy facility under consideration by the Public Utilities Commission  
197.14 pursuant to proposals or applications filed with the Public Utilities Commission before April  
197.15 1, 2007, or to any power purchase agreement related to a facility described in this clause.  
197.16 The exclusion of pending proposals and applications from the prohibitions in subdivision  
197.17 3 does not limit the applicability of any other law and is not an expression of legislative  
197.18 intent regarding whether any pending proposal or application should be approved or denied;

197.19 (2) a contract not subject to commission approval that was entered into prior to April 1,  
197.20 2007, to purchase power from a new large energy facility that was approved by a comparable  
197.21 authority in another state prior to that date, for which municipal or public power district  
197.22 bonds have been issued, and on which construction has begun;

197.23 (3) a new large energy facility ~~or a power purchase agreement between a Minnesota~~  
197.24 ~~utility and a new large energy facility~~ located ~~outside~~ within Minnesota that the Public  
197.25 Utilities Commission has determined is essential to ensure the long-term reliability of  
197.26 Minnesota's electric system, to allow electric service for increased industrial demand, or to  
197.27 avoid placing a substantial financial burden on Minnesota ratepayers. An order of the  
197.28 commission granting an exemption under this clause is stayed until the June 1 following  
197.29 the next regular or annual session of the legislature that begins after the date of the  
197.30 commission's final order; or

197.31 (4) a new large energy facility with a combined electric generating capacity of less than  
197.32 100 megawatts, which did not require a Minnesota certificate of need, which received an  
197.33 air pollution control permit to construct from an adjoining state before January 1, 2008, and

198.1 on which construction began before July 1, 2008, or to any power purchase agreement  
 198.2 related to a facility described in this clause.

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

198.4 Sec. 27. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK**  
 198.5 **FORCE.**

198.6 Subdivision 1. **Establishment.** The Residential PACE Consumer Protection Legislation  
 198.7 Task Force shall develop recommendations for consumer protection legislation for any  
 198.8 energy improvements financing program implemented under Minnesota Statutes, sections  
 198.9 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section,  
 198.10 "residential PACE" or "PACE" means energy improvement financing programs for  
 198.11 single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435  
 198.12 to 216C.436.

198.13 Subd. 2. **Task force.** (a) The task force consists of 16 members as follows:

198.14 (1) one member appointed by the Minnesota Association of Realtors;

198.15 (2) one member appointed by the Center for Energy and Environment;

198.16 (3) one member appointed by the Minnesota Bankers Association;

198.17 (4) one member appointed by the Legal Services Advocacy Project;

198.18 (5) one member appointed by the Minnesota Credit Union Network;

198.19 (6) one member appointed by the Minnesota Solar Energy Industry Association;

198.20 (7) one member appointed by the St. Paul Port Authority;

198.21 (8) one member appointed by the League of Minnesota Cities;

198.22 (9) one member appointed by the Association of Minnesota Counties;

198.23 (10) one member appointed by AARP Minnesota;

198.24 (11) one member appointed by Fresh Energy;

198.25 (12) one member appointed by the Citizens Utility Board of Minnesota;

198.26 (13) one member appointed by Clean Energy Economy Minnesota;

198.27 (14) one member appointed by the Minnesota Land Title Association;

198.28 (15) one member appointed by an organization with experience implementing residential  
 198.29 PACE programs in other states; and

199.1 (16) the commissioner of commerce or a designee.

199.2 (b) Any public member can designate a substitute from the same organization to replace  
199.3 that member at a meeting of the task force.

199.4 Subd. 3. **Duties.** The task force must develop recommendations to:

199.5 (1) address concerns regarding the possible constraints on free alienation of residential  
199.6 property caused by existence and amount of the PACE liens;

199.7 (2) reduce and minimize any point-of-sale confusion in transactions involving  
199.8 PACE-encumbered homes;

199.9 (3) ensure conspicuous and meaningful disclosure of, among other things:

199.10 (i) all costs and fees of a residential PACE loan; and

199.11 (ii) the risks, such as foreclosure and higher costs, that may be associated with residential  
199.12 PACE loans relative to other financing mechanisms;

199.13 (4) ensure that the ability to repay standard uses commonly accepted underwriting  
199.14 principles;

199.15 (5) ensure that consumer provisions required of and protections that apply to conventional  
199.16 loans and other financing options, including but not limited to the Truth in Lending Act and  
199.17 the Real Estate Settlement Procedures Act, are required of and apply to PACE financing;

199.18 (6) address any unique protections necessary for elderly, low-income homeowners and  
199.19 other financially vulnerable homeowners;

199.20 (7) establish criteria to ensure the cost-effectiveness of PACE-enabled clean energy  
199.21 improvements; and

199.22 (8) address any other issues the task force identifies that are necessary to protect  
199.23 consumers.

199.24 Subd. 4. **Administrative support.** The commissioner of commerce shall provide  
199.25 administrative support and meeting space for the task force.

199.26 Subd. 5. **Compensation.** Members serve without compensation and shall not be  
199.27 reimbursed for expenses.

199.28 Subd. 6. **Chair.** The commissioner of commerce or the commissioner's designee shall  
199.29 serve as chair.

199.30 Subd. 7. **Meetings.** The task force shall meet regularly, at the call of the chair. Meetings  
199.31 of the task force are subject to Minnesota Statutes, chapter 13D.

200.1 Subd. 8. **Appointments; first meeting.** Appointments must be made by June 1, 2017.  
 200.2 The commissioner of commerce must convene the first meeting by July 15, 2017.

200.3 Subd. 9. **Report to legislature.** By January 15, 2018, the commissioner shall submit a  
 200.4 report detailing the task force's findings and recommendations to the chairs and ranking  
 200.5 minority members of the senate and house of representatives committees with jurisdiction  
 200.6 over energy and consumer protection policy and finance. The report must include any draft  
 200.7 legislation necessary to implement the recommendations of the task force.

200.8 Subd. 10. **Suspension of residential PACE.** Until legislation is enacted establishing  
 200.9 consumer protections that address, but are not limited to, the concerns identified in  
 200.10 subdivision 3, no programs for the financing of energy improvements on a single-family  
 200.11 residential property dwelling under Minnesota Statutes, sections 216C.435 to 216C.436,  
 200.12 may be operated after the effective date of this section.

200.13 Subd. 11. **Expiration.** The task force expires January 15, 2018, or after submitting the  
 200.14 report required in this section, whichever is earlier.

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

200.16 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**  
 200.17 **THERMAL REBATES.**

200.18 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner  
 200.19 of a solar thermal system whose application was approved by the commissioner of commerce  
 200.20 after the effective date of this act.

200.21 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,  
 200.22 section 216C.416, as of July 2, 2017, must be transferred to the C-LEAF account established  
 200.23 under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

200.25 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**  
 200.26 **UNEXPENDED GRANT FUNDS.**

200.27 (a) No later than 30 days after the effective date of this section, the utility subject to  
 200.28 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person  
 200.29 who received a grant funded from the renewable development account previously established  
 200.30 under that subdivision:

200.31 (1) after January 1, 2012; and

201.1 (2) before January 1, 2012, if the funded project remains incomplete as of the effective  
201.2 date of this section.

201.3 The notice must contain the provisions of this section and instructions directing grant  
201.4 recipients how unexpended funds can be transferred to the clean energy advancement fund  
201.5 account.

201.6 (b) A recipient of a grant from the renewable development account previously established  
201.7 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after  
201.8 receiving the notice required under paragraph (a), transfer any grant funds that remain  
201.9 unexpended as of the effective date of this section to the clean energy advancement fund  
201.10 account if, by that effective date, all of the following conditions are met:

201.11 (1) the grant was awarded more than five years before the effective date of this section;

201.12 (2) the grant recipient has failed to obtain control of the site on which the project is to  
201.13 be constructed;

201.14 (3) the grant recipient has failed to secure all necessary permits or approvals from any  
201.15 unit of government with respect to the project; and

201.16 (4) construction of the project has not begun.

201.17 (c) A recipient of a grant from the renewable development account previously established  
201.18 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds  
201.19 that remain unexpended five years after the grant funds are received by the grant recipient  
201.20 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant  
201.21 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary  
201.22 of the receipt of the grant funds.

201.23 (d) A person who transfers funds to the clean energy advancement fund account under  
201.24 this section is eligible to apply for funding from the clean energy advancement fund account.

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

201.26 Sec. 30. **REPEALER.**

201.27 (a) Laws 2013, chapter 85, article 6, section 11, is repealed.

201.28 (b) Minnesota Statutes 2016, sections 216B.8109; 216B.811; 216B.812; 216B.813; and  
201.29 216B.815, are repealed.

201.30 (c) Minnesota Statutes 2016, sections 3.8852; and 116C.779, subdivision 3, are repealed.

202.1 (d) Minnesota Statutes 2016, sections 174.187; 216C.411; 216C.412; 216C.413;  
 202.2 216C.414; 216C.415; and 216C.416, are repealed.

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

202.4 **ARTICLE 11**

202.5 **HOUSING POLICY**

202.6 Section 1. Minnesota Statutes 2016, section 327C.01, is amended by adding a subdivision  
 202.7 to read:

202.8 Subd. 13. **Class I manufactured home park.** A "class I manufactured home park"  
 202.9 means a park that complies with the provisions of section 327C.16.

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

202.11 Sec. 2. **[327C.16] CLASS I MANUFACTURED HOME PARK.**

202.12 Subdivision 1. **Qualifications.** (a) To qualify as a class I manufactured home park, as  
 202.13 defined in section 327C.01, subdivision 13, a park owner, or on-site attendant as an employee  
 202.14 of the manufactured home park, must satisfy 12 hours of qualifying education courses every  
 202.15 three years, as prescribed in this subdivision. Park owners or on-site attendants may begin  
 202.16 accumulating qualifying hours to qualify as a class I manufactured home park beginning in  
 202.17 2017.

202.18 (b) The qualifying education courses required for classification under this subdivision  
 202.19 must be continuing education courses approved by the Department of Labor and Industry  
 202.20 or the Department of Commerce for:

202.21 (1) continuing education in real estate; or

202.22 (2) continuing education for residential contractors and manufactured home installers.

202.23 (c) The qualifying education courses must include:

202.24 (1) two hours on fair housing, approved for real estate licensure or residential contractor  
 202.25 licensure;

202.26 (2) one hour on the Americans with Disabilities Act, approved for real estate licensure  
 202.27 or residential contractor licensure;

202.28 (3) four hours on legal compliance related to any of the following: landlord/tenant,  
 202.29 licensing requirements, or home financing under chapters 58, 327, 327B, 327C, and 504B,  
 202.30 and Minnesota Rules, chapter 1350 or 4630;

203.1 (4) three hours of general education approved for real estate, residential contractors, or  
 203.2 manufactured home installers; and

203.3 (5) two hours of HUD-specific manufactured home installer courses as required under  
 203.4 section 327B.041.

203.5 (d) If the qualifying owner or employee attendant is no longer the person meeting the  
 203.6 requirements under this subdivision, but did qualify during the current assessment year,  
 203.7 then the manufactured home park shall still qualify for the class rate provided for class 4c  
 203.8 property classified under section 273.13, subdivision 25, paragraph (d), clause (5), item  
 203.9 (iii).

203.10 Subd. 2. **Proof of compliance.** (a) A park owner that has met the requirements of  
 203.11 subdivision 1 shall provide an affidavit to the park owner's county assessor certifying that  
 203.12 the park owner, corporate officer, or on-site attendant has complied with subdivision 1 and  
 203.13 that the park meets the definition of a class I manufactured home park as defined in this  
 203.14 section, and is entitled to the property tax classification rate for class I manufactured home  
 203.15 parks in section 273.13, subdivision 25. The park owner shall retain the original course  
 203.16 completion certificates issued by the course sponsor under this section for three years and,  
 203.17 upon written request for verification, provide these to the county assessor within 30 days.

203.18 (b) A park owner must provide the county assessor written notice of any change in  
 203.19 compliance status of the manufactured home park no later than December 15 of the  
 203.20 assessment year.

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

203.22 Sec. 3. Minnesota Statutes 2016, section 462.355, subdivision 4, is amended to read:

203.23 **Subd. 4. Interim ordinance.** (a) If a municipality is conducting studies or has authorized  
 203.24 a study to be conducted or has held or has scheduled a hearing for the purpose of considering  
 203.25 adoption or amendment of a comprehensive plan or official controls as defined in section  
 203.26 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted  
 203.27 is annexed to a municipality, the governing body of the municipality may adopt an interim  
 203.28 ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning  
 203.29 process and the health, safety and welfare of its citizens. The interim ordinance may regulate,  
 203.30 restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion  
 203.31 thereof for a period not to exceed one year from the date it is effective.

203.32 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities  
 203.33 relating to livestock production, a public hearing must be held following a ten-day notice

204.1 given by publication in a newspaper of general circulation in the municipality before the  
204.2 interim ordinance takes effect.

204.3 (c)(1) A statutory or home rule charter city may adopt an interim ordinance that regulates,  
204.4 restricts, or prohibits a housing proposal only if the ordinance is approved by majority vote  
204.5 of all members of the city council.

204.6 (2) Before adopting the interim ordinance, the city council must hold a public hearing  
204.7 after providing written notice to any person who has submitted a housing proposal, has a  
204.8 pending housing proposal, or has provided a written request to be notified of interim  
204.9 ordinances related to housing proposals. The written notice must be provided at least three  
204.10 business days before the public hearing. Notice also must be posted on the city's official  
204.11 Web site, if the city has an official Web site.

204.12 (3) The date of the public hearing shall be the earlier of the next regularly scheduled  
204.13 city council meeting after the notice period or within ten days of the notice.

204.14 (4) The activities proposed to be restricted by the proposed interim ordinance may not  
204.15 be undertaken before the public hearing.

204.16 (5) For the purposes of this paragraph, "housing proposal" means a written request for  
204.17 city approval of a project intended primarily to provide residential dwellings, either single  
204.18 family or multi-family, and involves the subdivision or development of land or the  
204.19 demolition, construction, reconstruction, alteration, repair, or occupancy of residential  
204.20 dwellings.

204.21 ~~(e)~~ (d) The period of an interim ordinance applicable to an area that is affected by a city's  
204.22 master plan for a municipal airport may be extended for such additional periods as the  
204.23 municipality may deem appropriate, not exceeding a total additional period of 18 months.  
204.24 In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has  
204.25 been given preliminary approval, nor may any interim ordinance extend the time deadline  
204.26 for agency action set forth in section 15.99 with respect to any application filed prior to the  
204.27 effective date of the interim ordinance. The governing body of the municipality may extend  
204.28 the interim ordinance after a public hearing and written findings have been adopted based  
204.29 upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be  
204.30 held at least 15 days but not more than 30 days before the expiration of the interim ordinance,  
204.31 and notice of the hearing must be published at least ten days before the hearing. The interim  
204.32 ordinance may be extended for the following conditions and durations, but, except as  
204.33 provided in clause (3), an interim ordinance may not be extended more than an additional  
204.34 18 months:

205.1 (1) up to an additional 120 days following the receipt of the final approval or review by  
 205.2 a federal, state, or metropolitan agency when the approval is required by law and the review  
 205.3 or approval has not been completed and received by the municipality at least 30 days before  
 205.4 the expiration of the interim ordinance;

205.5 (2) up to an additional 120 days following the completion of any other process required  
 205.6 by a state statute, federal law, or court order, when the process is not completed at least 30  
 205.7 days before the expiration of the interim ordinance; or

205.8 (3) up to an additional one year if the municipality has not adopted a comprehensive  
 205.9 plan under this section at the time the interim ordinance is enacted.

205.10 **EFFECTIVE DATE.** This section is effective for interim ordinances proposed on or  
 205.11 after August 1, 2017.

205.12 Sec. 4. Minnesota Statutes 2016, section 462A.201, subdivision 2, is amended to read:

205.13 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust  
 205.14 fund account to provide loans or grants for:

205.15 (1) projects for the development, construction, acquisition, preservation, and rehabilitation  
 205.16 of low-income rental and limited equity cooperative housing units, including temporary  
 205.17 and transitional housing;

205.18 (2) the costs of operating rental housing, as determined by the agency, that are unique  
 205.19 to the operation of low-income rental housing or supportive housing; ~~and~~

205.20 (3) rental assistance, either project-based or tenant-based; and

205.21 (4) projects to secure stable housing for families with children eligible for enrollment  
 205.22 in a prekindergarten through grade 12 academic program.

205.23 For purposes of this section, "transitional housing" has the meaning given by the United  
 205.24 States Department of Housing and Urban Development. Loans or grants for residential  
 205.25 housing for migrant farmworkers may be made under this section.

205.26 (b) The housing trust fund account must be used for the benefit of persons and families  
 205.27 whose income, at the time of initial occupancy, does not exceed 60 percent of median income  
 205.28 as determined by the United States Department of Housing and Urban Development for the  
 205.29 metropolitan area. At least 75 percent of the funds in the housing trust fund account must  
 205.30 be used for the benefit of persons and families whose income, at the time of initial occupancy,  
 205.31 does not exceed 30 percent of the median family income for the metropolitan area as defined  
 205.32 in section 473.121, subdivision 2. For purposes of this section, a household with a housing

206.1 assistance voucher under Section 8 of the United States Housing Act of 1937, as amended,  
206.2 is deemed to meet the income requirements of this section.

206.3 The median family income may be adjusted for families of five or more.

206.4 (c) Rental assistance under this section must be provided by governmental units which  
206.5 administer housing assistance supplements or by for-profit or nonprofit organizations  
206.6 experienced in housing management. Rental assistance shall be limited to households whose  
206.7 income at the time of initial receipt of rental assistance does not exceed 60 percent of median  
206.8 income, as determined by the United States Department of Housing and Urban Development  
206.9 for the metropolitan area. Priority among comparable applications for tenant-based rental  
206.10 assistance will be given to proposals that will serve households whose income at the time  
206.11 of initial application for rental assistance does not exceed 30 percent of median income, as  
206.12 determined by the United States Department of Housing and Urban Development for the  
206.13 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent  
206.14 of a household's monthly income for four consecutive months equals or exceeds the market  
206.15 rent for the unit in which the household resides plus utilities for which the tenant is  
206.16 responsible. Rental assistance may only be used for rental housing units that meet the housing  
206.17 maintenance code of the local unit of government in which the unit is located, if such a code  
206.18 has been adopted, or the housing quality standards adopted by the United States Department  
206.19 of Housing and Urban Development, if no local housing maintenance code has been adopted.

206.20 (d) In making the loans or grants, the agency shall determine the terms and conditions  
206.21 of repayment and the appropriate security, if any, should repayment be required. To promote  
206.22 the geographic distribution of grants and loans, the agency may designate a portion of the  
206.23 grant or loan awards to be set aside for projects located in specified congressional districts  
206.24 or other geographical regions specified by the agency. The agency may adopt rules for  
206.25 awarding grants and loans under this subdivision.

206.26 Sec. 5. Minnesota Statutes 2016, section 462A.2035, is amended to read:

206.27 **462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.**

206.28 Subdivision 1. **Establishment.** The agency shall establish a manufactured home park  
206.29 redevelopment program for the purpose of making manufactured home park redevelopment  
206.30 grants or loans to cities, counties, ~~or~~ community action programs, nonprofit organizations,  
206.31 and cooperatives created under chapter 308A or 308B.

206.32 Subd. 1a. **Individual assistance grants.** ~~Cities, counties, and community action programs~~  
206.33 Eligible recipients may use individual assistance grants and loans under this program to:

207.1 (1) provide current residents of manufactured home parks with buy-out assistance not  
 207.2 to exceed \$4,000 per home with preference given to older manufactured homes; and

207.3 (2) provide down-payment assistance for the purchase of new and preowned manufactured  
 207.4 homes that comply with the current version of the State Building Code in effect at the time  
 207.5 of the sale, not to exceed \$10,000 per home; and.

207.6 ~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~

207.7 Subd. 1b. **Park infrastructure grants.** Eligible recipients may use park infrastructure  
 207.8 grants under this program for:

207.9 (1) improvements in manufactured home parks; and

207.10 (2) infrastructure, including storm shelters and community facilities.

207.11 Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision  
 207.12 1a, households assisted ~~under this section~~ must have an annual household income at or  
 207.13 below 80 percent of the area median household income. Cities, counties, or community  
 207.14 action programs receiving funds under the program must give preference to households at  
 207.15 or below 50 percent of the area median household income. Participation in the program is  
 207.16 voluntary and no park resident shall be required to participate.

207.17 Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in  
 207.18 approximately equal amounts to applicants outside and within the metropolitan area. Grants  
 207.19 and loans under this section shall be provided in a manner consistent with the agency's  
 207.20 policies and purposes in section 462A.02.

207.21 Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant  
 207.22 under subdivision 1b shall provide from year to year, on a cumulative basis, for adequate  
 207.23 reserve funds to cover the repair and replacement of the private infrastructure systems  
 207.24 serving the community.

207.25 Sec. 6. Minnesota Statutes 2016, section 462A.204, subdivision 8, is amended to read:

207.26 Subd. 8. **School stability.** (a) The agency in consultation with the Interagency Task  
 207.27 Force Council on Homelessness may establish a school stability project under the family  
 207.28 homeless prevention and assistance program. The purpose of the project is to secure stable  
 207.29 housing for families with school-age children who have moved frequently and for  
 207.30 unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors  
 207.31 who are leaving foster care or juvenile correctional facilities, or minors who meet the

208.1 definition of a child in need of services or protection under section 260C.007, subdivision  
208.2 6, but for whom no court finding has been made pursuant to that statute.

208.3 (b) The agency shall make grants to family homeless prevention and assistance projects  
208.4 in communities with a school or schools that have a significant degree of student mobility.

208.5 (c) Each project must be designed to reduce school absenteeism; stabilize children in  
208.6 one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each  
208.7 project must include plans for the following:

208.8 (1) ~~targeting of families with children under age 12 who, in the last 12 months have~~  
208.9 ~~either: changed schools or homes at least once or been absent from school at least 15 percent~~  
208.10 ~~of the school year and who have either been evicted from their housing;~~ who are eligible  
208.11 for a prekindergarten through grade 12 academic program and are living in overcrowded  
208.12 conditions in their current housing; or are paying more than 50 percent of their income for  
208.13 rent; or who lack a fixed, regular, and adequate nighttime residence;

208.14 (2) targeting of unaccompanied youth in need of an alternative residential setting;

208.15 (3) connecting families with the social services necessary to maintain the families'  
208.16 stability in their home, including but not limited to housing navigation, legal representation,  
208.17 and family outreach; and

208.18 (4) one or more of the following:

208.19 (i) provision of rental assistance for a specified period of time, which may exceed 24  
208.20 months; or

208.21 (ii) ~~development of permanent supportive housing or transitional housing~~ provision of  
208.22 support and case management services to improve housing stability, including but not limited  
208.23 to housing navigation and family outreach.

208.24 (d) ~~Notwithstanding subdivision 2, grants under this section may be used to acquire,~~  
208.25 ~~rehabilitate, or construct transitional or permanent housing~~ In selecting projects for funding  
208.26 under this subdivision, preference shall be given to organizations granted funding under  
208.27 section 462A.201, subdivision 2, paragraph (a), clause (4).

208.28 (e) ~~Each grantee under the project must include representatives of the local school district~~  
208.29 ~~or targeted schools, or both, and of the local community correction agencies on its advisory~~  
208.30 ~~committee~~ No grantee under this subdivision is required to have an advisory committee as  
208.31 described in subdivision 6.

209.1 **Sec. 7. [462A.39] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

209.2 **Subdivision 1. Establishment.** The commissioner of Minnesota housing finance shall  
209.3 establish a workforce housing development program to award grants or deferred loans to  
209.4 eligible project areas to be used for qualified expenditures. Grants or deferred loans  
209.5 authorized under this section may be made without limitations relating to the maximum  
209.6 incomes of the renters.

209.7 **Subd. 2. Definitions.** (a) For purposes of this section, the following terms have the  
209.8 meanings given.

209.9 (b) "Eligible project area" means a home rule charter or statutory city located outside  
209.10 of the metropolitan area as defined in section 473.121, subdivision 2, with a population  
209.11 exceeding 500; a community that has a combined population of 1,500 residents located  
209.12 within 15 miles of a home rule charter or statutory city located outside the metropolitan  
209.13 area as defined in section 473.121, subdivision 2; or an area served by a joint county-city  
209.14 economic development authority.

209.15 (c) "Joint county-city economic development authority" means an economic development  
209.16 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between  
209.17 a city and county and excluding those established by the county only.

209.18 (d) "Market rate residential rental properties" means properties that are rented at market  
209.19 value, including new modular homes, new manufactured homes, and new manufactured  
209.20 homes on leased land or in a manufactured home park, and may include rental developments  
209.21 that have a portion of income-restricted units.

209.22 (e) "Qualified expenditure" means expenditures for market rate residential rental  
209.23 properties including acquisition of property; construction of improvements; and provisions  
209.24 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing  
209.25 costs.

209.26 **Subd. 3. Application.** The commissioner shall develop forms and procedures for soliciting  
209.27 and reviewing application for grants or deferred loans under this section. At a minimum, a  
209.28 city must include in its application a resolution of its governing body certifying that the  
209.29 matching amount as required under this section is available and committed.

209.30 **Subd. 4. Program requirements.** (a) The commissioner must not award a grant or  
209.31 deferred loans to an eligible project area under this section until the following determinations  
209.32 are made:

210.1 (1) the average vacancy rate for rental housing located in the eligible project area, and  
 210.2 in any other city located within 15 miles or less of the boundaries of the area, has been five  
 210.3 percent or less for at least the prior two-year period;

210.4 (2) one or more businesses located in the eligible project area, or within 25 miles of the  
 210.5 area, that employs a minimum of 20 full-time equivalent employees in aggregate have  
 210.6 provided a written statement to the eligible project area indicating that the lack of available  
 210.7 rental housing has impeded their ability to recruit and hire employees; and

210.8 (3) the eligible project area has certified that the grants or deferred loans will be used  
 210.9 for qualified expenditures for the development of rental housing to serve employees of  
 210.10 businesses located in the eligible project area or surrounding area.

210.11 (b) Preference for grants or deferred loans awarded under this section shall be given to  
 210.12 eligible project areas with less than 30,000 people.

210.13 (c) Among comparable proposals, preference must be given to projects with a higher  
 210.14 proportion of units that are not income-restricted.

210.15 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent  
 210.16 of the rental housing development project cost. The commissioner shall not award a grant  
 210.17 or deferred loans to a city without certification by the city that the amount of the grant or  
 210.18 deferred loans shall be matched by a local unit of government, business, or nonprofit  
 210.19 organization with \$1 for every \$2 provided in grant or deferred loans funds.

210.20 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit  
 210.21 a report to the chairs and ranking minority members of the senate and house of representatives  
 210.22 committees having jurisdiction over taxes and workforce development specifying the projects  
 210.23 that received grants or deferred loans under this section and the specific purposes for which  
 210.24 the grant funds were used.

210.25 Sec. 8. **[462C.16] HOUSING TRUST FUNDS FOR LOCAL HOUSING**  
 210.26 **DEVELOPMENT.**

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

210.29 (b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

210.30 (c) "Fund" means a local housing trust fund or a regional housing trust fund.

210.31 (d) "Local government" means any statutory or home rule charter city or a county.

211.1 (e) "Local housing trust fund" means a fund established by a local government with one  
211.2 or more dedicated sources of public revenue for housing.

211.3 (f) "Regional housing trust fund" means a fund established and administered under a  
211.4 joint powers agreement entered into by two or more local governments with one or more  
211.5 dedicated sources of public revenue for housing.

211.6 Subd. 2. **Creation and administration.** (a) A local government may establish a local  
211.7 housing trust fund by ordinance or participate in a joint powers agreement to establish a  
211.8 regional housing trust fund.

211.9 (b) A local or regional housing trust fund may be, but is not required to be, administered  
211.10 through a nonprofit organization. If administered through a nonprofit organization, that  
211.11 organization shall encourage private charitable donations to the fund.

211.12 Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may  
211.13 be used only to:

211.14 (1) pay for administrative expenses, but not more than ten percent of the balance of the  
211.15 fund may be spent on administration;

211.16 (2) make grants, loans, and loan guarantees for the development, rehabilitation, or  
211.17 financing of housing;

211.18 (3) match other funds from federal, state, or private resources for housing projects; or

211.19 (4) provide down payment assistance, rental assistance, and homebuyer counseling  
211.20 services.

211.21 Subd. 4. **Funding.** (a) A local government may finance its local or regional housing  
211.22 trust fund with any money available to the local government, unless expressly prohibited  
211.23 by state law. Sources of these funds include, but are not limited to:

211.24 (1) donations;

211.25 (2) bond proceeds;

211.26 (3) grants and loans from a state, federal, or private source;

211.27 (4) appropriations by a local government to the fund;

211.28 (5) investment earnings of the fund; and

211.29 (6) housing and redevelopment authority levies.

212.1 (b) The local government may alter a source of funding for the local or regional housing  
 212.2 trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts  
 212.3 or expenditures authorized by the fund in its budget.

212.4 Subd. 5. **Reports.** A local or regional housing trust fund established under this section  
 212.5 must report annually to the local government that created the fund. The local government  
 212.6 or governments must post this report on its public Web site.

212.7 Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A  
 212.8 local or regional housing trust fund existing on the effective date of this section is not  
 212.9 required to alter the existing terms of its governing documents or take any additional  
 212.10 authorizing actions required by subdivision 2.

212.11 **Sec. 9. MINNESOTA HOUSING FINANCE AGENCY REPORT.**

212.12 By September 30, 2017, and September 30, 2018, the Housing Finance Agency shall  
 212.13 provide to the chairs and ranking minority members of the house of representatives and  
 212.14 senate committees with jurisdiction over the agency a draft and final version of its affordable  
 212.15 housing plan before and after it has been submitted to the agency board for consideration.  
 212.16 The affordable housing plan must include information on the availability of funds within  
 212.17 the Housing Affordability Fund, or Pool 3, the anticipated uses of those funds, and the prior  
 212.18 year's actual uses of those funds.

## 212.19 **ARTICLE 12**

### 212.20 **MISCELLANEOUS POLICY**

212.21 **Section 1.** Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special  
 212.22 Session chapter 1, article 7, section 1, and Laws 2016, chapter 189, article 7, section 42, is  
 212.23 amended to read:

212.24 **Sec. 13. EFFECTIVE DATE.**

212.25 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2017~~ 2020. Sections 4, 5, and 12 are  
 212.26 effective July 1, 2014.

212.27 **EFFECTIVE DATE.** This section is effective the day following final enactment. Until  
 212.28 July 1, 2020, any employee, employer, employee or employer organization, exclusive  
 212.29 representative, or any other person or organization aggrieved by an unfair labor practice as  
 212.30 defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief  
 212.31 and for damages caused by the unfair labor practice in the district court of the county in  
 212.32 which the practice is alleged to have occurred.

213.1 **Sec. 2. AGENCY ACTIVITY AND EXPENDITURE REPORTS.**

213.2 (a) The commissioners of employment and economic development, housing finance,  
 213.3 labor and industry, and commerce, as well as the Public Utilities Commission, must each  
 213.4 submit a report, as described in paragraph (b), to the chairs and ranking minority members  
 213.5 of the house of representatives and senate committees and divisions with jurisdiction over  
 213.6 their budget appropriations by October 15, 2018.

213.7 (b) The reports must include:

213.8 (1) the number of employees in each operational division and descriptions of the work  
 213.9 of each employee;

213.10 (2) a description of the responsibilities that fall under each operational division;

213.11 (3) a detailed list of the source of all revenue, including any fees, taxes, or other revenues  
 213.12 collected, as well as details of base budgets, including all prior appropriation riders;

213.13 (4) how much of each budgetary division appropriation passes through as grants, as well  
 213.14 as the costs related to each grant program;

213.15 (5) a detailed description of the costs related to each budgetary division, as well as the  
 213.16 statutory authority under which those costs are allocated; and

213.17 (6) the statutory authority for all expenditures."

213.18 Delete the title and insert:

213.19 "A bill for an act

213.20 relating to state government; appropriating money for jobs and economic  
 213.21 development; appropriating money for the Department of Employment and  
 213.22 Economic Development, Housing Finance Agency, Department of Labor and  
 213.23 Industry, Bureau of Mediation Services, Public Employment Relations Board,  
 213.24 Workers' Compensation Court of Appeals, Department of Commerce, Public  
 213.25 Utilities Commission, and Public Facilities Authority; making policy and  
 213.26 housekeeping changes to labor and industry provisions; making policy changes to  
 213.27 employment, economic development, and workforce development provisions;  
 213.28 making policy changes to the Department of Iron Range Resources and  
 213.29 Rehabilitation; making changes related to workers' compensation; making changes  
 213.30 to commerce, energy, and telecommunications policy; making other housing and  
 213.31 miscellaneous policy changes; modifying fees; requiring reports; authorizing  
 213.32 rulemaking; amending Minnesota Statutes 2016, sections 3.732, subdivision 1;  
 213.33 3.736, subdivision 3; 3.8851, subdivision 1; 15.01; 15.38, subdivision 7; 15A.0815,  
 213.34 subdivision 3; 16B.323; 43A.02, subdivision 22; 45.0135, subdivision 6; 46.131,  
 213.35 subdivision 7, by adding a subdivision; 65B.84, subdivision 1; 80A.61; 80A.65,  
 213.36 subdivision 2; 85.0146, subdivision 1; 116C.779, subdivision 1; 116C.7792;  
 213.37 116D.04, subdivision 1a; 116J.423, subdivision 2; 116J.424; 116J.8731, subdivision  
 2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116J.994,  
 213.38 subdivisions 3, 5, 7; 116L.17, subdivision 1; 116L.665; 116M.14, subdivision 4;  
 213.39 116M.17, subdivision 4; 116M.18, subdivisions 1a, 4, 4a, 8; 175.45; 176.135, by  
 213.40 adding a subdivision; 176.1362, subdivisions 1, 2; 176.275, subdivision 1; 176.285;

214.1 176.361, subdivisions 2, 3; 176.521, by adding a subdivision; 176.541, subdivisions  
214.2 1, 8, by adding a subdivision; 176.611, subdivision 2; 216B.161, subdivision 1;  
214.3 216B.164, subdivisions 2, 5, 9, by adding a subdivision; 216B.1691, subdivision  
214.4 2f; 216B.1694, subdivisions 1, 3; 216B.241, subdivisions 1b, 1c, 1d, 2, 5, 5d, 7;  
214.5 216B.2422, subdivisions 2, 4; 216B.2424, by adding a subdivision; 216B.62,  
214.6 subdivision 3b; 216C.05, subdivision 2; 216C.435, by adding a subdivision;  
214.7 216H.03, subdivisions 3, 4, 7; 237.162, subdivisions 2, 4, 9, by adding subdivisions;  
214.8 237.163, subdivisions 2, 4, 6, 7, by adding subdivisions; 276A.01, subdivisions  
214.9 8, 17; 276A.06, subdivision 8; 282.38, subdivisions 1, 3; 297I.11, subdivision 2;  
214.10 298.001, subdivision 8, by adding a subdivision; 298.018, subdivision 1; 298.17;  
214.11 298.22, subdivisions 1, 1a, 5a, 6, 10, 11, by adding subdivisions; 298.221; 298.2211,  
214.12 subdivisions 3, 6; 298.2212; 298.223, subdivisions 1, 2; 298.227; 298.27; 298.28,  
214.13 subdivisions 7, 7a, 9c, 9d, 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297;  
214.14 298.46, subdivisions 2, 5, 6; 325J.06; 326B.092, subdivision 7; 326B.153,  
214.15 subdivision 1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50,  
214.16 subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.89,  
214.17 subdivisions 1, 5; 327C.01, by adding a subdivision; 345.42, by adding a  
214.18 subdivision; 345.49; 462.355, subdivision 4; 462A.201, subdivision 2; 462A.2035;  
214.19 462A.204, subdivision 8; 466.03, subdivision 6c; 469.310, subdivision 9; 474A.02,  
214.20 subdivision 21; Laws 2010, chapter 389, article 5, section 7; Laws 2014, chapter  
214.21 211, section 13, as amended; Laws 2014, chapter 312, article 2, section 14, as  
214.22 amended; Laws 2015, First Special Session chapter 1, article 1, sections 2,  
214.23 subdivision 6; 5, subdivision 2; Laws 2016, chapter 189, article 7, section 46; Laws  
214.24 2017, chapter 68, article 1, section 1; proposing coding for new law in Minnesota  
214.25 Statutes, chapters 72A; 116J; 175; 176; 216C; 239; 326B; 327C; 462A; 462C;  
214.26 471; repealing Minnesota Statutes 2016, sections 3.8852; 46.131, subdivision 5;  
214.27 116C.779, subdivision 3; 116J.549; 174.187; 176.541, subdivision 7; 216B.8109;  
214.28 216B.811; 216B.812; 216B.813; 216B.815; 216C.411; 216C.412; 216C.413;  
214.29 216C.414; 216C.415; 216C.416; 298.22, subdivision 8; 298.2213; 298.298;  
214.30 326B.89, subdivision 14; Laws 2013, chapter 85, article 6, section 11; Minnesota  
214.31 Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; 4355.0500."

215.1 We request the adoption of this report and repassage of the bill.

215.2 Senate Conferees:

215.3 ..... ..

215.4 Jeremy R. Miller Gary H. Dahms

215.5 ..... ..

215.6 David J. Osmek Paul Anderson

215.7 ..... ..

215.8 Bobby Joe Champion

215.9 House Conferees:

215.10 ..... ..

215.11 Pat Garofalo Jim Newberger

215.12 ..... ..

215.13 Marion O'Neill Joe Hoppe

215.14 ..... ..

215.15 Tim Mahoney