

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1937

(SENATE AUTHORS: MILLER)

DATE	D-PG	OFFICIAL STATUS
03/08/2017	1187	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
03/23/2017	1806a	Comm report: To pass as amended and re-refer to Finance
03/28/2017	1972a	Comm report: To pass as amended
	2178	Second reading
03/29/2017		Special Order: Amended Third reading Passed

1.1 A bill for an act

1.2 relating to state government; appropriating money for commerce, energy, labor

1.3 and industry, and employment and economic development; making policy and

1.4 technical changes; modifying fees; requiring reports; amending regulation of

1.5 municipal electric utilities and rural electric cooperatives; modifying the solar

1.6 energy standard; amending resource planning requirements; establishing a task

1.7 force; establishing a youth skills training program; modifying water conditioning

1.8 installation requirements; modifying job creation fund requirements for certain

1.9 businesses; providing a onetime exception to restrictions on use of Minnesota

1.10 investment fund repayments; creating the getting to work grant program; amending

1.11 Minnesota Statutes 2016, sections 45.0135, subdivision 6; 46.131, subdivision 7,

1.12 by adding a subdivision; 53B.11, subdivision 1; 58.10, subdivision 1; 65B.84,

1.13 subdivision 1; 80A.65, subdivision 2; 116J.395, subdivision 7; 116J.8731,

1.14 subdivision 2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116L.17,

1.15 subdivision 1; 116L.665; 116M.14, subdivision 4; 116M.17, subdivision 4;

1.16 116M.18, subdivisions 1a, 4, 4a, 8; 175.45; 216B.164, subdivisions 5, 9, by adding

1.17 a subdivision; 216B.1691, subdivision 2f; 216B.1694, subdivision 3; 216B.2422,

1.18 subdivisions 2, 4; 216B.62, subdivision 3b; 216C.435, by adding a subdivision;

1.19 239.101, subdivision 2; 297I.11, subdivision 2; 326B.092, subdivision 7; 326B.153,

1.20 subdivision 1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50,

1.21 subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.89,

1.22 subdivisions 1, 5; Laws 2015, First Special Session chapter 1, article 1, section 5,

1.23 subdivision 2; Laws 2016, chapter 189, article 7, section 2, subdivision 2; proposing

1.24 coding for new law in Minnesota Statutes, chapters 175; 326B; repealing Minnesota

1.25 Statutes 2016, sections 46.131, subdivision 5; 326B.89, subdivision 14; Minnesota

1.26 Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; 4355.0500.

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

1.28 **ARTICLE 1**

1.29 **APPROPRIATIONS**

1.30 Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

1.31 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.32 and for the purposes specified in this article. The appropriations are from the general fund,

2.1 or another named fund, and are available for the fiscal years indicated for each purpose.
 2.2 The figures "2018" and "2019" used in this article mean that the appropriations listed under
 2.3 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.
 2.4 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"
 2.5 is fiscal years 2018 and 2019.

2.6 **APPROPRIATIONS**

2.7 **Available for the Year**

2.8 **Ending June 30**

2.9 **2018**

2019

2.10 **Sec. 2. DEPARTMENT OF COMMERCE**

2.11 **Subdivision 1. Total Appropriation** \$ **25,471,000** \$ **25,471,000**

2.12 **Appropriations by Fund**

	<u>2018</u>	<u>2019</u>
2.13 <u>General</u>	<u>22,809,000</u>	<u>22,809,000</u>
2.14 <u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>
2.15 <u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
2.16 <u>Workers'</u>		
2.17 <u>Compensation</u>	<u>751,000</u>	<u>751,000</u>

2.18
 2.19 The amounts that may be spent for each
 2.20 purpose are specified in the following
 2.21 subdivisions.

2.22 **Subd. 2. Financial Institutions** 420,000 420,000

2.23 **Subd. 3. Petroleum Tank Release Compensation**
 2.24 **Board** 1,052,000 1,052,000

2.25 This appropriation is from the petroleum tank
 2.26 fund.

2.27 **Subd. 4. Administrative Services** 7,386,000 7,386,000

2.28 \$100,000 each year is for the support of
 2.29 broadband development.

2.30 **Subd. 5. Telecommunications**

2.31 **Appropriations by Fund**

2.32 <u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
2.33 <u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>

3.1 \$1,610,000 each year is from the
 3.2 telecommunication access fund for the
 3.3 following transfers.

3.4 (1) \$1,170,000 each year is to the
 3.5 commissioner of human services to
 3.6 supplement the ongoing operational expenses
 3.7 of the Commission of Deaf, DeafBlind, and
 3.8 Hard-of-Hearing Minnesotans;

3.9 (2) \$290,000 each year is to the chief
 3.10 information officer for the purpose of
 3.11 coordinating technology accessibility and
 3.12 usability;

3.13 (3) \$100,000 each year is to the Legislative
 3.14 Coordinating Commission for captioning of
 3.15 legislative coverage; and

3.16 (4) \$50,000 each year is to the Office of
 3.17 MN.IT Services for a consolidated access fund
 3.18 to provide grants to other state agencies related
 3.19 to accessibility of their Web-based services.

3.20 **Subd. 6. Enforcement**

3.21 Appropriations by Fund

3.22 <u>General</u>	<u>4,901,000</u>	<u>4,901,000</u>
3.23 <u>Workers'</u>		
3.24 <u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

3.25 **Subd. 7. Energy Resources** 4,677,000 4,677,000

3.26 \$150,000 each year is for grants to providers
 3.27 of low-income weatherization services to
 3.28 install renewable energy equipment in
 3.29 households that are eligible for weatherization
 3.30 assistance under Minnesota's weatherization
 3.31 assistance program state plan under Minnesota
 3.32 Statutes, section 216C.264.

3.33 \$430,000 each year is for costs associated with
 3.34 competitive rates for energy-intensive,

4.1 trade-exposed electric utility customers. All
 4.2 general fund appropriations for costs
 4.3 associated with competitive rates for
 4.4 energy-intensive, trade-exposed electric utility
 4.5 customers are recovered through assessments
 4.6 under Minnesota Statutes, section 216B.62.

4.7 **Subd. 8. Insurance**

	<u>Appropriations by Fund</u>	
4.8		
4.9	<u>General</u>	<u>4,416,000</u> <u>4,416,000</u>
4.10	<u>Workers'</u>	
4.11	<u>Compensation</u>	<u>553,000</u> <u>553,000</u>

4.12 **Subd. 9. Commerce Fraud Bureau**

4.13 The revenue transferred in Minnesota Statutes,
 4.14 section 297I.11, subdivision 2, to the insurance
 4.15 fraud prevention account must be used in part
 4.16 for compensation for two new employees in
 4.17 the Commerce Fraud Bureau to perform
 4.18 analytical duties. The new employees may not
 4.19 be peace officers.

4.20 **Sec. 3. DEPARTMENT OF EMPLOYMENT**
 4.21 **AND ECONOMIC DEVELOPMENT**

4.22 **Subdivision 1. Total Appropriation** \$ **128,246,000** \$ **125,175,000**

	<u>Appropriations by Fund</u>	
4.23		
4.24	<u>2018</u>	<u>2019</u>
4.25	<u>General</u>	<u>93,004,000</u> <u>90,680,000</u>
4.26	<u>Remediation</u>	<u>700,000</u> <u>700,000</u>
4.27	<u>Workforce</u>	
4.28	<u>Development</u>	<u>34,542,000</u> <u>33,795,000</u>

4.29 The amounts that may be spent for each
 4.30 purpose are specified in the following
 4.31 subdivisions.

4.32 **Subd. 2. Business and Community Development**

	<u>Appropriations by Fund</u>	
4.33		
4.34	<u>General</u>	<u>44,164,000</u> <u>41,890,000</u>
4.35	<u>Remediation</u>	<u>700,000</u> <u>700,000</u>

5.1 Workforce
 5.2 Development 900,000 900,000

5.3 (a) \$12,500,000 each year is for the Minnesota
 5.4 investment fund under Minnesota Statutes,
 5.5 section 116J.8731. Of this amount, up to three
 5.6 percent is for administration and monitoring
 5.7 of the program. Of the amount appropriated
 5.8 in fiscal year 2018, \$4,000,000 is for a loan
 5.9 to construct and equip a wholesale electronic
 5.10 component distribution center investing a
 5.11 minimum of \$200,000,000 and constructing
 5.12 a facility at least 700,000 square feet in size.

5.13 Loan funds may be used for purchases of
 5.14 materials, supplies, and equipment for the
 5.15 construction of the facility and are available
 5.16 from July 1, 2017, to June 30, 2021. The
 5.17 commissioner of employment and economic
 5.18 development shall forgive the loan after
 5.19 verification that the project has satisfied
 5.20 performance goals and contractual obligations
 5.21 as required under Minnesota Statutes, section
 5.22 116J.8731. This appropriation is available until
 5.23 spent. The base for this program is
 5.24 \$13,500,000 in fiscal year 2020 and
 5.25 \$13,500,000 in fiscal year 2021.

5.26 (b) \$8,000,000 each year is for the Minnesota
 5.27 job creation fund under Minnesota Statutes,
 5.28 section 116J.8748. Of this amount, up to three
 5.29 percent is for administration and monitoring
 5.30 of the program. This appropriation is available
 5.31 until spent. The base for this program is
 5.32 \$8,000,000 in fiscal year 2020 and \$8,000,000
 5.33 in fiscal year 2021.

5.34 (c) \$1,500,000 each year is for the
 5.35 redevelopment program under Minnesota

6.1 Statutes, section 116J.571. The base for this
6.2 program is \$2,000,000 in fiscal year 2020 and
6.3 \$2,000,000 in fiscal year 2021.

6.4 (d) \$3,000,000 each year is for the workforce
6.5 housing grant program in Minnesota Statutes,
6.6 section 116J.549. Of this amount, up to five
6.7 percent is for administration and monitoring
6.8 of the program. This appropriation is available
6.9 until spent.

6.10 (e) \$500,000 each year is for the Minnesota
6.11 emerging entrepreneur loan program under
6.12 Minnesota Statutes, section 116M.18. Funds
6.13 available under this paragraph are for transfer
6.14 into the emerging entrepreneur program
6.15 special revenue fund account created under
6.16 Minnesota Statutes, chapter 116M, and are
6.17 available until spent. Of this amount, up to
6.18 five percent is for administration and
6.19 monitoring of the program. The base for this
6.20 appropriation is \$1,000,000 in fiscal year 2020
6.21 and \$1,000,000 in fiscal year 2021.

6.22 (f) \$900,000 each year from the workforce
6.23 development fund is for the job training
6.24 incentive program under Minnesota Statutes,
6.25 section 116L.42. Of this amount, up to five
6.26 percent is for administration and monitoring
6.27 of the program.

6.28 (g) \$1,300,000 each year is for the greater
6.29 Minnesota business development public
6.30 infrastructure grant program under Minnesota
6.31 Statutes, section 116J.431. Of this amount,
6.32 \$800,000 each year is for a onetime grant to
6.33 the city of Thief River Falls to support utility
6.34 extensions, roads, and other public
6.35 improvements related to the construction of a

7.1 wholesale electronic component distribution
7.2 center at least 700,000 square feet in size and
7.3 investing a minimum of \$200,000,000.
7.4 Notwithstanding Minnesota Statutes, section
7.5 116J.431, a local match is not required for the
7.6 grant. Grant funds provided to the city of Thief
7.7 River Falls under this paragraph are available
7.8 from July 1, 2017, to June 30, 2021. Except
7.9 as otherwise specified in this paragraph, this
7.10 appropriation is available until spent.
7.11 (h) \$139,000 each year is for the Center for
7.12 Rural Policy and Development.
7.13 (i) \$1,272,000 each year is for contaminated
7.14 site cleanup and development grants under
7.15 Minnesota Statutes, sections 116J.551 to
7.16 116J.558. This appropriation is available until
7.17 spent.
7.18 (j) \$700,000 each year is from the remediation
7.19 fund for contaminated site cleanup and
7.20 development grants under Minnesota Statutes,
7.21 sections 116J.551 to 116J.558. This
7.22 appropriation is available until spent.
7.23 (k) \$1,425,000 each year is for the business
7.24 development competitive grant program. Of
7.25 this amount, up to five percent is for
7.26 administration and monitoring of the business
7.27 development competitive grant program. All
7.28 grant awards shall be for two consecutive
7.29 years. Grants shall be awarded in the first year.
7.30 (l) \$4,848,000 in fiscal year 2018 and
7.31 \$4,849,000 in fiscal year 2019 is for the
7.32 Minnesota job skills partnership program
7.33 under Minnesota Statutes, sections 116L.01
7.34 to 116L.17. If the appropriation for either year

8.1 is insufficient, the appropriation for the other
8.2 year is available. This appropriation is
8.3 available until spent. The base amount for this
8.4 program is \$5,195,000 in fiscal year 2020 and
8.5 \$5,195,000 in fiscal year 2021.

8.6 (m) \$25,000 each year is for the administration
8.7 of state aid for the Destination Medical Center
8.8 under Minnesota Statutes, sections 469.40 to
8.9 469.47.

8.10 (n) \$750,000 each year is for a grant to the
8.11 Neighborhood Development Center for small
8.12 business programs, including, but not limited
8.13 to:

8.14 (1) training, lending, and business services;

8.15 (2) model outreach and training in greater
8.16 Minnesota; and

8.17 (3) development of new business incubators.

8.18 This is a onetime appropriation.

8.19 (o) \$1,175,000 each year is for a grant to the
8.20 Metropolitan Economic Development
8.21 Association (MEDA) for statewide business
8.22 development and assistance services, including
8.23 services to entrepreneurs with businesses that
8.24 have the potential to create job opportunities
8.25 for unemployed and underemployed people,
8.26 with an emphasis on minority-owned
8.27 businesses. This is a onetime appropriation.

8.28 (p) \$125,000 each year is for a grant to the
8.29 White Earth Nation for the White Earth Nation
8.30 Integrated Business Development System to
8.31 provide business assistance with workforce
8.32 development, outreach, technical assistance,
8.33 infrastructure and operational support,

9.1 financing, and other business development
9.2 activities. This is a onetime appropriation.

9.3 (q) \$875,000 each year is for a grant to
9.4 Enterprise Minnesota, Inc. for the small
9.5 business growth acceleration program under
9.6 Minnesota Statutes, section 116O.115. This
9.7 is a onetime appropriation.

9.8 (r) \$12,000 each year is from the general fund
9.9 for a grant to the Upper Minnesota Film
9.10 Office.

9.11 (s) \$325,000 each year is from the general
9.12 fund for the Minnesota Film and TV Board.
9.13 The appropriation in each year is available
9.14 only upon receipt by the board of \$1 in
9.15 matching contributions of money or in-kind
9.16 contributions from nonstate sources for every
9.17 \$3 provided by this appropriation, except that
9.18 each year up to \$50,000 is available on July
9.19 1 even if the required matching contribution
9.20 has not been received by that date.

9.21 (t) \$500,000 each year is from the general fund
9.22 for a grant to the Minnesota Film and TV
9.23 Board for the film production jobs program
9.24 under Minnesota Statutes, section 116U.26.
9.25 This appropriation is available until spent.

9.26 (u) \$275,000 in fiscal year 2018 is from the
9.27 general fund to the commissioner of
9.28 employment and economic development for
9.29 a grant to Community and Economic
9.30 Development Associates (CEDA) for an
9.31 economic development study and analysis of
9.32 the effects of current and projected economic
9.33 growth in southeast Minnesota. CEDA shall
9.34 report on the findings and recommendations

10.1 of the study to the committees of the house of
 10.2 representatives and senate with jurisdiction
 10.3 over economic development and workforce
 10.4 issues by February 15, 2019. All results and
 10.5 information gathered from the study shall be
 10.6 made available for use by cities in southeast
 10.7 Minnesota by March 15, 2019. This is a
 10.8 onetime appropriation and is available until
 10.9 June 30, 2020.

10.10 (v) \$2,000,000 the first year is for a grant to
 10.11 Pillsbury United Communities for construction
 10.12 and renovation of a building in north
 10.13 Minneapolis for use as the "North Market"
 10.14 grocery store and wellness center, focused on
 10.15 offering healthy food, increasing health care
 10.16 access, and providing job creation and
 10.17 economic opportunities in one place for
 10.18 children and families living in the area. To the
 10.19 extent possible, Pillsbury United Communities
 10.20 shall employ individuals who reside within a
 10.21 five mile radius of the grocery store and
 10.22 wellness center. This appropriation is not
 10.23 available until at least an equal amount of
 10.24 money is committed from nonstate sources.
 10.25 This is a onetime appropriation and is
 10.26 available until the project is completed or
 10.27 abandoned, subject to Minnesota Statutes,
 10.28 section 16A.642.

10.29 **Subd. 3. Broadband Development** 10,250,000 10,250,000

10.30 (a) \$250,000 each year is for the Broadband
 10.31 Development Office.

10.32 (b) \$10,000,000 each year is for deposit in the
 10.33 border-to-border broadband fund account
 10.34 created under Minnesota Statutes, section
 10.35 116J.396, and may be used for the purposes

- 11.1 provided in Minnesota Statutes, section
 11.2 116J.395. This is a onetime appropriation.
 11.3 This appropriation is available until spent. Of
 11.4 this appropriation, up to three percent is for
 11.5 costs incurred by the commissioner to
 11.6 administer Minnesota Statutes, section
 11.7 116J.395. Administrative costs may include
 11.8 the following activities related to measuring
 11.9 progress toward the state's broadband goals
 11.10 established in Minnesota Statutes, section
 11.11 237.012:
- 11.12 (1) collecting broadband deployment data from
 11.13 Minnesota providers, verifying its accuracy
 11.14 through on-the-ground testing, and creating
 11.15 state and county maps available to the public
 11.16 showing the availability of broadband service
 11.17 at various upload and download speeds
 11.18 throughout Minnesota;
- 11.19 (2) analyzing the deployment data collected
 11.20 to help inform future investments in broadband
 11.21 infrastructure; and
- 11.22 (3) conducting business and residential surveys
 11.23 that measure broadband adoption and use in
 11.24 the state.
- 11.25 Data provided by a broadband provider under
 11.26 this paragraph is nonpublic data under
 11.27 Minnesota Statutes, section 13.02, subdivision
 11.28 9. Maps produced under this paragraph are
 11.29 public data under Minnesota Statutes, section
 11.30 13.03.
- 11.31 **Subd. 4. Minnesota Trade Office** 2,292,000 2,292,000
 11.32 (a) \$300,000 each year is for the STEP grants
 11.33 in Minnesota Statutes, section 116J.979.

12.1 (b) \$180,000 each year is for the Invest
 12.2 Minnesota Marketing Initiative in Minnesota
 12.3 Statutes, section 116J.9781.

12.4 (c) \$270,000 each year is for the Minnesota
 12.5 Trade Offices under Minnesota Statutes,
 12.6 section 116J.978.

12.7 (d) \$50,000 each year is for the trade policy
 12.8 advisory group under Minnesota Statutes,
 12.9 section 116J.9661.

12.10 **Subd. 5. Workforce Development**

12.11	<u>Appropriations by Fund</u>		
12.12	<u>General</u>	<u>5,939,000</u>	<u>5,889,000</u>
12.13	<u>Workforce</u>		
12.14	<u>Development</u>	<u>23,295,000</u>	<u>22,548,000</u>

12.15 (a) \$1,539,000 each year from the general fund
 12.16 and \$3,104,000 each year from the workforce
 12.17 development fund are for the pathways to
 12.18 prosperity competitive grant program. Of this
 12.19 amount, up to five percent is for administration
 12.20 and monitoring of the program. The base
 12.21 amount for this program is \$5,039,000 from
 12.22 the general fund and \$3,104,000 from the
 12.23 workforce development fund in fiscal year
 12.24 2020 and fiscal year 2021.

12.25 (b) \$4,053,000 each year is from the
 12.26 workforce development fund for the
 12.27 Minnesota youth program under Minnesota
 12.28 Statutes, sections 116L.56 and 116L.561.

12.29 (c) \$1,001,000 each year is from the workforce
 12.30 development fund for the youthbuild program
 12.31 under Minnesota Statutes, sections 116L.361
 12.32 to 116L.366.

12.33 (d) \$500,000 each year is from the general
 12.34 fund and \$3,348,000 each year is from the

13.1 workforce development fund for the youth at
13.2 work competitive grant program under
13.3 Minnesota Statutes, section 116L.562. Of this
13.4 amount, up to five percent is for administration
13.5 and monitoring of the youth workforce
13.6 development competitive grant program. All
13.7 grant awards shall be for two consecutive
13.8 years. Grants shall be awarded in the first year.
13.9 The base amount for this program is
13.10 \$3,348,000 in fiscal year 2020 and \$3,348,000
13.11 in fiscal year 2021 from the workforce
13.12 development fund, and \$750,000 in fiscal year
13.13 2020 and \$750,000 in fiscal year 2021 from
13.14 the general fund.

13.15 (e) \$500,000 each year from the general fund
13.16 and \$500,000 each year from the workforce
13.17 development fund are for rural career
13.18 counseling coordinators in the workforce
13.19 service areas and for the purposes specified
13.20 in Minnesota Statutes, section 116L.667. Of
13.21 these amounts, up to five percent is for
13.22 administration and monitoring of the program.

13.23 (f) \$250,000 each year is for the higher
13.24 education career advising program. Of this
13.25 amount, up to five percent is for administration
13.26 and monitoring of the program.

13.27 (g) \$500,000 each year is for a competitive
13.28 grant program for grants to organizations
13.29 providing services to relieve economic
13.30 disparities in the Southeast Asian community
13.31 through workforce recruitment, development,
13.32 job creation, assistance of smaller
13.33 organizations to increase capacity, and
13.34 outreach. Of this amount, up to five percent

- 14.1 is for administration and monitoring of the
14.2 program.
- 14.3 (h) \$750,000 each year is for a competitive
14.4 grant program to provide grants to
14.5 organizations that provide support services for
14.6 individuals, such as job training, employment
14.7 preparation, internships, job assistance to
14.8 fathers, financial literacy, academic and
14.9 behavioral interventions for low-performing
14.10 students, and youth intervention. Grants made
14.11 under this section must focus on low-income
14.12 communities, young adults from families with
14.13 a history of intergenerational poverty, and
14.14 communities of color. Of this amount, up to
14.15 five percent is for administration and
14.16 monitoring of the program. The base amount
14.17 for this program is \$1,000,000 in fiscal year
14.18 2020 and \$1,000,000 in fiscal year 2021.
- 14.19 (i) \$500,000 each year is for the high-wage,
14.20 high-demand, nontraditional jobs grant
14.21 program under Minnesota Statutes, section
14.22 116L.99. Of this amount, up to five percent is
14.23 for administration and monitoring of the
14.24 program. The base amount for this program
14.25 is \$750,000 in fiscal year 2020 and \$750,000
14.26 in fiscal year 2021.
- 14.27 (j) \$450,000 each year is from the workforce
14.28 development fund for a grant to Minnesota
14.29 Diversified Industries, Inc., to provide
14.30 progressive development and employment
14.31 opportunities for people with disabilities. This
14.32 is a onetime appropriation.
- 14.33 (k) \$500,000 each year is from the workforce
14.34 development fund for the Opportunities
14.35 Industrialization Center programs. This

- 15.1 appropriation shall be divided equally among
15.2 the eligible centers.
- 15.3 (l) \$750,000 each year is from the workforce
15.4 development fund for a grant to the Minnesota
15.5 Alliance of Boys and Girls Clubs to administer
15.6 a statewide project of youth job skills
15.7 development. This project, which may have
15.8 career guidance components, including health
15.9 and life skills, is to encourage, train, and assist
15.10 youth in job-seeking skills, workplace
15.11 orientation, and job-site knowledge through
15.12 coaching. This grant requires a 25 percent
15.13 match from nonstate resources. This is a
15.14 onetime appropriation.
- 15.15 (m) \$250,000 each year is from the workforce
15.16 development fund for a grant to YWCA St.
15.17 Paul to provide job training services and
15.18 workforce development programs and
15.19 services, including job skills training and
15.20 counseling. This is a onetime appropriation.
- 15.21 (n) \$375,000 each year is from the workforce
15.22 development fund for a grant to the YWCA
15.23 of Minneapolis to provide economically
15.24 challenged individuals the job skills training,
15.25 career counseling, and job placement
15.26 assistance necessary to secure a child
15.27 development associate credential and to have
15.28 a career path in early childhood education.
15.29 This is a onetime appropriation.
- 15.30 (o) \$1,000,000 each year is from the
15.31 workforce development fund for a grant to
15.32 EMERGE Community Development, in
15.33 collaboration with community partners, for
15.34 services targeting Minnesota communities
15.35 with the highest concentrations of African and

16.1 African-American joblessness, based on the
16.2 most recent census tract data, to provide
16.3 employment readiness training, credentialed
16.4 training placement, job placement and
16.5 retention services, supportive services for
16.6 hard-to-employ individuals, and a general
16.7 education development fast track and adult
16.8 diploma program. This is a onetime
16.9 appropriation.

16.10 (p) \$1,000,000 each year is from the
16.11 workforce development fund for a grant to the
16.12 Minneapolis Foundation for a strategic
16.13 intervention program designed to target and
16.14 connect program participants to meaningful,
16.15 sustainable living-wage employment. This is
16.16 a onetime appropriation.

16.17 (q) \$1,297,000 in fiscal year 2018 and
16.18 \$800,000 in fiscal year 2019 are from the
16.19 workforce development fund for performance
16.20 grants under Minnesota Statutes, section
16.21 116J.8747, to Twin Cities R!SE to provide
16.22 training to hard-to-train individuals. Of the
16.23 amounts appropriated, \$497,000 in fiscal year
16.24 2018 is for a grant to Twin Cities R!SE, in
16.25 collaboration with Metro Transit and Hennepin
16.26 Technical College for the Metro Transit
16.27 technician training program. This is a onetime
16.28 appropriation and is available until June 30,
16.29 2020.

16.30 (r) \$750,000 each year is from the workforce
16.31 development fund for a grant to Latino
16.32 Communities United in Service (CLUES) to
16.33 expand culturally tailored programs that
16.34 address employment and education skill gaps
16.35 for working parents and underserved youth by

- 17.1 providing new job skills training to stimulate
17.2 higher wages for low-income people, family
17.3 support systems designed to reduce
17.4 intergenerational poverty, and youth
17.5 programming to promote educational
17.6 advancement and career pathways. At least
17.7 50 percent of this amount must be used for
17.8 programming targeted at greater Minnesota.
17.9 This is a onetime appropriation.
- 17.10 (s) \$250,000 each year is for transfer to the
17.11 Department of Education for a grant to the
17.12 American Indian Opportunities and
17.13 Industrialization Center, in collaboration with
17.14 the Northwest Indian Community
17.15 Development Center, to reduce academic
17.16 disparities for American Indian students and
17.17 adults. This is a onetime appropriation. The
17.18 grant funds may be used to provide:
- 17.19 (1) student tutoring and testing support
17.20 services;
- 17.21 (2) training in information technology;
- 17.22 (3) assistance in obtaining a GED;
- 17.23 (4) remedial training leading to enrollment in
17.24 a postsecondary higher education institution;
- 17.25 (5) real-time work experience in information
17.26 technology fields; and
- 17.27 (6) contextualized adult basic education.
- 17.28 After notification to the legislature, the
17.29 commissioner may transfer this appropriation
17.30 to the commissioner of education.
- 17.31 (t) \$600,000 each year is from the workforce
17.32 development fund for a grant to Ujamaa Place
17.33 for job training, employment preparation,

- 18.1 internships, education, training in the
18.2 construction trades, housing, and
18.3 organizational capacity-building. This is a
18.4 onetime appropriation.
- 18.5 (u) \$500,000 each year from the workforce
18.6 development fund is for a grant to Resource,
18.7 Inc. to provide low-income individuals career
18.8 education and job skills training that are fully
18.9 integrated with chemical and mental health
18.10 services. This is a onetime appropriation.
- 18.11 (v) \$1,100,000 each year from the workforce
18.12 development fund is for a grant to the
18.13 Minnesota High Tech Association to support
18.14 SciTechsperience, a program that supports
18.15 science, technology, engineering, and math
18.16 (STEM) internship opportunities for two- and
18.17 four-year college students and graduate
18.18 students in their field of study. The internship
18.19 opportunities must match students with paid
18.20 internships within STEM disciplines at small,
18.21 for-profit companies located in Minnesota,
18.22 having fewer than 250 employees worldwide.
18.23 At least 200 students must be matched in the
18.24 first year and at least 250 students must be
18.25 matched in the second year. No more than 15
18.26 percent of the hires may be graduate students.
18.27 Selected hiring companies shall receive from
18.28 the grant 50 percent of the wages paid to the
18.29 intern, capped at \$2,500 per intern. The
18.30 program must work toward increasing the
18.31 participation among women or individuals
18.32 with barriers to employment. This is a onetime
18.33 appropriation.
- 18.34 (w) \$1,000,000 each year is for a grant to the
18.35 Construction Careers Foundation for the

19.1 construction career pathway initiative to
19.2 provide year-round educational and
19.3 experiential learning opportunities for teens
19.4 and young adults under the age of 21 that lead
19.5 to careers in the construction industry. This is
19.6 a onetime appropriation. Grant funds must be
19.7 used to:

19.8 (1) increase construction industry exposure
19.9 activities for middle school and high school
19.10 youth, parents, and counselors to reach a more
19.11 diverse demographic and broader statewide
19.12 audience. This requirement includes, but is
19.13 not limited to, an expansion of programs to
19.14 provide experience in different crafts to youth
19.15 and young adults throughout the state;

19.16 (2) increase the number of high schools in
19.17 Minnesota offering construction classes during
19.18 the academic year that utilize a multicraft
19.19 curriculum;

19.20 (3) increase the number of summer internship
19.21 opportunities;

19.22 (4) enhance activities to support graduating
19.23 seniors in their efforts to obtain employment
19.24 in the construction industry;

19.25 (5) increase the number of young adults
19.26 employed in the construction industry and
19.27 ensure that they reflect Minnesota's diverse
19.28 workforce; and

19.29 (6) enhance an industrywide marketing
19.30 campaign targeted to youth and young adults
19.31 about the depth and breadth of careers within
19.32 the construction industry.

19.33 Programs and services supported by grant
19.34 funds must give priority to individuals and

20.1 groups that are economically disadvantaged
20.2 or historically underrepresented in the
20.3 construction industry, including but not limited
20.4 to women, veterans, and members of minority
20.5 and immigrant groups.

20.6 (x) \$215,000 each year is from the workforce
20.7 development fund for a grant to Big Brothers,
20.8 Big Sisters of the Greater Twin Cities for
20.9 workforce readiness, employment exploration,
20.10 and skills development for youth ages 12 to
20.11 21. The grant must serve youth in the Twin
20.12 Cities, Central Minnesota and Southern
20.13 Minnesota Big Brothers, Big Sisters chapters.
20.14 This is a onetime appropriation.

20.15 (y) \$50,000 the first year is for a grant to
20.16 Fighting Chance for behavioral intervention
20.17 programs for at-risk youth. This is a onetime
20.18 appropriation.

20.19 (z) \$250,000 each year is from the workforce
20.20 development fund for a grant to Bridges to
20.21 Healthcare to provide career education,
20.22 wraparound support services, and job skills
20.23 training in high-demand health care fields to
20.24 low-income parents, non-native speakers of
20.25 English, and other hard-to-train individuals,
20.26 helping families build secure pathways out of
20.27 poverty while also addressing worker
20.28 shortages in one of Minnesota's most
20.29 innovative industries. Funds may be used for
20.30 program expenses, including, but not limited
20.31 to, hiring instructors and navigators; space
20.32 rental; and supportive services to help
20.33 participants attend classes, including assistance
20.34 with course fees, child care, transportation,
20.35 and safe and stable housing. In addition, up to

21.1 five percent of grant funds may be used for
21.2 Bridges to Healthcare's administrative costs.
21.3 This is a onetime appropriation and is
21.4 available until June 30, 2020.

21.5 (aa) \$230,000 in fiscal year 2018 is from the
21.6 workforce development fund for a grant to the
21.7 Bois Forte Tribal Employment Rights Office
21.8 (TERO) for an American Indian workforce
21.9 development training pilot project. This is a
21.10 onetime appropriation.

21.11 (bb) \$500,000 each year is from the workforce
21.12 development fund for a grant to the Nonprofits
21.13 Assistance Fund to provide capacity-building
21.14 grants to small, culturally specific
21.15 organizations that primarily serve historically
21.16 underserved cultural communities. Grants may
21.17 only be awarded to nonprofit organizations
21.18 that (1) have an annual organizational budget
21.19 of less than \$500,000 and (2) are culturally
21.20 specific organizations that primarily serve
21.21 historically underserved cultural communities.

21.22 Grant funds awarded must be used for:

21.23 (1) organizational infrastructure improvement,
21.24 including developing database management
21.25 systems and financial systems, or other
21.26 administrative needs that increase the
21.27 organization's ability to access new funding
21.28 sources;

21.29 (2) organizational workforce development,
21.30 including hiring culturally competent staff,
21.31 training and skills development, and other
21.32 methods of increasing staff capacity; or

21.33 (3) creation or expansion of partnerships with
21.34 existing organizations that have specialized

22.1 expertise in order to increase the capacity of
 22.2 the grantee organization to improve services
 22.3 for the community. Of this amount, up to five
 22.4 percent may be used by the Nonprofits
 22.5 Assistance Fund for administration costs and
 22.6 providing technical assistance to potential
 22.7 grantees. This is a onetime appropriation.

22.8 (cc) \$1,502,000 each year is from the
 22.9 workforce development fund for a grant to
 22.10 FastTRAC-Minnesota Adult Careers Pathways
 22.11 Program. Up to ten percent of this
 22.12 appropriation may be used to provide
 22.13 leadership, oversight, and technical assistance
 22.14 services for low-skilled, low-income adults.

22.15 (dd) \$100,000 each year is for the "Getting to
 22.16 Work" grant program. This is a onetime
 22.17 appropriation and is available until June 30,
 22.18 2021.

22.19 (ee) \$20,000 in fiscal year 2018 is
 22.20 appropriated from the workforce development
 22.21 fund for a grant to the Cook County Higher
 22.22 Education Board to provide educational
 22.23 programming and academic support services
 22.24 to remote regions in northeastern Minnesota.
 22.25 This appropriation is in addition to other funds
 22.26 previously appropriated to the board. This is
 22.27 a onetime appropriation.

22.28 **Subd. 6. Vocational Rehabilitation**

	<u>Appropriations by Fund</u>	
22.29		
22.30	<u>General</u>	<u>20,361,000</u> <u>20,361,000</u>
22.31	<u>Workforce</u>	
22.32	<u>Development</u>	<u>10,330,000</u> <u>10,330,000</u>

22.33 (a) \$8,300,000 each year from the general fund
 22.34 and \$2,500,000 from the workforce
 22.35 development fund are for the state's vocational

23.1 rehabilitation program under Minnesota
 23.2 Statutes, chapter 268A. The base for this
 23.3 program is \$10,800,000 from the general fund
 23.4 in fiscal year 2020 and fiscal year 2021.

23.5 (b) \$3,011,000 each year is from the general
 23.6 fund for grants to centers for independent
 23.7 living under Minnesota Statutes, section
 23.8 268A.11.

23.9 (c) \$6,830,000 each year from the workforce
 23.10 development fund and \$6,495,000 each year
 23.11 from the general fund are for extended
 23.12 employment services for persons with severe
 23.13 disabilities under Minnesota Statutes, section
 23.14 268A.15. The base for this program is
 23.15 \$7,620,000 from the general fund and
 23.16 \$6,830,000 from the workforce development
 23.17 fund in fiscal year 2020 and fiscal year 2021.

23.18 (d) \$1,000,000 each year is from the
 23.19 workforce development fund for grants under
 23.20 Minnesota Statutes, section 268A.16, for
 23.21 employment services for persons, including
 23.22 transition-aged youth, who are deaf, deafblind,
 23.23 or hard-of-hearing. If the amount in the first
 23.24 year is insufficient, the amount in the second
 23.25 year is available in the first year. Of this
 23.26 amount, up to five percent is for administration
 23.27 and monitoring of the program.

23.28 (e) \$2,555,000 each year is for grants to
 23.29 programs that provide employment support
 23.30 services to persons with mental illness under
 23.31 Minnesota Statutes, sections 268A.13 and
 23.32 268A.14.

23.33 Subd. 7. **Services for the Blind**

6,425,000

6,425,000

24.1 \$6,425,000 each year is for state services for
 24.2 the blind. Of this amount, \$500,000 each year
 24.3 is for senior citizens who are becoming blind.
 24.4 At least half of the funds appropriated must
 24.5 be used to provide training services for seniors
 24.6 who are becoming blind. Training services
 24.7 must provide independent living skills to
 24.8 seniors who are becoming blind to allow them
 24.9 to continue to live independently in their
 24.10 homes. The base for this program is
 24.11 \$5,925,000 in fiscal year 2020 and \$5,925,000
 24.12 in fiscal year 2021.

24.13 **Subd. 8. General Support Services**

24.14	<u>Appropriations by Fund</u>		
24.15	<u>General</u>	<u>3,573,000</u>	<u>3,573,000</u>
24.16	<u>Workforce</u>		
24.17	<u>Development</u>	<u>17,000</u>	<u>17,000</u>

24.18 (a) \$250,000 each year is for the publication,
 24.19 dissemination, and use of labor market
 24.20 information under Minnesota Statutes, section
 24.21 116J.4011.

24.22 (b) \$150,000 each year is for the cost-of-living
 24.23 study required under Minnesota Statutes,
 24.24 section 116J.013.

24.25 (c) \$1,269,000 each year is for transfer to the
 24.26 Minnesota Housing Finance Agency for
 24.27 operating the Olmstead Compliance Office.

24.28 (d) \$500,000 each year is for a statewide
 24.29 capacity-building grant program. The
 24.30 commissioner of employment and economic
 24.31 development shall, through a request for
 24.32 proposal process, select a nonprofit
 24.33 organization to administer the
 24.34 capacity-building grant program. The selected
 24.35 organization must have demonstrated

25.1 experience in providing financial and technical
25.2 assistance to nonprofit organizations statewide.
25.3 The selected organization shall provide
25.4 financial assistance in the form of sub-grants
25.5 and technical assistance to small to
25.6 medium-sized nonprofit organizations
25.7 offering, or seeking to offer, workforce or
25.8 economic development programming that
25.9 addresses economic disparities in underserved
25.10 cultural communities. This assistance can be
25.11 provided in-house or in partnership with other
25.12 organizations depending on need. The
25.13 nonprofit organization selected to administer
25.14 the grant program shall report to the
25.15 commissioner by February 1 each year
25.16 regarding assistance provided, including the
25.17 demographic and geographic distribution of
25.18 the grant awards, services, and outcomes. By
25.19 April 1 each year, the commissioner shall
25.20 report the information submitted by the
25.21 nonprofit to the legislative committees having
25.22 jurisdiction over economic development
25.23 issues. Of this amount, one percent is for the
25.24 commissioner to conduct the request for
25.25 proposal process and monitoring the selected
25.26 organization. The nonprofit selected to
25.27 administer the grant program may use up to
25.28 five percent of the grant funds for
25.29 administration costs and providing technical
25.30 assistance to potential sub-grantees.
25.31 **Subd. 9. Reporting**
25.32 (a) An entity receiving a direct appropriation
25.33 in this article that received a direct
25.34 appropriation in Laws 2016, chapter 189,
25.35 article 12, is subject to the requirements for
25.36 grants to individually specified recipients

27.1 information technology costs must be
 27.2 incorporated into the service level agreement
 27.3 and must be paid to the Office of MN.IT
 27.4 Services by the commissioner of labor and
 27.5 industry under the rates and mechanism
 27.6 specified in that agreement.

27.7 **Subd. 3. Labor Standards and Apprenticeship**

27.8	<u>Appropriations by Fund</u>		
27.9	<u>General</u>	<u>1,202,000</u>	<u>1,202,000</u>
27.10	<u>Workforce</u>		
27.11	<u>Development</u>	<u>1,507,000</u>	<u>1,507,000</u>

27.12 (a) \$1,202,000 in fiscal year 2018 and
 27.13 \$1,202,000 in fiscal year 2019 are from the
 27.14 general fund for the labor standards and
 27.15 apprenticeship program.

27.16 (b) \$1,057,000 in fiscal year 2018 and
 27.17 \$1,057,000 in fiscal year 2019 are from the
 27.18 workforce development fund for the
 27.19 apprenticeship program under Minnesota
 27.20 Statutes, chapter 178.

27.21 (c) \$150,000 each year from the workforce
 27.22 development fund is for prevailing wage
 27.23 enforcement.

27.24 (d) \$100,000 each year is from the workforce
 27.25 development fund for labor education and
 27.26 advancement program grants under Minnesota
 27.27 Statutes, section 178.11, to expand and
 27.28 promote registered apprenticeship training for
 27.29 minorities and women.

27.30 (e) \$200,000 each year is from the workforce
 27.31 development fund for a grant to the
 27.32 Construction Careers Foundation Inc. for the
 27.33 Helmets to Hardhats Minnesota Initiative.
 27.34 Grant funds must be used to recruit, retain,
 27.35 assist, and support National Guard, Reserve,

28.1 active duty military members, and veteran's
 28.2 participation in apprenticeship programs
 28.3 registered with the Department of Labor and
 28.4 Industry and connect them with career training
 28.5 and employment in the building and
 28.6 construction industry. The recruitment,
 28.7 selection, employment, and training must be
 28.8 without discrimination due to race, color,
 28.9 creed, religion, national origin, sex, sexual
 28.10 orientation, marital status, physical or mental
 28.11 disability, receipt of public assistance, or age.
 28.12 This is a onetime appropriation.

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

28.14 This appropriation is from the workers'
 28.15 compensation fund.

28.16 **Subd. 5. General Support**

28.17 Appropriations by Fund

28.18 <u>Workers'</u>		
28.19 <u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>
28.20 <u>Workforce</u>		
28.21 <u>Development</u>	<u>500,000</u>	<u>800,000</u>

28.22 (a) \$300,000 each year is from the workforce
 28.23 development fund for the PIPELINE program.

28.24 (b) \$200,000 in fiscal year 2018 is from the
 28.25 workforce development fund for the
 28.26 commissioner of labor and industry to convene
 28.27 and collaborate with stakeholders as provided
 28.28 under Minnesota Statutes, section 175.46,
 28.29 subdivision 3, and to develop youth skills
 28.30 training competencies for approved
 28.31 occupations. This is a onetime appropriation.

28.32 (c) \$500,000 in fiscal year 2019 is from the
 28.33 workforce development fund to administer the
 28.34 youth skills training program under Minnesota
 28.35 Statutes, section 175.46. The commissioner

29.1 shall award up to five grants each year to local
 29.2 partnerships located throughout the state, not
 29.3 to exceed \$100,000 per local partnership grant.
 29.4 The commissioner may use a portion of this
 29.5 appropriation for administration of the grant
 29.6 program. The base amount for this program
 29.7 is \$500,000 each year beginning in fiscal year
 29.8 2020.

29.9 **Sec. 5. BUREAU OF MEDIATION SERVICES \$ 2,247,000 \$ 2,247,000**

29.10 (a) \$68,000 each year is for grants to area
 29.11 labor management committees. Grants may
 29.12 be awarded for a 12-month period beginning
 29.13 July 1 each year. Any unencumbered balance
 29.14 remaining at the end of the first year does not
 29.15 cancel but is available for the second year.

29.16 (b) \$394,000 each year is for the Office of
 29.17 Collaboration and Dispute Resolution under
 29.18 Minnesota Statutes, section 179.90.

29.19 **Sec. 6. PUBLIC EMPLOYMENT RELATIONS**
 29.20 **BOARD \$ 125,000 \$ 125,000**

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

29.22 **Sec. 8. WORKERS' COMPENSATION COURT**
 29.23 **OF APPEALS \$ 1,913,000 \$ 1,913,000**

29.24 This appropriation is from the workers'
 29.25 compensation fund.

29.26 **Sec. 9. APPROPRIATION AND TRANSFER.**

29.27 (a) The utility subject to Minnesota Statutes, section 116C.779, shall transfer \$10,000,000
 29.28 in fiscal year 2018 from the renewable development account established under that section
 29.29 to the commissioner of commerce, who shall deposit it in the special revenue fund. This is
 29.30 a onetime transfer.

30.1 (b) \$10,000,000 from the money deposited in the special revenue fund under paragraph
 30.2 (a) is appropriated to the commissioner of commerce for transfer to the Iron Range Resources
 30.3 and Rehabilitation Board for deposit in Fund #280, Business Development Fund for
 30.4 Renewable Energy Manufacturing. This is a onetime appropriation and is available until
 30.5 June 30, 2020.

30.6 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is
 30.7 amended to read:

30.8 Subd. 2. Workers' Compensation	15,226,000	17,782,000
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30.9 This appropriation is from the workers'
 30.10 compensation fund.

30.11 \$4,000,000 in fiscal year 2016 and \$6,000,000
 30.12 in fiscal year 2017 are for workers'
 30.13 compensation system upgrades and are
 30.14 available through June 30, 2021. The base
 30.15 appropriation for this purpose is \$3,000,000
 30.16 in fiscal year 2018 and \$3,000,000 in fiscal
 30.17 year 2019. The base appropriation for fiscal
 30.18 year 2020 and beyond is zero.

30.19 This appropriation includes funds for
 30.20 information technology project services and
 30.21 support subject to the provisions of Minnesota
 30.22 Statutes, section 16E.0466. Any ongoing
 30.23 information technology costs will be
 30.24 incorporated into the service level agreement
 30.25 and will be paid to the Office of MN.IT
 30.26 Services by the commissioner of labor and
 30.27 industry under the rates and mechanism
 30.28 specified in that agreement.

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

30.30 **ARTICLE 2**

30.31 **COMMERCE**

30.32 Section 1. Minnesota Statutes 2016, section 45.0135, subdivision 6, is amended to read:

31.1 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account
31.2 is created in the state treasury. Money received from assessments under subdivision 7 and
31.3 transferred from the automobile theft prevention account in ~~section~~ sections 65B.84,
31.4 subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund
31.5 is appropriated to the commissioner of commerce for the purposes specified in this section
31.6 and sections 60A.951 to 60A.956.

31.7 Sec. 2. Minnesota Statutes 2016, section 46.131, subdivision 7, is amended to read:

31.8 Subd. 7. **Fiscal year assessments.** Such assessments shall be levied on July 1, 1965,
31.9 ~~and at~~ prior to the beginning of each fiscal period beginning July 1 and ending June 30
31.10 thereafter, and shall be based on the total estimated expense as herein referred to during
31.11 such period. Assessment revenue will be remitted to the commissioner for deposit in the
31.12 financial institutions account on or before July 1 of each year.

31.13 Sec. 3. Minnesota Statutes 2016, section 46.131, is amended by adding a subdivision to
31.14 read:

31.15 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
31.16 account is created as a separate account in the special revenue fund. The account consists
31.17 of funds received from assessments under subdivision 7 and examination fees under
31.18 subdivision 8. Earnings, including interest, dividends, and any other earnings arising from
31.19 account assets, must be credited to the account.

31.20 (b) Funds in the account are annually appropriated to the commissioner of commerce
31.21 for activities under this section.

31.22 **EFFECTIVE DATE.** This section is effective July 1, 2017.

31.23 Sec. 4. Minnesota Statutes 2016, section 53B.11, subdivision 1, is amended to read:

31.24 Subdivision 1. **Fee.** The annual fee for renewal of a license under this chapter is ~~\$2,500~~
31.25 \$3,030.

31.26 Sec. 5. Minnesota Statutes 2016, section 58.10, subdivision 1, is amended to read:

31.27 Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

31.28 (1) for a residential mortgage originator license, \$1,000, \$50 of which is credited to the
31.29 consumer education account in the special revenue fund;

- 32.1 (2) for a renewal license, ~~\$500~~ \$780, \$50 of which is credited to the consumer education
32.2 account in the special revenue fund;
- 32.3 (3) for a residential mortgage servicer's license, \$500;
- 32.4 (4) for a renewal license, \$250; and
- 32.5 (5) for a certificate of exemption, \$100.

32.6 Sec. 6. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

32.7 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The
32.8 commissioner of commerce shall:

32.9 (1) develop and sponsor the implementation of statewide plans, programs, and strategies
32.10 to combat automobile theft, improve the administration of the automobile theft laws, and
32.11 provide a forum for identification of critical problems for those persons dealing with
32.12 automobile theft;

32.13 (2) coordinate the development, adoption, and implementation of plans, programs, and
32.14 strategies relating to interagency and intergovernmental cooperation with respect to
32.15 automobile theft enforcement;

32.16 (3) annually audit the plans and programs that have been funded in whole or in part to
32.17 evaluate the effectiveness of the plans and programs and withdraw funding should the
32.18 commissioner determine that a plan or program is ineffective or is no longer in need of
32.19 further financial support from the fund;

32.20 (4) develop a plan of operation including:

32.21 (i) an assessment of the scope of the problem of automobile theft, including areas of the
32.22 state where the problem is greatest;

32.23 (ii) an analysis of various methods of combating the problem of automobile theft;

32.24 (iii) a plan for providing financial support to combat automobile theft;

32.25 (iv) a plan for eliminating car hijacking; and

32.26 (v) an estimate of the funds required to implement the plan; and

32.27 (5) distribute money, in consultation with the commissioner of public safety, pursuant
32.28 to subdivision 3 from the automobile theft prevention special revenue account for automobile
32.29 theft prevention activities, including:

32.30 (i) paying the administrative costs of the program;

- 33.1 (ii) providing financial support to the State Patrol and local law enforcement agencies
 33.2 for automobile theft enforcement teams;
- 33.3 (iii) providing financial support to state or local law enforcement agencies for programs
 33.4 designed to reduce the incidence of automobile theft and for improved equipment and
 33.5 techniques for responding to automobile thefts;
- 33.6 (iv) providing financial support to local prosecutors for programs designed to reduce
 33.7 the incidence of automobile theft;
- 33.8 (v) providing financial support to judicial agencies for programs designed to reduce the
 33.9 incidence of automobile theft;
- 33.10 (vi) providing financial support for neighborhood or community organizations or business
 33.11 organizations for programs designed to reduce the incidence of automobile theft and to
 33.12 educate people about the common methods of automobile theft, the models of automobiles
 33.13 most likely to be stolen, and the times and places automobile theft is most likely to occur;
 33.14 and
- 33.15 (vii) providing financial support for automobile theft educational and training programs
 33.16 for state and local law enforcement officials, driver and vehicle services exam and inspections
 33.17 staff, and members of the judiciary.

33.18 (b) The commissioner may not spend in any fiscal year more than ten percent of the
 33.19 money in the fund for the program's administrative and operating costs. The commissioner
 33.20 is annually appropriated and must distribute the amount of the proceeds credited to the
 33.21 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
 33.22 each year to the ~~general fund~~ insurance fraud prevention account described in section 297I.11,
 33.23 subdivision 2.

33.24 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
 33.25 in the auto theft prevention account to the insurance fraud prevention account under section
 33.26 45.0135, subdivision 6.

33.27 Sec. 7. Minnesota Statutes 2016, section 80A.65, subdivision 2, is amended to read:

33.28 Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial
 33.29 or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, ~~\$50~~ \$60
 33.30 in the case of an agent, and \$100 in the case of an investment adviser. When an application
 33.31 is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated
 33.32 employment with one broker-dealer shall, before beginning employment with another
 33.33 broker-dealer, pay a transfer fee of \$25.

34.1 Sec. 8. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

34.2 Subd. 5. **Dispute; resolution.** In the event of disputes between ~~an electric~~ a public utility
34.3 and a qualifying facility, either party may request a determination of the issue by the
34.4 commission. In any such determination, the burden of proof shall be on the public utility.
34.5 The commission in its order resolving each such dispute shall require payments to the
34.6 prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys'
34.7 fees, except that the qualifying facility will be required to pay the costs, disbursements, and
34.8 attorneys' fees of the public utility only if the commission finds that the claims of the
34.9 qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

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

34.11 Sec. 9. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

34.12 Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision~~
34.13 ~~5,~~ and with respect to municipal electric utilities only, the term "commission" means the
34.14 governing body of each municipal electric utility that adopts and has in effect rules
34.15 implementing this section which are consistent with the rules adopted by the Minnesota
34.16 Public Utilities Commission under subdivision 6. As used in this subdivision, the governing
34.17 body of a municipal electric utility means the city council of that municipality; except that,
34.18 if another board, commission, or body is empowered by law or resolution of the city council
34.19 or by its charter to establish and regulate rates and days for the distribution of electric energy
34.20 within the service area of the city, that board, commission, or body shall be considered the
34.21 governing body of the municipal electric utility.

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

34.23 Sec. 10. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision
34.24 to read:

34.25 Subd. 11. **Cooperative electric association.** (a) For purposes of this section only, the
34.26 term "commission" means the board of directors of a cooperative association that (1) elects,
34.27 by resolution, to assume the authority delegated to the Public Utilities Commission over
34.28 cooperative electric associations under this section, and (2) adopts and has in effect rules
34.29 implementing this section. The rules must provide for a process to resolve disputes that
34.30 arise under this section, and must include a provision that a request by either party for
34.31 mediation of the dispute by an independent third party must be implemented. A cooperative
34.32 electric association that has adopted a resolution and rules under this subdivision is exempt
34.33 from regulation by the Public Utilities Commission under this section.

35.1 (b) Except as provided in paragraph (c), any proceedings concerning the activities of a
 35.2 cooperative electric association under this section that are pending at the Public Utilities
 35.3 Commission on the effective date of this section are terminated on that date.

35.4 (c) The Public Utilities Commission shall limit its investigation in Docket No. 16-512
 35.5 determining whether the methodology used by cooperative associations to establish a fee
 35.6 under section 216B.164, subdivision 3, paragraph (a), complies with state law. The
 35.7 commission shall complete the investigation no later than December 31, 2017. A
 35.8 methodology determined by the commission to comply with state law may not be challenged
 35.9 in a dispute under section 216B.164. If the commission determines that a methodology does
 35.10 not comply with state law, it shall clearly state the changes necessary to bring the
 35.11 methodology into compliance, and the cooperative electric association shall proceed under
 35.12 paragraph (a).

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

35.14 Sec. 11. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

35.15 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
 35.16 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
 35.17 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
 35.18 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
 35.19 generated by solar energy.

35.20 (b) For a public utility with more than 200,000 retail electric customers, at least ten
 35.21 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
 35.22 solar photovoltaic devices with a nameplate capacity of 20 kilowatts or less.

35.23 (c) A public utility with between 50,000 and 200,000 retail electric customers:

35.24 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
 35.25 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
 35.26 less; and

35.27 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
 35.28 of 40 kilowatts or less to a community solar garden program operated by the public utility
 35.29 that has been approved by the commission.

35.30 ~~(b)~~ (d) The solar energy standard established in this subdivision is subject to all the
 35.31 provisions of this section governing a utility's standard obligation under subdivision 2a.

36.1 ~~(e)~~ (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the
 36.2 retail electric sales in Minnesota be generated by solar energy.

36.3 ~~(d)~~ (f) For the purposes of calculating the total retail electric sales of a public utility
 36.4 under this subdivision, there shall be excluded retail electric sales to customers that are:

36.5 (1) an iron mining extraction and processing facility, including a scam mining facility
 36.6 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

36.7 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
 36.8 manufacturer.

36.9 Those customers may not have included in the rates charged to them by the public utility
 36.10 any costs of satisfying the solar standard specified by this subdivision.

36.11 ~~(e)~~ (g) A public utility may not use energy used to satisfy the solar energy standard under
 36.12 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
 36.13 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
 36.14 solar standard under this subdivision.

36.15 ~~(f)~~ (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
 36.16 with a solar photovoltaic device installed and generating electricity in Minnesota after
 36.17 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
 36.18 under this subdivision.

36.19 ~~(g)~~ (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall
 36.20 file a report with the commission reporting its progress in achieving the solar energy standard
 36.21 established under this subdivision.

36.22 **EFFECTIVE DATE.** This section is effective July 1, 2017.

36.23 Sec. 12. Minnesota Statutes 2016, section 216B.1694, subdivision 3, is amended to read:

36.24 Subd. 3. **Staging and permitting.** (a) A Natural gas-fired plant that is located on one
 36.25 site designated as an innovative energy project site under subdivision 1, clause (3), is
 36.26 accorded the regulatory incentives granted to an innovative energy project under subdivision
 36.27 2, clauses (1) to (3), and may exercise the authorities therein.

36.28 (b) Following issuance of a final state or federal environmental impact statement for an
 36.29 innovative energy project that was a subject of contested case proceedings before an
 36.30 administrative law judge:

36.31 (1) site and route permits and water appropriation approvals for an innovative energy
 36.32 project must also be deemed valid for a plant meeting the requirements of paragraph (a)

37.1 and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required
 37.2 state or federal preconstruction permit is issued or (ii) June 30, ~~2019~~ 2025; and

37.3 (2) no air, water, or other permit issued by a state agency that is necessary for constructing
 37.4 an innovative energy project may be the subject of contested case hearings, notwithstanding
 37.5 Minnesota Rules, parts 7000.1750 to 7000.2200.

37.6 Sec. 13. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

37.7 Subd. 2. **Resource plan filing and approval.** A utility shall file a resource plan with
 37.8 the commission periodically in accordance with rules adopted by the commission. The
 37.9 commission shall approve, reject, or modify the plan of a public utility, as defined in section
 37.10 216B.02, subdivision 4, consistent with the public interest. In the resource plan proceedings
 37.11 of all other utilities, the commission's order shall be advisory and the order's findings and
 37.12 conclusions shall constitute prima facie evidence which may be rebutted by substantial
 37.13 evidence in all other proceedings. With respect to utilities other than those defined in section
 37.14 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions
 37.15 in any comparable proceedings in another jurisdiction. As a part of its resource plan filing,
 37.16 a utility shall include the least cost plan for meeting 50 and 75 percent of all energy needs
 37.17 from both new and refurbished ~~capacity needs~~ generating facilities through a combination
 37.18 of conservation and renewable energy resources.

37.19 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
 37.20 applies to resource plans filed with the commission on or after July 1, 2017.

37.21 Sec. 14. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

37.22 Subd. 4. **Preference for renewable energy facility.** The commission shall not approve
 37.23 a new or refurbished nonrenewable energy facility in an integrated resource plan or a
 37.24 certificate of need, pursuant to section 216B.243, nor shall the commission allow rate
 37.25 recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the
 37.26 utility has demonstrated that a renewable energy facility is not in the public interest. When
 37.27 making the public interest determination, the commission must include consider:

37.28 (1) whether the resource plan helps the utility achieve the greenhouse gas reduction
 37.29 goals under section 216H.02, the renewable energy standard under section 216B.1691, or
 37.30 the solar energy standard under section 216B.1691, subdivision 2f;₂

37.31 (2) impacts on local and regional grid reliability;

38.1 (3) utility and ratepayer impacts resulting from the intermittent nature of renewable
 38.2 energy facilities, including but not limited to the costs of purchasing wholesale electricity
 38.3 in the market and the costs of providing ancillary services; and

38.4 (4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility,
 38.5 changes in transmission costs, portfolio diversification, and environmental compliance
 38.6 costs.

38.7 **EFFECTIVE DATE.** This section is effective July 1, 2017.

38.8 Sec. 15. Minnesota Statutes 2016, section 216B.62, subdivision 3b, is amended to read:

38.9 Subd. 3b. **Assessment for department regional and national duties.** In addition to
 38.10 other assessments in subdivision 3, the department may assess up to ~~\$1,000,000~~ \$500,000
 38.11 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount
 38.12 in this subdivision shall be assessed to energy utilities in proportion to their respective gross
 38.13 operating revenues from retail sales of gas or electric service within the state during the last
 38.14 calendar year and shall be deposited into an account in the special revenue fund and is
 38.15 appropriated to the commissioner of commerce for the purposes of section 216A.07,
 38.16 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
 38.17 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
 38.18 an "energy utility" means public utilities, generation and transmission cooperative electric
 38.19 associations, and municipal power agencies providing natural gas or electric service in the
 38.20 state. This subdivision expires June 30, ~~2017~~ 2021.

38.21 Sec. 16. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision
 38.22 to read:

38.23 Subd. 7a. **Multifamily residential dwelling.** "Multifamily residential dwelling" means
 38.24 a residential dwelling containing five or more units intended for use as a residence by tenants
 38.25 or lessees of the owner.

38.26 Sec. 17. Minnesota Statutes 2016, section 239.101, subdivision 2, is amended to read:

38.27 Subd. 2. **Weights and measures fees.** The director shall charge a fee to the owner for
 38.28 inspecting and testing weights and measures, providing metrology services and consultation,
 38.29 and providing petroleum quality assurance tests at the request of a licensed distributor.
 38.30 Money collected by the director must be paid into the state treasury ~~and~~ as follows: (1) ten
 38.31 percent of metrology fees and ten percent of all other fees must be credited to the petroleum
 38.32 inspection fee account; and (2) the remainder must be credited to the state general fund.

39.1 Sec. 18. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

39.2 Subd. 2. **Automobile theft prevention account.** A special revenue account in the state
39.3 treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1.
39.4 Of the revenue in the account, \$1,300,000 each year must be transferred to the ~~general fund~~
39.5 insurance fraud prevention account under section 45.0135, subdivision 6. Revenues in excess
39.6 of \$1,300,000 each year may be used only for the automobile theft prevention program
39.7 described in section 65B.84.

39.8 Sec. 19. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK**
39.9 **FORCE.**

39.10 Subdivision 1. **Establishment.** The Residential PACE Consumer Protection Legislation
39.11 Task Force shall develop recommendations for consumer protection legislation for any
39.12 energy improvements financing program implemented under Minnesota Statutes, sections
39.13 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section,
39.14 "residential PACE" or "PACE" means energy improvement financing programs for
39.15 single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435
39.16 to 216C.436.

39.17 Subd. 2. **Task force.** (a) The task force consists of 16 members as follows:

39.18 (1) one member appointed by the Minnesota Association of Realtors;

39.19 (2) one member appointed by the Center for Energy and Environment;

39.20 (3) one member appointed by the Minnesota Bankers Association;

39.21 (4) one member appointed by the Legal Services Advocacy Project;

39.22 (5) one member appointed by the Minnesota Credit Union Network;

39.23 (6) one member appointed by the Minnesota Solar Energy Industry Association;

39.24 (7) one member appointed by the St. Paul Port Authority;

39.25 (8) one member appointed by the League of Minnesota Cities;

39.26 (9) one member appointed by the Association of Minnesota Counties;

39.27 (10) one member appointed by AARP Minnesota;

39.28 (11) one member appointed by Fresh Energy;

39.29 (12) one member appointed by the Citizens Utility Board of Minnesota;

39.30 (13) one member appointed by Clean Energy Economy Minnesota;

40.1 (14) one member appointed by the Minnesota Land Title Association;

40.2 (15) one member appointed by an organization with experience implementing residential
40.3 PACE programs in other states; and

40.4 (16) the commissioner of commerce or a designee.

40.5 (b) Any public member can designate a substitute from the same organization to replace
40.6 that member at a meeting of the task force.

40.7 Subd. 3. **Duties.** The task force must develop recommendations to:

40.8 (1) address concerns regarding the possible constraints on free alienation of residential
40.9 property caused by existence and amount of the PACE liens;

40.10 (2) reduce and minimize any point-of-sale confusion in transactions involving
40.11 PACE-encumbered homes;

40.12 (3) ensure conspicuous and meaningful disclosure of, among other things:

40.13 (i) all costs and fees of a residential PACE loan; and

40.14 (ii) the risks, such as foreclosure and higher costs, that may be associated with residential
40.15 PACE loans relative to other financing mechanisms;

40.16 (4) ensure that the ability to repay standard uses commonly accepted underwriting
40.17 principles;

40.18 (5) ensure that consumer provisions required of and protections that apply to conventional
40.19 loans and other financing options, including but not limited to the Truth in Lending Act and
40.20 the Real Estate Settlement Procedures Act, are required of and apply to PACE financing;

40.21 (6) address any unique protections necessary for elderly, low-income homeowners and
40.22 other financially vulnerable homeowners;

40.23 (7) establish criteria for ensuring the cost-effectiveness of PACE-enabled clean energy
40.24 improvements; and

40.25 (8) address any other issues the task force identifies that are necessary to protect
40.26 consumers.

40.27 Subd. 4. **Administrative support.** The commissioner of commerce shall provide
40.28 administrative support and meeting space for the task force.

40.29 Subd. 5. **Compensation.** Members serve without compensation and shall not be
40.30 reimbursed for expenses.

41.1 Subd. 6. **Chair.** The commissioner of commerce or the commissioner's designee shall
 41.2 serve as chair.

41.3 Subd. 7. **Meetings.** The task force shall meet regularly, at the call of the chair. Meetings
 41.4 of the task force are subject to Minnesota Statutes, chapter 13D.

41.5 Subd. 8. **Appointments; first meeting.** Appointments must be made by June 1, 2017.
 41.6 The commissioner of commerce must convene the first meeting by July 15, 2017.

41.7 Subd. 9. **Report to legislature.** By January 15, 2018, the commissioner shall submit a
 41.8 report detailing the task force's findings and recommendations to the chairs and ranking
 41.9 minority members of the senate and house of representatives committees with jurisdiction
 41.10 over energy and consumer protection policy and finance. The report must include any draft
 41.11 legislation necessary to implement the recommendations of the task force.

41.12 Subd. 10. **Suspension of residential PACE.** Until legislation is enacted establishing
 41.13 consumer protections that addresses, but is not limited to, the concerns identified in
 41.14 subdivision 3, no programs for the financing of energy improvements on a single-family
 41.15 residential property dwelling under Minnesota Statutes, sections 216C.435 to 216C.436,
 41.16 may be operated after the effective date of this section.

41.17 Subd. 11. **Expiration.** The task force shall expire January 15, 2018, or after submitting
 41.18 the report required in this section, whichever is earlier.

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

41.20 Sec. 20. **REPEALER.**

41.21 Minnesota Statutes 2016, section 46.131, subdivision 5, is repealed.

41.22 **ARTICLE 3**

41.23 **LABOR AND INDUSTRY**

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

41.25 **175.45 COMPETENCY STANDARDS FOR DUAL TRAINING.**

41.26 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
 41.27 industry representatives, identify occupational competency standards for dual training, and
 41.28 provide technical assistance to develop dual-training programs. The goal of dual training
 41.29 is to provide employees of an employer with training to acquire competencies that the
 41.30 employer requires. The competency standards shall be identified for employment in
 41.31 occupations in advanced manufacturing, health care services, information technology, and

42.1 agriculture. Competency standards are not rules and are exempt from the rulemaking
 42.2 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do
 42.3 not apply.

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

42.6 (1) "competency standards" means the specific knowledge and skills necessary for a
 42.7 particular occupation; and

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

42.11 Subd. 3. **Competency standards identification process.** In identifying competency
 42.12 standards, the commissioner shall consult with the commissioner of the Office of Higher
 42.13 Education and the commissioner of employment and economic development and convene
 42.14 recognized industry experts, representative employers, higher education institutions,
 42.15 representatives of the disabled community, and representatives of labor to assist in identifying
 42.16 credible competency standards. Competency standards must be consistent with, to the extent
 42.17 available and practical, recognized international and national standards.

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

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

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

42.22 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject
 42.23 matter expert representatives of each respective industry;

42.24 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing
 42.25 education and training to meet the competency standards established;

42.26 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard
 42.27 identification process for occupations in their industry; ~~and~~

42.28 ~~(5)~~ (6) align ~~dual-training competency standards~~ dual-training programs with other
 42.29 workforce initiatives; and

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

42.31 Subd. 5. **Notification.** The commissioner must communicate identified competency
 42.32 standards to the commissioner of the Office of Higher Education for the purpose of the ~~dual~~

43.1 ~~training~~ dual-training competency grant program under section 136A.246. The commissioner
 43.2 of labor and industry shall maintain the competency standards on the department's Web
 43.3 site.

43.4 Sec. 2. [175.46] YOUTH SKILLS TRAINING PROGRAM.

43.5 Subdivision 1. Program established; grants authorized. The commissioner shall
 43.6 approve youth skills training programs established for the purpose of providing work-based
 43.7 skills training for student learners ages 16 and older. The commissioner shall award grants
 43.8 to local partnerships for the implementation and coordination of local youth skills training
 43.9 programs as provided in this section.

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

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

43.13 (c) "Local partnership" means a school district, nonpublic school, intermediate school
 43.14 district, or postsecondary institution, in partnership with other school districts, nonpublic
 43.15 schools, intermediate school districts, postsecondary institutions, workforce development
 43.16 authorities, economic development authorities, nonprofit organizations, labor unions, or
 43.17 individuals who have an agreement with one or more local employers to be responsible for
 43.18 implementing and coordinating a local youth skills training program.

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

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

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

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

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

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

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

- 44.1 (v) a schedule of wage rates in compliance with section 177.24; and
- 44.2 (vi) whether the student learner will obtain secondary school academic credit,
- 44.3 postsecondary credit, or both, for the training program;
- 44.4 (2) approve occupations and maintain a list of approved occupations for programs under
- 44.5 this section;
- 44.6 (3) issue requests for proposals for grants;
- 44.7 (4) work with individuals representing industry and labor to develop new youth skills
- 44.8 training programs;
- 44.9 (5) develop model program guides;
- 44.10 (6) monitor youth skills training programs;
- 44.11 (7) provide technical assistance to local partnership grantees;
- 44.12 (8) work with providers to identify paths for receiving postsecondary credit for
- 44.13 participation in the youth skills training program; and
- 44.14 (9) approve other activities as necessary to implement the program.
- 44.15 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
- 44.16 representatives of secondary school institutions, career and technical education instructors,
- 44.17 postsecondary institutions, businesses, and labor, in developing youth skills training
- 44.18 programs, and identifying and approving occupations and competencies for youth skills
- 44.19 training programs.
- 44.20 Subd. 4. **Training agreement.** Each student learner shall sign a written training agreement
- 44.21 on a form prescribed by the commissioner. Each agreement shall contain the name of the
- 44.22 student learner, and be signed by the employer, the school coordinator or administrator, and
- 44.23 the student learner, or if the student learner is a minor, by the student's parent or legal
- 44.24 guardian. Copies of each agreement shall be kept on file by both the school and the employer.
- 44.25 Subd. 5. **Program approval.** The commissioner may grant exemptions from the
- 44.26 provisions of chapter 181A for student learners participating in youth skills training programs
- 44.27 approved by the commissioner under this section. The approval of a youth skills training
- 44.28 program will be reviewed annually. The approval of a youth skills training program may
- 44.29 be revoked at any time if the commissioner finds that:
- 44.30 (1) all provisions of subdivision 3 have not been met in the previous year; or
- 44.31 (2) reasonable precautions have not been observed for the safety of minors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

46.9 (2) recruiting students to participate in the local youth skills training program and
 46.10 monitoring the progress of student learners participating in the program and monitoring
 46.11 program outcomes;

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

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

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

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

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

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

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

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

46.30 Subd. 15. **Reporting.** (a) By February 1, 2019, and annually thereafter, the commissioner
 46.31 shall report on the activity and outcomes of the program for the preceding fiscal year to the

47.1 chairs of the legislative committees with jurisdiction over jobs and economic growth policy
 47.2 and finance. At a minimum, the report must include:

47.3 (1) the number of student learners who commenced the training program and the number
 47.4 who completed the training program; and

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

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

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

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

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

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

47.18	License Classification	License Duration	
47.19		1 year	2 years
47.20	Entry level	\$10	\$20
47.21	Journeyworker	\$20	\$40
47.22	Master	\$40	\$80
47.23	Business		\$180

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

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

48.1 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 48.2 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 48.3 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 48.4 included in the license renewal fee.

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

48.7	License Classification	License Duration	
48.8		1 year	2 years
48.9	Entry level	\$10	\$20
48.10			\$35
48.11	Journeyworker	\$15	<u>\$30</u>
48.12			\$75
48.13	Master	\$30	<u>\$60</u>
48.14			\$160
48.15	Business		<u>\$120</u>

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

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

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

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

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

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

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

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

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

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

49.5 (1) \$1 to \$500, ~~\$29.50~~ \$21;

49.6 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
49.7 or fraction thereof, to and including \$2,000;

49.8 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
49.9 additional \$1,000 or fraction thereof, to and including \$25,000;

49.10 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
49.11 additional \$1,000 or fraction thereof, to and including \$50,000;

49.12 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
49.13 each additional \$1,000 or fraction thereof, to and including \$100,000;

49.14 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
49.15 each additional \$1,000 or fraction thereof, to and including \$500,000;

49.16 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
49.17 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

49.18 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
49.19 for each additional \$1,000 or fraction thereof.

49.20 (c) Other inspections and fees are:

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

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

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

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

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

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

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

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

50.7 (1) 0 watts to and including 100,000 watts, \$80;

50.8 (2) 100,001 watts to and including 500,000 watts, \$105;

50.9 (3) 500,001 watts to and including 1,000,000 watts, \$120;

50.10 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

50.11 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

50.12 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

50.13 (7) 3,000,001 watts and larger, \$160.

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

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

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

50.20 (1) 0 watts to and including 5,000 watts, \$60;

50.21 (2) 5,001 watts to and including 10,000 watts, \$100;

50.22 (3) 10,001 watts to and including 20,000 watts, \$150;

50.23 (4) 20,001 watts to and including 30,000 watts, \$200;

50.24 (5) 30,001 watts to and including 40,000 watts, \$250;

50.25 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
50.26 10,000 watts over 40,000 watts;

50.27 (7) 1,000,000 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
50.28 over 1,000,000 watts; and

51.1 (8) 5,000,000 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
 51.2 5,000,000 watts.

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

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

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

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

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

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

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

51.19 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
 51.20 contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers,
 51.21 restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and
 51.22 testers, water conditioning contractors, and water conditioning installers, and other persons
 51.23 engaged in the design, installation, and alteration of plumbing systems or engaged in or
 51.24 working at the business of water conditioning installation or service, or engaged in or
 51.25 working at the business of medical gas system installation, maintenance, or repair, except
 51.26 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall
 51.27 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e)
 51.28 and (f);

51.29 (6) adopt rules that regulate continuing education for individuals licensed as master
 51.30 plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers,
 51.31 registered unlicensed individuals, water conditioning ~~contractors~~ masters, and water
 51.32 conditioning installers, journeymen, and for individuals certified under sections 326B.437

52.1 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in
52.2 subdivision 6, paragraphs (e) and (f);

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

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

52.9 (9) approve license reciprocity agreements;

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

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

52.13 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the
52.14 Board of High Pressure Piping Systems, the commissioner of labor and industry shall
52.15 administer and enforce the provisions of this chapter and any rules promulgated pursuant
52.16 thereto.

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

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

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

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

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

52.31 or

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

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

53.6 (ii) piping greater than two-inch nominal pipe size; or

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

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

53.10 Subd. 5. **Direct supervision.** The term "direct supervision," with respect to direct
 53.11 supervision of a registered unlicensed individual, means that:

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

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

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

53.19 (4) the direct supervisor reviews the water conditioning installation work performed by
 53.20 the registered unlicensed individual before the water conditioning installation is operated;
 53.21 and

53.22 (5) the direct supervisor determines that all water conditioning installation work
 53.23 performed by the registered unlicensed individual is performed in compliance with sections
 53.24 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,
 53.25 and all orders issued under section 326B.082.

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

53.28 Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman
 53.29 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
 53.30 master, or water conditioning journeyman responsible for providing direct supervision of
 53.31 a registered unlicensed individual.

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

54.2 Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be
54.3 issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~
54.4 servicing, and installing water conditioning installations, and has successfully passed the
54.5 examination for water conditioning masters. A water conditioning journeyman license shall
54.6 only be issued to an individual other than a water conditioning master who has demonstrated
54.7 practical knowledge of water conditioning installation, and has successfully passed the
54.8 examination for water conditioning journeymen. A water conditioning journeyman must
54.9 successfully pass the examination for water conditioning masters before being licensed as
54.10 a water conditioning master.

54.11 (b) Each water conditioning contractor must designate a responsible licensed master
54.12 plumber or a responsible licensed water conditioning master, who shall be responsible for
54.13 the performance of all water conditioning installation and servicing in accordance with the
54.14 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to
54.15 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If
54.16 the water conditioning contractor is an individual or sole proprietorship, the responsible
54.17 licensed master must be the individual, proprietor, or managing employee. If the water
54.18 conditioning contractor is a partnership, the responsible licensed master must be a general
54.19 partner or managing employee. If the water conditioning contractor is a limited liability
54.20 company, the responsible licensed master must be a chief manager or managing employee.
54.21 If the water conditioning contractor is a corporation, the responsible licensed master must
54.22 be an officer or managing employee. If the responsible licensed master is a managing
54.23 employee, the responsible licensed master must be actively engaged in performing water
54.24 conditioning work on behalf of the water conditioning contractor and cannot be employed
54.25 in any capacity as a water conditioning master or water conditioning journeyman for any
54.26 other water conditioning contractor. An individual must not be the responsible licensed
54.27 master for more than one water conditioning contractor.

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

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

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

55.2 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under
 55.3 section 326B.47 is authorized to assist in water conditioning installation and water
 55.4 conditioning servicing only while under the direct supervision of a master plumber,
 55.5 journeyman plumber, restricted master plumber, restricted journeyman plumber, water
 55.6 conditioning master, or water conditioning journeyman. The master or journeyman is
 55.7 responsible for ensuring that all water conditioning work performed by the plumber's
 55.8 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to
 55.9 326B.59. The supervising master or journeyman must be licensed and must be employed
 55.10 by the same employer as the plumber's apprentice. Licensed individuals shall not permit
 55.11 plumber's apprentices to perform water conditioning work except under the direct supervision
 55.12 of an individual actually licensed to perform such work. Plumber's apprentices shall not
 55.13 supervise the performance of plumbing work or make assignments of plumbing work to
 55.14 unlicensed individuals.

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

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

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

55.22 (b) A registered unlicensed individual is authorized to assist in water conditioning
 55.23 installations in a single family residential unit only when a master plumber, journeyman
 55.24 plumber, restricted master plumber, restricted journeyman plumber, water conditioning
 55.25 master, or water conditioning journeyman is available and responsible for ensuring that all
 55.26 water conditioning installation work performed by the unlicensed individual complies with
 55.27 the applicable provisions of the plumbing and water conditioning codes and rules adopted
 55.28 pursuant to such codes. For all other water conditioning installation work, the registered
 55.29 unlicensed individual must be under the direct supervision of a responsible licensed water
 55.30 conditioning master.

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

56.1 Subd. 2. **Journeyman exam.** A registered unlicensed individual who has completed
 56.2 875 hours of practical water conditioning installation, servicing, and training is eligible to
 56.3 take the water conditioning journeyman examination. Up to 100 hours of practical water
 56.4 conditioning installation and servicing experience prior to becoming a registered unlicensed
 56.5 individual may be applied to the practical experience requirement. However, none of this
 56.6 practical experience may be applied if the unlicensed individual did not have any practical
 56.7 experience in the 12-month period immediately prior to becoming a registered unlicensed
 56.8 individual.

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

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

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

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

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

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

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

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

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

57.2 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
57.3 fund to an owner or a lessee in an amount greater than \$75,000 per licensee. The
57.4 commissioner shall not pay compensation from the fund to owners and lessees in an amount
57.5 that totals more than ~~\$150,000~~ \$300,000 per licensee. The commissioner shall only pay
57.6 compensation from the fund for a final judgment that is based on a contract directly between
57.7 the licensee and the homeowner or lessee that was entered into prior to the cause of action
57.8 and that requires licensure as a residential building contractor or residential remodeler.

57.9 Sec. 17. **REPEALER.**

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

57.11 ARTICLE 4

57.12 EMPLOYMENT AND ECONOMIC DEVELOPMENT

57.13 Section 1. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

57.14 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
57.15 percent of the total cost of a project in an underserved area.

57.16 (b) Grants awarded for projects in unserved areas require a 35 percent match.

57.17 (c) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~
57.18 \$3,000,000.

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

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

57.29 (b) Eligible applicants for the state-funded portion of the fund also include development
57.30 authorities as defined in section 116J.552, subdivision 4, provided that the governing body
57.31 of the municipality approves, by resolution, the application of the development authority.

58.1 A local government entity may receive more than one award in a fiscal year. The
58.2 commissioner may also make funds available within the department for eligible expenditures
58.3 under subdivision 3, clause (2).

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

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

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

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

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

58.17 (b) "Agreement" or "business subsidy agreement" means a business subsidy agreement
58.18 under section 116J.994 that must include, but is not limited to: specification of the duration
58.19 of the agreement, job goals and a timeline for achieving those goals over the duration of
58.20 the agreement, construction and other investment goals and a timeline for achieving those
58.21 goals over the duration of the agreement, and the value of benefits the firm may receive
58.22 following achievement of capital investment and employment goals. The local government
58.23 and business must report to the commissioner on the business performance using the forms
58.24 developed by the commissioner.

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

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

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

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

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

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

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

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

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

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

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

59.13 and

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

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

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

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

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

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

59.23 (i) manufacturing;

59.24 (ii) warehousing;

59.25 (iii) distribution;

59.26 (iv) information technology;

59.27 (v) finance;

59.28 (vi) insurance; or

59.29 (vii) professional or technical services;

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

60.6 (3) the business must enter into a binding construction and job creation business subsidy
60.7 agreement with the commissioner to expend directly, or ensure expenditure by or in
60.8 partnership with a third party constructing or managing the project, at least \$500,000 in
60.9 capital investment in a capital investment project that includes a new, expanded, or remodeled
60.10 facility within one year following designation as a Minnesota job creation fund business or
60.11 \$250,000 if the project is located outside the metropolitan area as defined in section 200.02,
60.12 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
60.13 women, or persons with a disability; and:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

61.28 (b) A qualified Minnesota job creation fund business may be certified eligible for the
61.29 benefits in this paragraph for up to five years for projects located in the metropolitan area
61.30 as defined in section 200.02, subdivision 24, and seven years for projects located outside
61.31 the metropolitan area, as determined by the commissioner when considering the best interests

62.1 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
62.2 clause (3), or section 16B.98, subdivision 5, paragraph (b), grant agreements for projects
62.3 located outside the metropolitan area may be for up to seven years in length. The eligibility
62.4 for the following benefits begins the date the commissioner certifies the business as a
62.5 qualified Minnesota job creation fund business under this subdivision:

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

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

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

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

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

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

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

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

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

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

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

63.19 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
63.20 eligible for an annual award for each new job created and maintained by the business using
63.21 the following schedule: \$1,000 for each job position paying annual wages at least \$26,000
63.22 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than
63.23 \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals
63.24 under the agreement provided under subdivision 1. These awards are increased by \$1,000
63.25 if the business is located outside the metropolitan area as defined in section 200.02,
63.26 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
63.27 women, or persons with a disability.

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

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

64.1 Sec. 8. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

64.20 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from
64.21 active duty under honorable conditions within the last 36 months, and (i) is unemployed or
64.22 (ii) is employed in a job verified to be below the skill level and earning capacity of the
64.23 veteran;

64.24 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be
64.25 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to
64.26 2331, as amended; or

64.27 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has
64.28 spent a substantial number of years in the home providing homemaking service and (i) has
64.29 been dependent upon the financial support of another; and now due to divorce, separation,
64.30 death, or disability of that person, must find employment to self support; or (ii) derived the
64.31 substantial share of support from public assistance on account of dependents in the home

65.1 and no longer receives such support. To be eligible under this clause, the support must have
65.2 ceased while the worker resided in Minnesota.

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

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

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

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

65.16 Sec. 9. Minnesota Statutes 2016, section 116L.665, is amended to read:

65.17 **116L.665 WORKFORCE DEVELOPMENT ~~COUNCIL~~ BOARD.**

65.18 Subdivision 1. **Creation.** ~~The governor's Workforce Development Council is created~~
65.19 ~~under the authority of the Workforce Investment Act, United States Code, title 29, section~~
65.20 ~~2801, et seq. Local workforce development councils are authorized under the Workforce~~
65.21 ~~Investment Act. The governor's Workforce Development Council serves as Minnesota's~~
65.22 ~~Workforce Investment Board for the purposes of the federal Workforce Investment Act.~~
65.23 Board serves as Minnesota's state workforce development board for the purposes of the
65.24 federal Workforce Innovation and Opportunity Act, United States Code, title 29, section
65.25 3111, and must perform the duties under that act.

65.26 Subd. 2. **Membership.** (a) The governor's Workforce Development ~~Council~~ Board is
65.27 composed of 31 members appointed by the governor. ~~The members may be removed pursuant~~
65.28 to section 15.059. In selecting the representatives of the ~~council~~ board, the governor shall
65.29 ensure that 50 percent a majority of the members come from ~~nominations provided by local~~
65.30 workforce councils. ~~Local education representatives shall come from nominations provided~~
65.31 by local education to employment partnerships. ~~The 31 members shall represent the following~~
65.32 sectors: the private sector, pursuant to United States Code, title 29, section 3111. For the
65.33 public members, membership terms, compensation of members, and removal of members

66.1 are governed by section 15.059, subdivisions 2, 3, and 4. To the extent practicable, the
66.2 membership should be balanced as to gender and ethnic diversity.

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

66.4 ~~(1) commissioner of the Minnesota Department of Employment and Economic~~
66.5 ~~Development;~~

66.6 ~~(2) commissioner of the Minnesota Department of Education; and~~

66.7 ~~(3) commissioner of the Minnesota Department of Human Services.~~

66.8 ~~(b) Business and industry: six individuals shall represent the business and industry sectors~~
66.9 ~~of Minnesota.~~

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

66.11 ~~(d) Community-based organizations: four individuals shall represent community-based~~
66.12 ~~organizations of Minnesota. Community-based organizations are defined by the Workforce~~
66.13 ~~Investment Act as private nonprofit organizations that are representative of communities~~
66.14 ~~or significant segments of communities and that have demonstrated expertise and~~
66.15 ~~effectiveness in the field of workforce investment and may include entities that provide job~~
66.16 ~~training services, serve youth, serve individuals with disabilities, serve displaced~~
66.17 ~~homemakers, union-related organizations, employer-related nonprofit organizations, and~~
66.18 ~~organizations serving nonreservation Indians and tribal governments.~~

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

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

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

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

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

66.25 ~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and~~
66.26 ~~Universities; and~~

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

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

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

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

67.1 ~~The speaker and the minority leader of the house of representatives shall each appoint~~
 67.2 ~~a representative to serve as an ex officio member of the council. The majority and minority~~
 67.3 ~~leaders of the senate shall each appoint a senator to serve as an ex officio member of the~~
 67.4 ~~council.~~

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

67.9 (b) No person shall serve as a member of more than one category described in paragraph
 67.10 (a).

67.11 (c) Voting members shall consist of the following:

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

67.13 (2) two members of the house of representatives, one appointed by the speaker of the
 67.14 house and one appointed by the minority leader of the house of representatives;

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

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

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

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

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

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

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

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

- 68.1 (6) commissioners of the state agencies with primary responsibility for core programs
68.2 identified within the state plan including:
- 68.3 (i) the Department of Employment and Economic Development;
68.4 (ii) the Department of Education; and
68.5 (iii) the Department of Human Services;
- 68.6 (7) two chief elected officials, appointed by the governor, collectively representing cities
68.7 and counties;
- 68.8 (8) two representatives who are people of color or people with disabilities, appointed
68.9 by the governor, of community-based organizations that have demonstrated experience and
68.10 expertise in addressing the employment, training, or education needs of individuals with
68.11 barriers to employment; and
- 68.12 (9) four officials responsible for education programs in the state, appointed by the
68.13 governor, including chief executive officers of community colleges and other institutions
68.14 of higher education, including:
- 68.15 (i) the chancellor of the Minnesota State Colleges and Universities;
68.16 (ii) the president of the University of Minnesota;
68.17 (iii) a president from a private postsecondary school; and
68.18 (iv) a representative of career and technical education.
- 68.19 (d) The nonvoting members of the board shall be appointed by the governor and consist
68.20 of one of each of the following:
- 68.21 (1) a representative of Adult Basic Education;
68.22 (2) a representative of public libraries;
68.23 (3) a person with expertise in women's economic security;
68.24 (4) the chair or executive director of the Minnesota Workforce Council Association;
68.25 (5) the commissioner of labor and industry;
68.26 (6) the commissioner of the Office of Higher Education;
68.27 (7) the commissioner of corrections;
68.28 (8) the commissioner of management and budget;

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

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

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

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

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

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

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

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

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

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

69.15 ~~(h) Members of the council are compensated as provided in section 15.059, subdivision~~
 69.16 ~~3.~~

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

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

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

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

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

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

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

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

70.13 (a) The board shall hold regular in-person meetings at least quarterly and as often as
 70.14 necessary to perform the duties outlined in the statement of authority and the board's bylaws.
 70.15 Meetings shall be called by the chair. Special meetings may be called as needed. Notices
 70.16 of all meetings shall be made at least 48 hours before the meeting date.

70.17 (b) The governor shall designate a chair from among the appointed business representative
 70.18 voting members. The chair shall approve an agenda for each meeting. Members shall submit
 70.19 a written request for consideration of an agenda item no less than 24 hours in advance of
 70.20 the meeting. Members of the public may submit a written request within 48 hours of a
 70.21 meeting to be considered for inclusion in the agenda. Members of the public attending a
 70.22 meeting of the board may address the board only with the approval or at the request of the
 70.23 chair.

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

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

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

71.1 ~~(a) Review the provision of services and the use of funds and resources under applicable~~
 71.2 ~~federal human resource programs and advise the governor on methods of coordinating the~~
 71.3 ~~provision of services and the use of funds and resources consistent with the laws and~~
 71.4 ~~regulations governing the programs. For purposes of this section, applicable federal and~~
 71.5 ~~state human resource programs mean the:~~

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

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

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

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

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

71.12 ~~(6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp~~
 71.13 ~~Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~

71.14 ~~(7) programs defined in section 116L.19, subdivision 5.~~

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

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

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

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

71.27 ~~(e) Evaluate and identify exemplary education and employment transitions programs~~
 71.28 ~~and provide technical assistance to local partnerships to replicate the programs throughout~~
 71.29 ~~the state.~~

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

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

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

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

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

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

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

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

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

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

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

72.32 Subd. 6. **Staffing.** The ~~Department of~~ commissioner of employment and economic
 72.33 development must provide staff, ~~including but not limited to professional, technical, and~~

73.1 ~~clerical staff~~ to the board necessary to perform the duties assigned to the Minnesota
 73.2 ~~Workforce Development Council. All staff report to the commissioner~~ carry out the duties
 73.3 of the board. The council may ask for assistance from other units of At the request of the
 73.4 board, state government as departments and agencies must provide the board with the
 73.5 assistance it requires in order to fulfill its duties and responsibilities.

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

73.8 Subd. 8. **Funding.** The commissioner ~~shall develop recommendations on a funding~~
 73.9 ~~formula for allocating Workforce Investment Act funds to the council with a minimum~~
 73.10 ~~allocation~~ of employment and economic development must provide at least \$350,000 per
 73.11 each fiscal year. The commissioner shall report the funding formula recommendations to
 73.12 the legislature by January 15, 2011 from existing agency resources to the board for staffing
 73.13 and administrative expenses.

73.14 Sec. 10. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

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

73.16 (1) Minneapolis, St. Paul;

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

73.21 (3) the area outside the metropolitan area.

73.22 Sec. 11. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

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

73.28 Sec. 12. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

73.29 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall
 73.30 be made so that an approximately equal dollar amount of loans are made to businesses in
 73.31 the metropolitan area as in the nonmetropolitan area. After ~~September 30~~ March 31 of each

74.1 ~~calendar~~ fiscal year, the department may allow loans to be made anywhere in the state
74.2 without regard to geographic area.

74.3 Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

74.27 (4) they do not require a match.

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

75.1 Sec. 15. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

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

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

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

75.13 Sec. 16. Laws 2016, chapter 189, article 7, section 2, subdivision 2, is amended to read:

75.14 Subd. 2. **Business and Community Development** -0- 8,021,000

75.15 Appropriations by Fund

75.16 General -0- 7,271,000

75.17 Workforce

75.18 Development -0- 750,000

75.19 (a) \$9,000,000 in fiscal year 2017 is a onetime
75.20 reduction in the general fund appropriation
75.21 for the Minnesota investment fund under
75.22 Minnesota Statutes, section 116J.8731. The
75.23 base funding for this purpose is \$11,000,000
75.24 in fiscal year 2018 and each fiscal year
75.25 thereafter.

75.26 (b) \$11,500,000 in fiscal year 2017 is a
75.27 onetime reduction in the general fund
75.28 appropriation for the Minnesota job creation
75.29 fund under Minnesota Statutes, section
75.30 116J.8748. The base funding for this program
75.31 is \$6,500,000 in fiscal year 2018 and each
75.32 fiscal year thereafter.

76.1 (c) \$2,000,000 in fiscal year 2017 is for the
76.2 redevelopment program under Minnesota
76.3 Statutes, section 116J.571. This is a onetime
76.4 appropriation.

76.5 (d) \$1,220,000 in fiscal year 2017 is for a
76.6 grant to the Duluth North Shore Sanitary
76.7 District to retire debt of the district in order to
76.8 bring the district's monthly wastewater rates
76.9 in line with those of similarly situated facilities
76.10 across the state. This is a onetime
76.11 appropriation.

76.12 (e) \$300,000 in fiscal year 2017 is from the
76.13 workforce development fund for expansion of
76.14 business assistance services provided by
76.15 business development specialists located in
76.16 the Northwest Region, Northeast Region, West
76.17 Central Region, Southwest Region, Southeast
76.18 Region, and Twin Cities Metro Region offices
76.19 established throughout the state. Funds under
76.20 this section may be used to provide services
76.21 including, but not limited to, business
76.22 start-ups; expansion; location or relocation;
76.23 finance; regulatory and permitting assistance;
76.24 and other services determined by the
76.25 commissioner. The commissioner may also
76.26 use funds under this section to increase the
76.27 number of business development specialists
76.28 in each region of the state, increase and expand
76.29 the services provided through each regional
76.30 office, and publicize the services available and
76.31 provide outreach to communities in each
76.32 region regarding services and assistance
76.33 available through the business development
76.34 specialist program. This is a onetime
76.35 appropriation.

77.1 (f) \$50,000 in fiscal year 2017 is from the
77.2 workforce development fund to enhance the
77.3 outreach and public awareness activities of
77.4 the Bureau of Small Business under Minnesota
77.5 Statutes, section 116J.68. This is a onetime
77.6 appropriation.

77.7 (g) \$100,000 in fiscal year 2017 is from the
77.8 general fund for an easy-to-understand manual
77.9 to instruct aspiring business owners in how to
77.10 start a child care business. The commissioner
77.11 shall work in consultation with relevant state
77.12 and local agencies and affected stakeholders
77.13 to produce the manual. The manual must be
77.14 made available electronically to interested
77.15 persons. This is a onetime appropriation and
77.16 is available until June 30, 2019.

77.17 (h) \$2,500,000 in fiscal year 2017 is for grants
77.18 to initiative foundations to provide financing
77.19 for business startups, expansions, and
77.20 maintenance; and for business ownership
77.21 transition and succession. This is a onetime
77.22 appropriation. Of the amount appropriated:

77.23 (1) \$357,000 is for a grant to the Southwest
77.24 Initiative Foundation;

77.25 (2) \$357,000 is for a grant to the West Central
77.26 Initiative Foundation;

77.27 (3) \$357,000 is for a grant to the Southern
77.28 Minnesota Initiative Foundation;

77.29 (4) \$357,000 is for a grant to the Northwest
77.30 Minnesota Foundation;

77.31 (5) \$357,000 is for a grant to the Initiative
77.32 Foundation;

- 78.1 (6) \$357,000 is for a grant to the Northland
78.2 Foundation; and
- 78.3 (7) \$357,000 is for a grant for the Minnesota
78.4 emerging entrepreneur program under
78.5 Minnesota Statutes, chapter 116M. Funds
78.6 available under this clause are for deposit in
78.7 the emerging entrepreneur program special
78.8 revenue fund account created under Minnesota
78.9 Statutes, chapter 116M, and are available until
78.10 spent and must be allocated as follows:
- 78.11 (i) 50 percent of the funds must be allocated
78.12 for projects in the counties of Dakota, Ramsey,
78.13 and Washington; and
- 78.14 (ii) 50 percent of the funds must be allocated
78.15 for projects in the counties of Anoka, Carver,
78.16 Hennepin, and Scott.
- 78.17 (i) \$600,000 in fiscal year 2017 is for a grant
78.18 to a city of the second class that is designated
78.19 as an economically depressed area by the
78.20 United States Department of Commerce for
78.21 economic development, redevelopment, and
78.22 job creation programs and projects. This is a
78.23 onetime appropriation and is available until
78.24 June 30, 2019.
- 78.25 (j) \$4,500,000 in fiscal year 2017 is for a grant
78.26 to the Minnesota Film and TV Board for the
78.27 film production jobs program under Minnesota
78.28 Statutes, section 116U.26. This appropriation
78.29 is in addition to the appropriation in Laws
78.30 2015, First Special Session chapter 1, article
78.31 1, section 2, subdivision 2. This is a onetime
78.32 appropriation.
- 78.33 (k) \$3,651,000 in fiscal year 2017 is from the
78.34 general fund for a grant to Mille Lacs County

79.1 to develop and operate the Lake Mille Lacs
79.2 area economic relief program established in
79.3 section 45. This is a onetime appropriation.

79.4 (l) \$500,000 in fiscal year 2017 is from the
79.5 general fund for grants to local communities
79.6 outside of the metropolitan area as defined
79.7 under Minnesota Statutes, section 473.121,
79.8 subdivision 2, to increase the supply of quality
79.9 child care providers in order to support
79.10 regional economic development. Grant
79.11 recipients must match state funds on a
79.12 dollar-for-dollar basis. Grant funds available
79.13 under this section must be used to implement
79.14 solutions to reduce the child care shortage in
79.15 the state, including but not limited to funding
79.16 for child care business start-up or expansion,
79.17 training, facility modifications or
79.18 improvements required for licensing, and
79.19 assistance with licensing and other regulatory
79.20 requirements. In awarding grants, the
79.21 commissioner must give priority to
79.22 communities in greater Minnesota that have
79.23 documented a shortage of child care providers
79.24 in the area. This is a onetime appropriation
79.25 and is available until June 30, 2019.

79.26 By September 30, 2017, grant recipients must
79.27 report to the commissioner on the outcomes
79.28 of the grant program, including but not limited
79.29 to the number of new providers, the number
79.30 of additional child care provider jobs created,
79.31 the number of additional child care slots, and
79.32 the amount of local funds invested.

79.33 By January 1, 2018, the commissioner must
79.34 report to the standing committees of the
79.35 legislature having jurisdiction over child care

80.1 and economic development on the outcomes
80.2 of the program to date.

80.3 (m) \$100,000 in fiscal year 2017 is from the
80.4 general fund for a grant to the city of Madelia
80.5 to provide match funding for a federal
80.6 Economic Development Agency technical
80.7 assistance grant. This is a onetime
80.8 appropriation.

80.9 (n) \$10,000,000 in fiscal year 2017 is for
80.10 deposit in the Minnesota 21st century fund.
80.11 This is a onetime appropriation.

80.12 (o) \$400,000 in fiscal year 2017 is from the
80.13 workforce development fund for grants to
80.14 small business development centers under
80.15 Minnesota Statutes, section 116J.68. Funds
80.16 made available under this section may be used
80.17 to match funds under the federal Small
80.18 Business Development Center (SBDC)
80.19 program under United States Code, title 15,
80.20 section 648, provide consulting and technical
80.21 services, or to build additional SBDC network
80.22 capacity to serve entrepreneurs and small
80.23 businesses. The commissioner shall allocate
80.24 funds equally among the nine regional centers
80.25 and lead center. This is a onetime
80.26 appropriation.

80.27 (p) \$2,600,000 in fiscal year 2017 is for a
80.28 transfer to the Board of Regents of the
80.29 University of Minnesota for academic and
80.30 applied research through MnDRIVE at the
80.31 Natural Resources Research Institute to
80.32 develop new technologies that enhance the
80.33 long-term viability of the Minnesota mining
80.34 industry. The research must be done in
80.35 consultation with the Mineral Coordinating

81.1 Committee established by Minnesota Statutes,
81.2 section 93.0015. This is a onetime transfer.

81.3 (q) Of the amount appropriated in fiscal year
81.4 2017 for the Minnesota Investment Fund in
81.5 Laws 2015, First Special Session chapter 1,
81.6 article 1, section 2, subdivision 2, paragraph
81.7 (a), \$450,000 is for a grant to the Lake
81.8 Superior-Poplar River Water District to
81.9 acquire interests in real property, engineer,
81.10 design, permit, and construct infrastructure to
81.11 transport and treat water from Lake Superior
81.12 through the Poplar River Valley to serve
81.13 domestic, irrigation, commercial, stock
81.14 watering, and industrial water users. This grant
81.15 does not require a local match. This is a
81.16 onetime appropriation. This amount is
81.17 available until June 30, 2019.

81.18 (r) \$500,000 is for the Minnesota emerging
81.19 entrepreneur program under Minnesota
81.20 Statutes, section 116M.18. Of this amount, up
81.21 to five percent is for administration and
81.22 monitoring of the program. For fiscal year
81.23 2018 and thereafter, the base amount is
81.24 \$750,000 per year. Funds available under this
81.25 paragraph are for deposit in the emerging
81.26 entrepreneur program special revenue fund
81.27 account created under Minnesota Statutes,
81.28 chapter 116M, and are available until spent.

81.29 **EFFECTIVE DATE.** This section is effective retroactively to July 1, 2016.

81.30 Sec. 17. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
81.31 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

81.32 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
81.33 statutory city, county, or town that has uncommitted money received from repayment of
81.34 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20

82.1 percent of the balance of that money to the state general fund before June 30, 2018. Any
82.2 local entity that does so may then use the remaining 80 percent of the uncommitted money
82.3 as a general purpose aid for any lawful expenditure.

82.4 (b) By February 15, 2019, a home rule charter or statutory city, county, or town that
82.5 exercises the option under paragraph (a) shall submit to the chairs of the legislative
82.6 committees with jurisdiction over economic development policy and finance an accounting
82.7 and explanation of the use and distribution of the funds.

82.8 **Sec. 18. GETTING TO WORK GRANT PROGRAM.**

82.9 Subdivision 1. **Creation.** The commissioner of employment and economic development
82.10 shall make grants to nonprofit organizations to establish and operate programs under this
82.11 section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain
82.12 or maintain employment.

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

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

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

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

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

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

82.21 (3) motor vehicle loans.

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

82.24 (1) financial literacy education;

82.25 (2) education on budgeting for vehicle ownership;

82.26 (3) car maintenance and repair instruction;

82.27 (4) credit counseling; or

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

83.1 Subd. 4. **Application.** Applications for a grant must be on a form provided by the
83.2 commissioner and on a schedule set by the commissioner. Applications must, in addition
83.3 to any other information required by the commissioner, include the following:

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

83.5 (2) the area to be served;

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

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

83.8 to:

83.9 (i) automobile dealers;

83.10 (ii) automobile parts dealers;

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

83.12 (iv) banks and credit unions;

83.13 (v) employers;

83.14 (vi) employment and training agencies;

83.15 (vii) insurance companies and agents;

83.16 (viii) local workforce centers; and

83.17 (ix) educational institutions including vocational institutions and jobs or skills training
83.18 programs.

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

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

83.22 (2) be at least 22 years of age;

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

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

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

83.27 (b) This subdivision does not preclude a grantee from imposing additional requirements,
83.28 not inconsistent with paragraph (a), for the receipt of program services.

84.1 Subd. 6. Report to legislature. By February 15, 2019, the commissioner shall submit
84.2 a report to the chairs of the house of representatives and senate committees with jurisdiction
84.3 over workforce and economic development on program outcomes. At a minimum, the report
84.4 must include:

84.5 (1) the total number of program participants;

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

84.7 (i) provision of a motor vehicle;

84.8 (ii) motor vehicle repair services; and

84.9 (iii) motor vehicle loans;

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

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

84.16 **Sec. 19. REPEALER.**

84.17 Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; and 4355.0500,
84.18 are repealed.

APPENDIX
Article locations in S1937-2

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.28
ARTICLE 2	COMMERCE	Page.Ln 30.30
ARTICLE 3	LABOR AND INDUSTRY	Page.Ln 41.22
ARTICLE 4	EMPLOYMENT AND ECONOMIC DEVELOPMENT	Page.Ln 57.11

46.131 ASSESSMENTS AND FEES FOR FINANCIAL INSTITUTIONS.

Subd. 5. **Application and adjustment of fees.** If the income from the fees provided for herein during any fiscal year shall be more than 103 percent of such expenditures for that year, any excess above such sum of 103 percent may be carried over to succeeding years in order to cover any deficit below 103 percent which may occur in such succeeding years. If the income from the fees provided for herein during any fiscal year shall produce less than the expenditures for that year, the Department of Commerce in adjusting its schedule of fees for use in the next fiscal year shall fix the fees so as to produce income in the amount of the expenditures for the latter year plus the amount of the difference between the expenditures for the first year referred to herein and the total income from such fees during the year and plus three percent of the total expenditures for both the latter and the first year referred to herein.

326B.89 CONTRACTOR RECOVERY FUND.

Subd. 14. **Accelerated compensation.** (a) Payments made from the fund to compensate owners and lessees that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 may be paid on an accelerated basis if all of the following requirements in paragraphs (b) and (c) have been satisfied.

(b) The owner or the lessee has served upon the commissioner a verified application for compensation that complies with the requirements set out in subdivision 6 and the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall calculate the actual and direct out-of-pocket loss in the transaction, minus attorney fees, litigation costs or fees, interest on the loss and on the judgment obtained as a result of the loss, and any satisfaction of the judgment, and make payment to the owner or the lessee up to the conciliation court jurisdiction limits within 45 days after the owner or lessee serves the verified application.

(c) The commissioner may pay compensation to owners or lessees that totals not more than \$50,000 per licensee per fiscal year under this accelerated process. The commissioner may prorate the amount of compensation paid to owners or lessees under this subdivision if applications submitted by owners and lessees seek compensation in excess of \$50,000 against a licensee. Any unpaid portion of a verified application that has been prorated under this subdivision shall be satisfied in the manner set forth in subdivision 9.

4355.0100 PURPOSE.

The purpose of this chapter is to establish:

- A. procedures for use of the revolving loan fund under Minnesota Statutes, section 116M.18;
- B. procedures for the Minnesota emerging entrepreneur program to certify and enter into agreements with nonprofit corporations; and
- C. procedures for nonprofit corporations to make loans to eligible businesses.

4355.0200 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter the terms in this part and in Minnesota Statutes, section 116M.14, have the meanings given.

Subp. 2. **Grant agreements.** "Grant agreements" means an agreement between the state and a nonprofit corporation through which the state provides funds to carry out specified programs, services, or activities.

Subp. 3. **Nonprofit corporation.** "Nonprofit corporation" means a not-for-profit organization operating in one or more eligible cities and certified by the board to receive grants and disburse these funds in the nature of loans to qualifying businesses.

Subp. 4. **Nonprofit revolving loan fund.** "Nonprofit revolving loan fund" means a board-certified revolving loan fund established by a nonprofit corporation to provide loans to new and expanding businesses in low-income areas.

Subp. 5. **Urban revolving loan fund.** "Urban revolving loan fund" means a fund established by the board to make grants to nonprofit corporations.

4355.0300 BUSINESS LOANS BY NONPROFIT CORPORATIONS.

Subpart 1. **Generally.** The board shall make available funds from the urban revolving loan fund for nonprofit corporations. The money awarded to each corporation shall be appropriated to its nonprofit revolving loan fund to be used to make loans to businesses in low-income areas. The funds are to be awarded on a project-by-project basis and must be matched by the corporation with an equal amount of money from sources other than government appropriations.

Subp. 2. **Grant agreement required.** A grant agreement must be established with each nonprofit corporation certified for funding by the board. Grant agreements shall be valid for a period of one year from the time they are fully executed. Agreements may be renewed by the board based on an evaluation of the corporation's lending activities, a finding that the corporation has complied with all the provisions of the agreement, and has made substantive progress in achieving the goals described in its application.

In the event that a grant agreement is not renewed, the corporation must continue to administer all loans it may have made under the provisions of the grant agreement and Minnesota Statutes, section 116M.18.

Subp. 3. **Application by nonprofit corporation.** Any nonprofit corporation wishing to be certified as a participant in the urban challenge grant program must apply in a form prescribed by the board. The application must include:

- A. an assurance signed by the nonprofit corporation's chair that the applicant will comply with all applicable state and federal laws and requirements;
- B. a resolution passed by the applicant's board of directors approving the submission of an application and authorizing execution of the grant agreement if funds are made available;
- C. a plan demonstrating the applicant's eligibility pursuant to Minnesota Statutes, section 116M.18, the manner in which minority business enterprises will be assisted, the outcomes expected to result from the corporation's participation in the program; and
- D. any additional information that the board finds is necessary to clarify the applicant's ability to achieve the program's objectives.

Subp. 4. **Board review.** The board shall certify the corporation if it has demonstrated that it fully meets the eligibility standards in Minnesota Statutes, section 116M.18, subdivision 2.

Subp. 5. **Disapproval of applications.** In cases where the corporation fails to demonstrate that it has met the requirements in Minnesota Statutes, section 116M.18, subdivision 2, the board must disapprove the application. The commissioner shall inform the corporation of the board's decision, in writing, stating the reasons for the denial.

APPENDIX
Repealed Minnesota Rule: S1937-2

Subp. 6. **Contents of grant agreement.** If certified, the board must enter into a grant agreement with the nonprofit corporation. The grant agreement must include provisions that:

- A. the corporation has established or will establish a board-certified revolving loan fund to provide loans to new and expanding businesses in low-income areas;
- B. the grant recipient will comply with all applicable state and federal laws, including the requirements of Minnesota Statutes, section 116M.18; and
- C. no grant funds shall be used to finance activities not approved in either the grant agreement or each loan agreement.

Subp. 7. **Other grant requirements.** The following provisions apply to grants awarded:

- A. if it is determined that an improper use of the funds has occurred, the board shall take whatever action is necessary to recover improperly spent funds;
- B. grant recipients must return funds that are improperly expended;
- C. the board shall suspend payment of funds to recipients that are not in compliance with applicable state and federal laws, rules, and regulations;
- D. amendments to the grant agreement must be in writing; and
- E. the grant agreement may authorize the nonprofit corporation to be paid for administrative expenses out of the interest earned on loans it originates.

Subp. 8. **Corporation to make business loans.** Any business may make an application to the nonprofit corporation for an urban challenge grant loan. The application must be in a form approved by the corporation and the board. The corporation must review the application and may give preliminary approval for the loan based on Minnesota Statutes, section 116M.18. The loan application must then be forwarded to the board for final approval.

4355.0400 BUSINESS LOANS BY THE BOARD.

If the board receives a grant, gift, or loan, authorizing or requiring it to make business loans directly to qualifying businesses, and the board determines that businesses do not have access through a certified corporation, the board may receive applications for an urban challenge grant loan on the forms it prescribes. The board shall review applications and, based on the provisions of Minnesota Statutes, section 116M.18, and the business loan criteria in part 4355.0500, may approve them. If an application is denied, the commissioner shall inform the applicant as to the reasons for the denial.

4355.0500 BUSINESS LOAN CRITERIA.

Subpart 1. **Terms and conditions.**

- A. The interest rate on a loan shall be established by the corporation, but may be no less than two percent per annum, nor more than ten percent per annum or one percent per annum above the prime rate, as published in the Wall Street Journal at the time the loan is closed, whichever is greater.
- B. The corporation may only charge the business all out-of-pocket administrative expenses connected with originating the loan at the time of closing.
- C. The loan funds may be used for normal business expenses including, but not limited to, site acquisition, new construction, renovation, machinery and equipment, and working capital. Loans may not be used to refinance a business or personal existing debt.

Subp. 2. **Loan repayment.** For loans made by the board, all loan repayments must be deposited in the urban revolving loan fund for further distribution to businesses or nonprofit corporations pursuant to Minnesota Statutes, section 116M.18.

For loans made by a nonprofit corporation, amounts equal to one-half of the principal and interest must be deposited in the urban revolving loan fund. The principal payments shall be made available to the corporation originating the loan in order to make additional loans, as long as the corporation remains certified and the grant agreement with the board is in effect. The board may return interest payments to the corporation in order to pay for the corporation's administrative expenses.

The remaining amount of the loan repayment may be deposited in the nonprofit revolving loan fund created by the corporation which originated the loan for further distribution by the nonprofit corporation, or for other uses as may be determined by the corporation.