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**ARTICLE 5
ECONOMIC DEVELOPMENT POLICY**

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**ARTICLE 6
ECONOMIC DEVELOPMENT**

54.26 Section 1. Minnesota Statutes 2016, section 116J.8747, subdivision 2, is amended to read:

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

54.29 (1) the program must be operated by a nonprofit corporation that qualifies under section
54.30 501(c)(3) of the Internal Revenue Code;

54.31 (2) the program must spend, on average, \$15,000 or more per graduate of the program;

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

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

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

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

55.6 (4) the program may provide income supplements, when needed, to participants for
55.7 housing, counseling, tuition, and other basic needs;

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

55.10 ~~(6) individuals served by the program must:~~

55.11 ~~(i) be 18 years of age or older; as of the date of enrollment, and~~

55.12 ~~(ii) have federal adjusted gross household income of no more than \$12,000 per year in~~
55.13 ~~the calendar year immediately before entering the program that is 100 percent or less of the~~
55.14 ~~federal poverty guideline for Minnesota, based on family size; and~~

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

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

55.18 ~~(7)~~ (6) the program must be certified by the commissioner of employment and economic
55.19 development as meeting the requirements of this subdivision.

55.20 Sec. 2. Minnesota Statutes 2016, section 116J.8747, subdivision 4, is amended to read:

55.21 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under
55.22 subdivision 2 must comply with the requirements of this subdivision.

55.23 (b) A program must maintain records for each qualified graduate. The records must
55.24 include information sufficient to verify the graduate's eligibility under this section, identify
55.25 the employer, and describe the job including its compensation rate and benefits.

55.26 (c) A program ~~must report by January 1 of each year to the commissioner. The report~~
55.27 ~~must include, at least, information on:~~ is subject to the reporting requirements under section
55.28 116L.98.

55.29 ~~(1) the number of graduates placed;~~

55.30 ~~(2) demographic information on the graduates;~~

56.1 ~~(3) the type of position in which each graduate is placed, including compensation~~
56.2 ~~information;~~

56.3 ~~(4) the tenure of each graduate at the placed position or in other jobs;~~

56.4 ~~(5) the amount of employer fees paid to the program;~~

56.5 ~~(6) the amount of money raised by the program from other sources; and~~

56.6 ~~(7) the types and sizes of employers with which graduates have been placed and retained.~~

153.5 Section 1. Minnesota Statutes 2017 Supplement, section 298.227, is amended to read:

153.6 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

153.7 An amount equal to that distributed pursuant to each taconite producer's taxable
153.8 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the

153.9 commissioner of Iron Range resources and rehabilitation in a separate taconite economic
153.10 development fund for each taconite and direct reduced ore producer. Money from the fund
153.11 for each producer shall be released by the commissioner after review by a joint committee
153.12 consisting of an equal number of representatives of the salaried employees and the
153.13 nonsalaried production and maintenance employees of that producer. The District 11 director
153.14 of the United States Steelworkers of America, on advice of each local employee president,
153.15 shall select the employee members. In nonorganized operations, the employee committee
153.16 shall be elected by the nonsalaried production and maintenance employees. The review
153.17 must be completed no later than six months after the producer presents a proposal for
153.18 expenditure of the funds to the committee. The funds held pursuant to this section may be
153.19 released only for workforce development and associated public facility improvement,
153.20 concurrent reclamation, or for acquisition of plant and stationary mining equipment and
153.21 facilities for the producer or for research and development in Minnesota on new mining, or
153.22 taconite, iron, or steel production technology, but only if the producer provides a matching
153.23 expenditure equal to the amount of the distribution to be used for the same purpose beginning
153.24 with distributions in 2014. Effective for proposals for expenditures of money from the fund
153.25 beginning May 26, 2007, the commissioner may not release the funds before the next
153.26 scheduled meeting of the board. If a proposed expenditure is not approved by the
153.27 commissioner, after consultation with the advisory board, the funds must be deposited in
153.28 the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a taconite
153.29 production facility is sold after operations at the facility had ceased, any money remaining
153.30 in the fund for the former producer may be released to the purchaser of the facility on the
153.31 terms otherwise applicable to the former producer under this section. If a producer fails to
153.32 provide matching funds for a proposed expenditure within six months after the commissioner
153.33 approves release of the funds, the funds are available for release to another producer in
153.34 proportion to the distribution provided and under the conditions of this section may be
154.1 released by the commissioner for deposit in the taconite area environmental protection fund
154.2 created in section 298.223. Any portion of the fund which is not released by the commissioner
154.3 within one year of its deposit in the fund shall be divided between distributed to the taconite
154.4 environmental protection fund created in section 298.223 and the Douglas J. Johnson
154.5 economic protection trust fund created in section 298.292 for placement in their respective
154.6 special accounts. Two thirds of the unreleased funds shall be distributed to the taconite
154.7 environmental protection fund and one third to the Douglas J. Johnson economic protection
154.8 trust fund.

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

154.10 Sec. 2. Minnesota Statutes 2016, section 298.28, subdivision 9a, is amended to read:

154.11 Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per ton for distributions
154.12 in 2002 and thereafter must be paid to the taconite economic development fund. No
154.13 distribution shall be made under this paragraph in 2004 or any subsequent year in which
154.14 total industry production falls below 30 million tons. Distribution shall only be made to a

154.15 Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays
154.16 its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the
154.17 due dates provided by an administrative agreement with the commissioner.

154.18 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold
154.19 in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed
154.20 pellets shall be paid to the taconite economic development fund. The amount paid shall not
154.21 exceed \$700,000 annually for all ~~companies~~ Minnesota taconite pellet producers. If the
154.22 initial amount to be paid to the fund exceeds this amount, each ~~company's~~ Minnesota taconite
154.23 pellet producer's payment shall be prorated so the total does not exceed \$700,000.

154.24 **EFFECTIVE DATE.** This section is effective retroactively from December 31, 2016.

56.7 Sec. 3. Minnesota Statutes 2017 Supplement, section 298.292, subdivision 2, is amended
56.8 to read:

56.9 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust
56.10 fund may be used for the following purposes:

56.11 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
56.12 with private sources of financing, but a loan to a private enterprise shall be for a principal
56.13 amount not to exceed one-half of the cost of the project for which financing is sought, and
56.14 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
56.15 percent or an interest rate three percentage points less than a full faith and credit obligation
56.16 of the United States government of comparable maturity, at the time that the loan is approved;

56.17 (2) to fund reserve accounts established to secure the payment when due of the principal
56.18 of and interest on bonds issued pursuant to section 298.2211;

56.19 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
56.20 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
56.21 retrofitting heating facilities in connection with district heating systems or systems utilizing
56.22 alternative energy sources;

56.23 (4) to invest in a venture capital fund or enterprise that will provide capital to other
56.24 entities that are engaging in, or that will engage in, projects or programs that have the
56.25 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
56.26 or enterprise unless at least two other unrelated investors make investments of at least
56.27 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
56.28 Johnson economic protection trust fund may not exceed the amount of the largest investment
56.29 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
56.30 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in

56.31 which the investment is made or to any individual who owns more than 40 percent of the
56.32 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
57.1 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
57.2 interests in it. For purposes of determining the limitations under this clause, the amount of
57.3 investments made by an investor other than the Douglas J. Johnson economic protection
57.4 trust fund is the sum of all investments made in the venture capital fund or enterprise during
57.5 the period beginning one year before the date of the investment by the Douglas J. Johnson
57.6 economic protection trust fund; and

57.7 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
57.8 be held and managed as a public trust for the benefit of the area for the purposes authorized
57.9 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
57.10 commissioner, after consultation with the advisory board. The net proceeds must be deposited
57.11 in the trust fund for the purposes and uses of this section.

57.12 (b) Money from the trust fund shall be expended only in or for the benefit of the taconite
57.13 assistance area defined in section 273.1341.

57.14 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,
57.15 or transferred from the trust fund for any purpose except as provided in this section.

154.25 Sec. 3. **TRANSFER 2018 DISTRIBUTION ONLY.**

154.26 For the 2018 distribution, the fund established under Minnesota Statutes, section 298.28,
154.27 subdivision 7, shall receive ten cents per ton of any excess of the balance remaining after
154.28 distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6.

154.29 **EFFECTIVE DATE.** This section is effective for the 2018 distribution, and the transfer
154.30 must be made within ten days of the August 2018 payment.

155.1 Sec. 4. **DISLOCATED WORKER RAPID RESPONSE ACTIVITY.**

155.2 Notwithstanding anything to the contrary, of the money appropriated to the Job Skills
155.3 Partnership Board for the purposes of Minnesota Statutes, section 116L.17, under Minnesota
155.4 Statutes, section 116L.20, subdivision 2, at least \$650,000 in fiscal year 2019 must be used
155.5 for rapid response activities under Minnesota Statutes, section 116L.17, subdivision 10, to
155.6 address the substantial anticipated job losses at the Electrolux plant in St. Cloud. These
155.7 services shall be provided by Career Solutions. Grant funds may be used for, but are not
155.8 limited to, GED programs, English language courses, computer literacy efforts, and training
155.9 in the manufacturing and construction trades. In addition, the commissioner of employment
155.10 and economic development is directed to take all necessary steps, including application for

155.11 any required federal waivers, to begin providing services to affected workers before
155.12 December 31, 2018.

155.13 Sec. 5. **USE OF LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

155.14 Notwithstanding Minnesota Statutes, section 116J.8731, and any law to the contrary, a
155.15 home rule charter or statutory city, county, or town may, before July 1, 2018, commit money
155.16 received from the repayment of funds awarded under Minnesota Statutes, section 116J.8731,
155.17 to a business revolving loan fund partially funded by the federal government. Once
155.18 committed, funds may be used for any purpose allowed by the federal program.

155.19 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2007.

157.1 Sec. 7. **REVISOR'S INSTRUCTION; MIF NAME CHANGE TO N-SODA.**

157.2 In Minnesota Statutes, the revisor of statutes shall change the term "Minnesota investment
157.3 fund" to "North Star Opportunity and Development Account" wherever it is apparent from
157.4 context that the term "Minnesota investment fund" refers to the program under Minnesota
157.5 Statutes, section 116J.8731.