

State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
**Unofficial Engrossment**  
House Engrossment of a Senate File

NINETIETH SESSION

**S. F. No. 1937**

03/30/2017 Companion to House File No. 2209. (Authors:Garofalo)  
Read First Time and Referred to the Committee on Ways and Means  
04/04/2017 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time

1.1 A bill for an act

1.2 relating to state government; appropriating money for jobs and economic  
1.3 development; appropriating money for the Department of Employment and  
1.4 Economic Development, Housing Finance Agency, Department of Labor and  
1.5 Industry, Bureau of Mediation Services, Workers' Compensation Court of Appeals,  
1.6 Department of Commerce, Public Utilities Commission, Public Facilities Authority,  
1.7 and the Department of Iron Range Resources and Rehabilitation; making policy  
1.8 and housekeeping changes to labor and industry provisions; making policy changes  
1.9 to employment, economic development, and workforce development provisions;  
1.10 making policy changes to the Department of Iron Range Resources and  
1.11 Rehabilitation; making policy, housekeeping, and technical changes regarding  
1.12 unemployment insurance; making changes to commerce, telecommunications, and  
1.13 energy policy; making other miscellaneous policy changes; allocating workforce  
1.14 housing tax-exempt bonds; modifying fees; modifying rulemaking procedures;  
1.15 modifying criminal penalties; requiring reports; amending Minnesota Statutes  
1.16 2016, sections 3.732, subdivision 1; 3.736, subdivision 3; 3.8851, subdivision 1;  
1.17 15.01; 15.38, subdivision 7; 15A.0815, subdivision 3; 16B.323; 43A.02, subdivision  
1.18 22; 45.013; 45.0135, subdivision 6; 65B.84, subdivision 1; 85.0146, subdivision  
1.19 1; 116.03, by adding a subdivision; 116C.779, subdivision 1, by adding a  
1.20 subdivision; 116C.7792; 116D.04, subdivision 1a; 116J.01, subdivision 5; 116J.013;  
1.21 116J.423, subdivision 2; 116J.424; 116J.994, subdivisions 3, 5, 7; 116L.17,  
1.22 subdivision 1; 175.45; 216A.03, subdivision 1, by adding a subdivision; 216B.03;  
1.23 216B.16, subdivisions 1a, 6; 216B.161, subdivision 1; 216B.1691, subdivision 2f;  
1.24 216B.1694, subdivision 1; 216B.241, subdivisions 1b, 1c, 2, 5, 5d, 7; 216B.2422,  
1.25 subdivisions 2, 3, 4; 216B.243, subdivision 8; 216C.05, subdivision 2; 216C.41,  
1.26 subdivisions 2, 5a; 216C.435, by adding a subdivision; 216E.03, subdivisions 3,  
1.27 9; 216E.04, subdivision 7; 216F.01, subdivision 2; 216F.011; 216F.04; 216H.03,  
1.28 subdivisions 3, 4, 7; 237.01, by adding subdivisions; 268.031, subdivision 1;  
1.29 268.035, subdivisions 15, 20, 21d, 23, 30; 268.042, subdivision 1; 268.046,  
1.30 subdivision 3; 268.051, subdivisions 1, 9; 268.065, subdivision 2; 268.07,  
1.31 subdivisions 2, 3a, 3b; 268.085, subdivisions 1, 6, 7, 12, 13, 13a; 268.0865,  
1.32 subdivision 5; 268.095, subdivisions 1, 2, 5; 268.101, subdivision 2; 268.105,  
1.33 subdivision 2; 268.131; 268.18, subdivisions 2, 2b, 5; 268.182; 268.184; 268.194,  
1.34 subdivisions 1, 4; 276A.01, subdivisions 8, 17; 276A.06, subdivision 8; 282.38,  
1.35 subdivisions 1, 3; 297I.11, subdivision 2; 298.001, subdivision 8, by adding a  
1.36 subdivision; 298.018, subdivision 1; 298.17; 298.22, subdivisions 1, 1a, 5a, 6, 10,  
1.37 11, by adding subdivisions; 298.221; 298.2211, subdivisions 3, 6; 298.2212;  
1.38 298.2214, subdivision 2; 298.223; 298.227; 298.27; 298.28, subdivisions 7, 7a,  
1.39 9c, 9d, 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297; 298.46,

2.1 subdivisions 2, 5, 6; 325J.06; 326B.092, subdivision 7; 326B.153, subdivision 1;  
 2.2 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50, subdivision  
 2.3 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.805, subdivision 3;  
 2.4 326B.89, subdivisions 1, 5; 345.42, subdivision 1, by adding a subdivision; 345.49;  
 2.5 462.355, subdivision 4; 462A.201, subdivision 2; 462A.204, subdivision 8; 466.03,  
 2.6 subdivision 6c; 469.310, subdivision 9; 473.145; 473.254, subdivisions 2, 3a;  
 2.7 474A.02, subdivision 21; Laws 2010, chapter 389, article 5, section 7; Laws 2014,  
 2.8 chapter 211, section 13, as amended; Laws 2014, chapter 312, article 2, section  
 2.9 14, as amended; Laws 2015, First Special Session chapter 1, article 1, sections 2,  
 2.10 subdivision 6; 5, subdivision 2; Laws 2016, chapter 189, article 7, section 46;  
 2.11 proposing coding for new law in Minnesota Statutes, chapters 14; 116C; 116J;  
 2.12 175; 216B; 216C; 216G; 237; 239; 326B; 462A; 462C; 471; 474A; repealing  
 2.13 Minnesota Statutes 2016, sections 3.8852; 116C.779, subdivision 3; 116J.549;  
 2.14 174.187; 216B.8109; 216B.811; 216B.812; 216B.813; 216B.815; 216C.29;  
 2.15 216C.411; 216C.412; 216C.413; 216C.414; 216C.415; 216C.416; 298.22,  
 2.16 subdivision 8; 298.2213; 298.298; 326B.89, subdivision 14; Laws 2005, chapter  
 2.17 112, article 1, section 14; Laws 2013, chapter 85, article 6, section 11.

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

2.19 **ARTICLE 1**

2.20 **APPROPRIATIONS**

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

2.22 (a) The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.23 agencies and for the purposes specified in this article. The appropriations are from the  
 2.24 general fund, or another named fund, and are available for the fiscal years indicated for  
 2.25 each purpose. The figures "2018" and "2019" used in this article mean that the appropriations  
 2.26 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,  
 2.27 respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The  
 2.28 biennium" is fiscal years 2018 and 2019.

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

2.31 **APPROPRIATIONS**  
 2.32 **Available for the Year**  
 2.33 **Ending June 30**  
 2.34 **2018** **2019**

2.35 Sec. 2. **DEPARTMENT OF EMPLOYMENT**  
 2.36 **AND ECONOMIC DEVELOPMENT**

2.37 **Subdivision 1. Total Appropriation** **\$** **128,211,000** **\$** **111,024,000**

2.38 **Appropriations by Fund**

2.39 **2018** **2019**

3.1	<u>General</u>	<u>93,997,000</u>	<u>84,160,000</u>
3.2	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
3.3	<u>Workforce</u>		
3.4	<u>Development</u>	<u>26,164,000</u>	<u>26,164,000</u>
3.5	<u>Special Revenue</u>	<u>7,350,000</u>	<u>0</u>

3.6 (a) The amounts that may be spent for each  
 3.7 purpose are specified in the following  
 3.8 subdivisions.

3.9 (b) Notwithstanding Minnesota Statutes,  
 3.10 section 16A.285, the commissioner of  
 3.11 employment and economic development must  
 3.12 not allow transfers of money appropriated in  
 3.13 this section between divisions or programs of  
 3.14 the Department of Employment and Economic  
 3.15 Development.

3.16 (c) Notwithstanding Minnesota Statutes,  
 3.17 section 16B.37, subdivision 4, the  
 3.18 commissioner of employment and economic  
 3.19 development must not allow billing between  
 3.20 divisions or programs within the Department  
 3.21 of Employment and Economic Development,  
 3.22 or otherwise use any "Internal Billing  
 3.23 Expenditures."

3.24 (d) Notwithstanding Minnesota Statutes,  
 3.25 sections 16B.37, subdivision 4, and 471.59,  
 3.26 except for work performed by MN.IT under  
 3.27 Minnesota Statutes, chapter 16E, the  
 3.28 commissioner of employment and economic  
 3.29 development must not allow billing or  
 3.30 transfers between other executive branch  
 3.31 agencies or departments and the Department  
 3.32 of Employment and Economic Development.

3.33	<u>Subd. 2. <b>Business and Community Development</b></u>	<u>48,084,000</u>	<u>38,834,000</u>
3.34	<u>Appropriations by Fund</u>		
3.35	<u>General</u>	<u>39,134,000</u>	<u>37,234,000</u>

4.1	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
4.2	<u>Workforce</u>		
4.3	<u>Development</u>	<u>900,000</u>	<u>900,000</u>
4.4	<u>Special Revenue</u>	<u>7,350,000</u>	<u>0</u>

4.5 (a) Of the amounts appropriated in this  
4.6 subdivision, no more than \$4,154,000 in fiscal  
4.7 year 2018 and \$4,219,000 in fiscal year 2019  
4.8 may be expended on full-time equivalent  
4.9 positions, totaling no more than 40.2 full-time  
4.10 equivalent positions in fiscal year 2018 and  
4.11 40.2 full-time equivalent positions in fiscal  
4.12 year 2019.

4.13 (b)(1) \$12,000,000 the first year and  
4.14 \$11,000,000 the second year are for the  
4.15 Minnesota investment fund under Minnesota  
4.16 Statutes, section 116J.8731. Of this amount,  
4.17 the commissioner of employment and  
4.18 economic development may use up to three  
4.19 percent for administrative expenses and  
4.20 technology upgrades. This appropriation is  
4.21 available until June 30, 2021.

4.22 (2) Of the amount appropriated in fiscal year  
4.23 2018, \$4,000,000 is for a loan to construct and  
4.24 equip a wholesale electronic component  
4.25 distribution center investing a minimum of  
4.26 \$200,000,000 and constructing a facility at  
4.27 least 700,000 square feet in size. Loan funds  
4.28 may be used for purchases of materials,  
4.29 supplies, and equipment for the construction  
4.30 of the facility and are available from July 1,  
4.31 2017, to June 30, 2021. The commissioner of  
4.32 employment and economic development shall  
4.33 forgive the loan after verification that the  
4.34 project has satisfied performance goals and  
4.35 contractual obligations as required under  
4.36 Minnesota Statutes, section 116J.8731.

5.1 (3) Of the amount appropriated in fiscal year  
5.2 2018, \$700,000 is for a loan to extend an  
5.3 effluent pipe that will deliver wastewater to  
5.4 an innovative waste-to-biofuel project  
5.5 investing a minimum of \$150,000,000 and  
5.6 constructing a facility that is designed to  
5.7 process approximately 400,000 tons of waste  
5.8 annually. Loan funds are available until June  
5.9 30, 2021.

5.10 (c)(1) \$5,000,000 each year is for the  
5.11 Minnesota job creation fund under Minnesota  
5.12 Statutes, section 116J.8748. Of this amount,  
5.13 the commissioner of employment and  
5.14 economic development may use up to three  
5.15 percent for administrative expenses. This  
5.16 appropriation is available until expended.

5.17 (2) Notwithstanding Minnesota Statutes,  
5.18 section 116J.8748, for applications in fiscal  
5.19 years 2018 and 2019, the only businesses  
5.20 eligible to enter the program under section  
5.21 116J.8748 are those located in counties in  
5.22 which either the average weekly wage for the  
5.23 prior 12 months is less than the state average  
5.24 for the same 12 months, as determined by the  
5.25 commissioner of employment and economic  
5.26 development, or the average unemployment  
5.27 rate for the prior 12 months is equal to or  
5.28 greater than the state average for the same 12  
5.29 months, as determined by the commissioner  
5.30 of employment and economic development.

5.31 (d) \$1,272,000 in fiscal year 2018 and  
5.32 \$2,272,000 in fiscal year 2019 are for  
5.33 contaminated site cleanup and development  
5.34 grants under Minnesota Statutes, sections  
5.35 116J.551 to 116J.558. This appropriation is

6.1 available until expended. In fiscal year 2020  
6.2 and beyond, the base amount is \$1,272,000.

6.3 (e) \$1,425,000 each year is for the business  
6.4 development competitive grant program. Of  
6.5 this amount, up to five percent is for  
6.6 administration and monitoring of the business  
6.7 development competitive grant program. All  
6.8 grant awards shall be for two consecutive  
6.9 years. Grants shall be awarded in the first year.

6.10 (f) \$4,195,000 each year is for the Minnesota  
6.11 job skills partnership program under  
6.12 Minnesota Statutes, sections 116L.01 to  
6.13 116L.17. If the appropriation for either year  
6.14 is insufficient, the appropriation for the other  
6.15 year is available. This appropriation is  
6.16 available until June 30, 2021.

6.17 (g) \$163,000 each year is for the Minnesota  
6.18 Film and TV Board. The appropriation in each  
6.19 year is available only upon receipt by the  
6.20 board of \$1 in matching contributions of  
6.21 money or in-kind contributions from nonstate  
6.22 sources for every \$3 provided by this  
6.23 appropriation, except that each year up to  
6.24 \$50,000 is available on July 1 even if the  
6.25 required matching contribution has not been  
6.26 received by that date.

6.27 (h) \$750,000 each year is for a grant to the  
6.28 Minnesota Film and TV Board for the film  
6.29 production jobs program under Minnesota  
6.30 Statutes, section 116U.26. This appropriation  
6.31 is available until June 30, 2021.

6.32 (i) \$875,000 each year is for the Host  
6.33 Community Economic Development Program

7.1 established in Minnesota Statutes, section  
7.2 116J.548.

7.3 (j) \$300,000 each year is for grants to the  
7.4 Rural Policy and Development Center under  
7.5 Minnesota Statutes, section 116J.421.

7.6 (k)(1) \$2,300,000 the first year and \$1,300,000  
7.7 the second year are for the greater Minnesota  
7.8 business development public infrastructure  
7.9 grant program under Minnesota Statutes,  
7.10 section 116J.431. This appropriation is  
7.11 available until spent. Funds available under  
7.12 this paragraph may be used for site preparation  
7.13 of property owned and to be used by private  
7.14 entities.

7.15 (2) Of the amount appropriated in fiscal year  
7.16 2018, \$1,000,000 is for a grant to the city of  
7.17 Thief River Falls to support utility extensions,  
7.18 roads, and other public improvements related  
7.19 to the construction of a wholesale electronic  
7.20 component distribution center at least 700,000  
7.21 square feet in size and investing a minimum  
7.22 of \$200,000,000. Notwithstanding Minnesota  
7.23 Statutes, section 116J.431, a local match is  
7.24 not required. Grant funds are available from  
7.25 July 1, 2017, to June 30, 2021.

7.26 (l)(1) \$500,000 in fiscal year 2018 is for grants  
7.27 to local communities to increase the supply of  
7.28 quality child care providers in order to support  
7.29 economic development. At least 60 percent of  
7.30 grant funds must go to communities located  
7.31 outside of the seven-county metropolitan area,  
7.32 as defined under Minnesota Statutes, section  
7.33 473.121, subdivision 2. Grant recipients must  
7.34 obtain a 50 percent nonstate match to grant  
7.35 funds in either cash or in-kind contributions.

8.1 Grant funds available under this paragraph  
8.2 must be used to implement solutions to reduce  
8.3 the child care shortage in the state, including  
8.4 but not limited to funding for child care  
8.5 business start-ups or expansion, training,  
8.6 facility modifications or improvements  
8.7 required for licensing, and assistance with  
8.8 licensing and other regulatory requirements.  
8.9 In awarding grants, the commissioner must  
8.10 give priority to communities that have  
8.11 documented a shortage of child care providers  
8.12 in the area.

8.13 (2) Within one year of receiving grant funds,  
8.14 grant recipients must report to the  
8.15 commissioner on the outcomes of the grant  
8.16 program, including but not limited to the  
8.17 number of new providers, the number of  
8.18 additional child care provider jobs created, the  
8.19 number of additional child care slots, and the  
8.20 amount of local funds invested.

8.21 (3) By January 1 of each year, starting in 2019,  
8.22 the commissioner must report to the standing  
8.23 committees of the legislature having  
8.24 jurisdiction over child care and economic  
8.25 development on the outcomes of the program  
8.26 to date.

8.27 (m) \$750,000 each year is for grants to the  
8.28 Neighborhood Development Center for small  
8.29 business programs.

8.30 (n) \$1,175,000 each year is for grants to the  
8.31 Metropolitan Economic Development  
8.32 Association (MEDA) for statewide business  
8.33 development and assistance services, including  
8.34 services to entrepreneurs with businesses that  
8.35 have the potential to create job opportunities



- 9.1 for unemployed and underemployed people,  
9.2 with an emphasis on minority-owned  
9.3 businesses.
- 9.4 (o) \$125,000 each year is for grants to the  
9.5 White Earth Nation for the White Earth Nation  
9.6 Integrated Business Development System to  
9.7 provide business assistance with workforce  
9.8 development, outreach, technical assistance,  
9.9 infrastructure and operational support,  
9.10 financing, and other business development  
9.11 activities.
- 9.12 (p) \$1,375,000 in fiscal year 2018 and  
9.13 \$1,575,000 in fiscal year 2019 are for grants  
9.14 to Enterprise Minnesota, Inc.
- 9.15 (q) \$250,000 in fiscal year 2018 is for a grant  
9.16 to the Minnesota Design Center at the  
9.17 University of Minnesota for the greater  
9.18 Minnesota community design pilot project.
- 9.19 (r) \$225,000 in fiscal year 2018 is for a grant  
9.20 to WomenVenture to provide business  
9.21 training, mentoring, technical assistance, and  
9.22 loans in order to establish two pilot  
9.23 women-run cooperative child care businesses  
9.24 in low-income urban areas. The commissioner  
9.25 shall report data on outcomes and  
9.26 recommendations for replication of this pilot  
9.27 program throughout Minnesota to the governor  
9.28 and the legislative committees with  
9.29 jurisdiction over child care by January 31,  
9.30 2020. Funds are available until June 30, 2019.
- 9.31 (s) \$125,000 in fiscal year 2018 is for a grant  
9.32 to WomenVenture to operate a business  
9.33 training program for child care providers and  
9.34 to create materials that could be used, free of

10.1 charge, for start-up, expansion, and operation  
10.2 of child care businesses statewide, with the  
10.3 goal of helping new and existing child care  
10.4 businesses in underserved areas of the state  
10.5 become profitable and sustainable. The  
10.6 commissioner shall report data on outcomes  
10.7 and recommendations for replication of this  
10.8 training program throughout Minnesota to the  
10.9 governor and the committees of the house of  
10.10 representatives and the senate with jurisdiction  
10.11 over child care by December 15, 2019. Funds  
10.12 are available until June 30, 2019.

10.13 (t)(1) \$125,000 each year is for small business  
10.14 development center (SBDC) services to  
10.15 support business transition planning. In fiscal  
10.16 year 2020 and beyond, the base amount is \$0.  
10.17 For purposes of this paragraph, business  
10.18 transition planning includes, but is not limited  
10.19 to:

10.20 (i) succession planning for next generation  
10.21 proprietors. For purposes of this item, next  
10.22 generation proprietors do not include  
10.23 immediate family members of the current  
10.24 business owner;

10.25 (ii) providing business owners seeking to sell  
10.26 existing businesses and aspiring business  
10.27 owners with a venue and opportunity to  
10.28 exchange information. Such services under  
10.29 this clause may be targeted to small businesses  
10.30 located in economically disadvantaged  
10.31 communities or areas of declining population.  
10.32 For purposes of this item, "economically  
10.33 disadvantaged communities" means  
10.34 communities in which average household  
10.35 income is less than 80 percent of statewide

- 11.1 median household income as measured by the  
11.2 United States Census Bureau; or communities  
11.3 that contain two or more contiguous census  
11.4 tracts in which average household income is  
11.5 less than 80 percent of the statewide median  
11.6 household income as measured by the United  
11.7 States Census Bureau; and
- 11.8 (iii) providing information and counseling  
11.9 services to business owners, prospective  
11.10 owners, and others regarding the importance  
11.11 of business transition and succession planning,  
11.12 the transition and succession process, and  
11.13 financing options and requirements related to  
11.14 the business transition and succession process.
- 11.15 (2) Funds available under this paragraph may  
11.16 be used to:
- 11.17 (i) provide the necessary information and  
11.18 services under clause (1);
- 11.19 (ii) build small business development center  
11.20 staff capacity to provide business transition  
11.21 and succession planning services; and
- 11.22 (iii) match funds under the federal Small  
11.23 Business Development Center Program under  
11.24 United States Code, title 15, section 648, and  
11.25 other federal, state, or local funds available  
11.26 for the purposes of this paragraph.
- 11.27 (u) \$350,000 in fiscal year 2018 is for a grant  
11.28 to the Hallie Q. Brown Community Center,  
11.29 Inc., for youth intervention services through  
11.30 the community ambassadors and youth  
11.31 employment program.
- 11.32 (v)(1) \$500,000 in fiscal year 2018 is for a  
11.33 grant to East Side Enterprise Center (ESEC)  
11.34 to expand culturally tailored resources that

12.1 address small business growth and job  
12.2 creation. This appropriation is onetime and is  
12.3 available until June 30, 2021. The  
12.4 appropriation shall fund the work of African  
12.5 Economic Development Solutions, the Asian  
12.6 Economic Development Association, the  
12.7 Dayton's Bluff Community Council, and the  
12.8 Latino Economic Development Center in a  
12.9 collaborative approach to economic  
12.10 development that is effective with smaller,  
12.11 culturally diverse communities that seek to  
12.12 increase the productivity and success of new  
12.13 immigrant and minority populations living  
12.14 and working in the community. Programs shall  
12.15 provide minority business growth and capacity  
12.16 building that generate wealth and jobs creation  
12.17 for local residents and business owners on the  
12.18 East Side of St. Paul.

12.19 (2) In fiscal year 2019 ESEC shall use funds  
12.20 to share its integrated service model and  
12.21 evolving collaboration principles with civic  
12.22 and economic development leaders in greater  
12.23 Minnesota communities which have diverse  
12.24 populations similar to the East Side of St. Paul.  
12.25 ESEC shall submit a report of activities and  
12.26 program outcomes, including quantifiable  
12.27 measures of success, annually to the house of  
12.28 representatives and senate committees with  
12.29 jurisdiction over economic development.

12.30 (w) \$100,000 in fiscal year 2018 is for a grant  
12.31 to the city of Virginia to be used for grants to  
12.32 city businesses for infrastructure revitalization  
12.33 and code compliance. In making grants, the  
12.34 city must give preference to projects that

- 13.1 promote economic development and that  
13.2 include private dollar contributions.
- 13.3 (x) \$50,000 in fiscal year 2018 is from the  
13.4 workforce development fund for a grant to  
13.5 Fighting Chance for behavioral intervention  
13.6 programs for at-risk youth.
- 13.7 (y) \$1,000,000 each year is for the central  
13.8 Minnesota opportunity grant program  
13.9 established under Minnesota Statutes, section  
13.10 116J.9922. These appropriations are available  
13.11 until June 30, 2022. Starting in fiscal year  
13.12 2020, the base amount for this program shall  
13.13 be \$0.
- 13.14 (z) \$75,000 each year is for grants to the state's  
13.15 recipient of funding from the Federal and State  
13.16 Technology (FAST) Partnership Program to  
13.17 strengthen the technological competitiveness  
13.18 of small businesses.
- 13.19 (aa) \$900,000 each year is from the workforce  
13.20 development fund and \$461,000 in fiscal year  
13.21 2018 and \$1,461,000 in fiscal year 2019 are  
13.22 for job training grants under Minnesota  
13.23 Statutes, section 116L.42.
- 13.24 (bb) \$700,000 each year is from the  
13.25 remediation fund for contaminated site cleanup  
13.26 and development grants under Minnesota  
13.27 Statutes, sections 116J.551 to 116J.558. This  
13.28 appropriation is available until June 30, 2021.
- 13.29 (cc) \$350,000 in fiscal year 2018 is from the  
13.30 energy fund account in the special revenue  
13.31 fund established in Minnesota Statutes, section  
13.32 116C.779, subdivision 1, for a grant to the  
13.33 East Phillips Improvement Coalition to create  
13.34 the East Phillips Neighborhood Institute

14.1 (EPNI) to expand culturally tailored resources  
14.2 that address small business growth and job  
14.3 creation. The grant shall fund the collaborative  
14.4 work of Tamales y Bicicletas, Little Earth of  
14.5 the United Tribes, a nonprofit serving East  
14.6 Africans, and other coalition members towards  
14.7 developing EPNI as a community space to  
14.8 host activities including, but not limited to,  
14.9 creation and expansion of small businesses,  
14.10 culturally specific entrepreneurial activities,  
14.11 indoor urban farming, job training, education,  
14.12 and skills development. Eligible uses for grant  
14.13 funds include, but are not limited to, planning  
14.14 and start-up costs, staff and consultant costs,  
14.15 building improvements, rent, supplies, utilities,  
14.16 vehicles, marketing, and program activities.  
14.17 The commissioner shall submit a report on  
14.18 grant activities and quantifiable outcomes to  
14.19 the committees of the house of representatives  
14.20 and the senate with jurisdiction over economic  
14.21 development by December 15, 2020. Funds  
14.22 are available until June 30, 2020.

14.23 (dd) \$2,000,000 in fiscal year 2018 is from  
14.24 the energy fund account in the special revenue  
14.25 fund established in Minnesota Statutes, section  
14.26 116C.779, subdivision 1, for a grant to the city  
14.27 of Duluth to upgrade the municipal district  
14.28 heating facility and systems, including  
14.29 conversion of the distribution system along  
14.30 Superior Street from steam with no condensate  
14.31 return to closed-loop hot water. This  
14.32 appropriation is for one or more of the project  
14.33 elements or phases: predesign, design,  
14.34 engineering, renovation, construction,  
14.35 furnishing, and equipping the facility, systems,  
14.36 and infrastructure.

15.1 (ee) \$5,000,000 in fiscal year 2018 is from the  
 15.2 energy fund account in the special revenue  
 15.3 fund established in Minnesota Statutes, section  
 15.4 116C.779, subdivision 1, for a grant to Dakota  
 15.5 County under Minnesota Statutes, sections  
 15.6 103G.511 and 103G.515, to design and  
 15.7 construct capital improvements to the  
 15.8 hydroelectric generating facility, including  
 15.9 replacement of obsolete turbines, at the  
 15.10 Byllesby Dam, located on the Cannon River.

15.11 **Subd. 3. Workforce Development** 31,829,000 30,829,000

15.12	<u>Appropriations by Fund</u>		
15.13	<u>General</u>	<u>14,412,000</u>	<u>13,475,000</u>
15.14	<u>Workforce</u>		
15.15	<u>Development</u>	<u>17,417,000</u>	<u>17,417,000</u>

15.16 (a) Of the amounts appropriated in this  
 15.17 subdivision, no more than \$773,000 in fiscal  
 15.18 year 2018 and \$780,000 in fiscal year 2019  
 15.19 may be expended on full-time equivalent  
 15.20 positions, totaling no more than 16.1 full-time  
 15.21 equivalent positions in fiscal year 2018 and  
 15.22 16.1 full-time equivalent positions in fiscal  
 15.23 year 2019.

15.24 (b) \$600,000 each year is for performance  
 15.25 grants under Minnesota Statutes, section  
 15.26 116J.8747, to Twin Cities R!SE to provide  
 15.27 training to hard-to-train individuals.

15.28 (c) \$250,000 each year is for pilot programs  
 15.29 in the workforce service areas to combine  
 15.30 career and higher education advising.

15.31 (d) \$500,000 each year is for rural career  
 15.32 counseling coordinator positions in the  
 15.33 workforce service areas and for the purposes  
 15.34 specified in Minnesota Statutes, section  
 15.35 116L.667. The commissioner of employment

16.1 and economic development, in consultation  
16.2 with local workforce investment boards and  
16.3 local elected officials in each of the service  
16.4 areas receiving funds, shall develop a method  
16.5 of distributing funds to provide equitable  
16.6 services across workforce service areas.

16.7 (e) \$1,000,000 each year is for grants to the  
16.8 Construction Careers Foundation for the  
16.9 construction career pathway initiative to  
16.10 provide year-round educational and  
16.11 experiential learning opportunities for teens  
16.12 and young adults under the age of 21 that lead  
16.13 to careers in the construction industry. Grant  
16.14 funds must be used to:

16.15 (1) increase construction industry exposure  
16.16 activities for middle school and high school  
16.17 youth, parents, and counselors to reach a more  
16.18 diverse demographic and broader statewide  
16.19 audience. This requirement includes, but is  
16.20 not limited to, an expansion of programs to  
16.21 provide experience in different crafts to youth  
16.22 and young adults throughout the state;

16.23 (2) increase the number of high schools in  
16.24 Minnesota offering construction classes during  
16.25 the academic year that utilize a multicraft  
16.26 curriculum;

16.27 (3) increase the number of summer internship  
16.28 opportunities;

16.29 (4) enhance activities to support graduating  
16.30 seniors in their efforts to obtain employment  
16.31 in the construction industry;

16.32 (5) increase the number of young adults  
16.33 employed in the construction industry and



17.1 ensure that they reflect Minnesota's diverse  
17.2 workforce; and

17.3 (6) enhance an industrywide marketing  
17.4 campaign targeted to youth and young adults  
17.5 about the depth and breadth of careers within  
17.6 the construction industry.

17.7 Programs and services supported by grant  
17.8 funds must give priority to individuals and  
17.9 groups that are economically disadvantaged  
17.10 or historically underrepresented in the  
17.11 construction industry, including but not limited  
17.12 to women, veterans, and members of minority  
17.13 and immigrant groups.

17.14 (f) \$5,000,000 each year is from the general  
17.15 fund and \$4,604,000 each year is from the  
17.16 workforce development fund for the Pathways  
17.17 to Prosperity adult workforce development  
17.18 competitive grant program. Of this amount,  
17.19 up to three percent is for administration and  
17.20 monitoring of the program. When awarding  
17.21 grants under this paragraph, the commissioner  
17.22 of employment and economic development  
17.23 may give preference to any previous grantee  
17.24 with demonstrated success in job training and  
17.25 placement for hard-to-train individuals. Grants  
17.26 may be used for:

17.27 (1) grants under the FastTRAC - Adult Career  
17.28 Pathways Program;

17.29 (2) competitive grants to organizations  
17.30 providing services to relieve economic  
17.31 disparities in the Southeast Asian community  
17.32 through workforce recruitment, development,  
17.33 job creation, assistance of smaller

- 18.1 organizations to increase capacity, and  
18.2 outreach;
- 18.3 (3) the high-wage, high-demand,  
18.4 nontraditional jobs grant program under  
18.5 Minnesota Statutes, section 116L.99;
- 18.6 (4) the youth-at-work competitive grant  
18.7 program under Minnesota Statutes, section  
18.8 116L.562, subdivision 3;
- 18.9 (5) the Minnesota emerging entrepreneur  
18.10 program under Minnesota Statutes, section  
18.11 116M.18;
- 18.12 (6) the capacity building grant program to  
18.13 assist nonprofit organizations offering or  
18.14 seeking to offer workforce development and  
18.15 economic development programming; and
- 18.16 (7) competitive grants to organizations that  
18.17 provide support services for individuals, such  
18.18 as job training, employment preparation,  
18.19 internships, job assistance to fathers, financial  
18.20 literacy, academic and behavioral interventions  
18.21 for low-performing students, and youth  
18.22 intervention. Grants made under this clause  
18.23 must focus on low-income communities,  
18.24 young adults from families with a history of  
18.25 intergenerational poverty, and communities  
18.26 of color.
- 18.27 (g) \$250,000 each year is for grants to YWCA  
18.28 St. Paul to provide job training services and  
18.29 workforce development programs and  
18.30 services, including job skills training and  
18.31 counseling.
- 18.32 (h) \$1,000,000 each year is for grants to  
18.33 EMERGE Community Development, in  
18.34 collaboration with community partners, for

19.1 services targeting Minnesota communities  
19.2 with the highest concentrations of African and  
19.3 African-American joblessness, based on the  
19.4 most recent census tract data, to provide  
19.5 employment readiness training, credentialed  
19.6 training placement, job placement and  
19.7 retention services, supportive services for  
19.8 hard-to-employ individuals, and a general  
19.9 education development fast track and adult  
19.10 diploma program.

19.11 (i) \$1,000,000 each year is for grants to the  
19.12 Minneapolis Foundation for a strategic  
19.13 intervention program designed to target and  
19.14 connect program participants to meaningful,  
19.15 sustainable living-wage employment.

19.16 (j) \$750,000 each year is for grants to Latino  
19.17 Communities United in Service (CLUES) to  
19.18 expand culturally tailored programs that  
19.19 address employment and education skill gaps  
19.20 for working parents and underserved youth by  
19.21 providing new job skills training to stimulate  
19.22 higher wages for low-income people, family  
19.23 support systems designed to reduce  
19.24 intergenerational poverty, and youth  
19.25 programming to promote educational  
19.26 advancement and career pathways. At least  
19.27 50 percent of this amount must be used for  
19.28 programming targeted at greater Minnesota.

19.29 (k) \$250,000 each year is for grants to the  
19.30 American Indian Opportunities and  
19.31 Industrialization Center, in collaboration with  
19.32 the Northwest Indian Community  
19.33 Development Center, to reduce academic  
19.34 disparities for American Indian students and

20.1 adults. The grant funds may be used to  
20.2 provide:  
20.3 (1) student tutoring and testing support  
20.4 services;  
20.5 (2) training in information technology;  
20.6 (3) assistance in obtaining a GED;  
20.7 (4) remedial training leading to enrollment in  
20.8 a postsecondary higher education institution;  
20.9 (5) real-time work experience in information  
20.10 technology fields; and  
20.11 (6) contextualized adult basic education.  
20.12 After notification to the legislature, the  
20.13 commissioner may transfer this appropriation  
20.14 to the commissioner of education.  
20.15 (l) \$600,000 each year is for grants to Ujamaa  
20.16 Place for job training, employment  
20.17 preparation, internships, education, training  
20.18 in the construction trades, housing, and  
20.19 organizational capacity building.  
20.20 (m) \$375,000 each year is for grants to the  
20.21 YWCA of Minneapolis to provide  
20.22 economically challenged individuals the job  
20.23 skills training, career counseling, and job  
20.24 placement assistance necessary to secure a  
20.25 child development associate credential and to  
20.26 have a career path in early childhood  
20.27 education.  
20.28 (n) \$250,000 in fiscal year 2018 is for a grant  
20.29 to the Bois Forte Tribal Employment Rights  
20.30 Office for an American Indian workforce  
20.31 development training pilot project.

- 21.1 (o) \$750,000 each year is for grants to Summit  
21.2 Academy OIC to expand their contextualized  
21.3 GED and employment placement program.
- 21.4 (p) \$600,000 in fiscal year 2018 and \$750,000  
21.5 in fiscal year 2019 are for grants to Goodwill  
21.6 Easter Seals Minnesota and its partners. The  
21.7 grant shall be used to continue the FATHER  
21.8 Project in Rochester, Park Rapids, St. Cloud,  
21.9 Minneapolis, and the surrounding areas to  
21.10 assist fathers in overcoming barriers that  
21.11 prevent fathers from supporting their children  
21.12 economically and emotionally.
- 21.13 (q) \$200,000 each year is for displaced  
21.14 homemaker programs under Minnesota  
21.15 Statutes, section 116L.96. The commissioner,  
21.16 through the adult career pathways program,  
21.17 shall distribute the funds to existing nonprofit  
21.18 and state displaced homemaker programs. In  
21.19 fiscal year 2020 and beyond, the base amount  
21.20 is \$0.
- 21.21 (r) \$190,000 in fiscal year 2018 is for transfer  
21.22 to the Cook County Higher Education Board  
21.23 to provide educational programming and  
21.24 academic support services to remote regions  
21.25 in northeastern Minnesota. This amount is in  
21.26 addition to other funds previously transferred  
21.27 by the commissioner.
- 21.28 (s)(1) \$150,000 in fiscal year 2018 is for a  
21.29 grant to Anoka County to develop and  
21.30 implement a pilot program to increase  
21.31 competitive employment opportunities for  
21.32 transition-age youth ages 18 to 21.
- 21.33 (2) The competitive employment for  
21.34 transition-age youth pilot program shall

22.1 include career guidance components, including  
22.2 health and life skills, to encourage, train, and  
22.3 assist transition-age youth in job-seeking  
22.4 skills, workplace orientation, and job site  
22.5 knowledge.

22.6 (3) In operating the pilot program, Anoka  
22.7 County shall collaborate with schools,  
22.8 disability providers, jobs and training  
22.9 organizations, vocational rehabilitation  
22.10 providers, and employers to build upon  
22.11 opportunities and services, to prepare  
22.12 transition-age youth for competitive  
22.13 employment, and to enhance employer  
22.14 connections that lead to employment for the  
22.15 individuals served.

22.16 (4) Grant funds may be used to create an  
22.17 on-the-job training incentive to encourage  
22.18 employers to hire and train qualifying  
22.19 individuals. A participating employer may  
22.20 receive up to 50 percent of the wages paid to  
22.21 the employee as a cost reimbursement for  
22.22 on-the-job training provided.

22.23 (t) \$497,000 in fiscal year 2018 is for grants  
22.24 to Twin Cities R!SE, in collaboration with  
22.25 Metro Transit and Hennepin Technical College  
22.26 for the Metro Transit technician training  
22.27 program. Funds are available until June 30,  
22.28 2020.

22.29 (u) \$200,000 each year is for grants to the  
22.30 Minnesota Alliance of Boys and Girls Clubs  
22.31 to administer a statewide project of youth job  
22.32 skills and career development. This project,  
22.33 which may have career guidance components  
22.34 including health and life skills, is designed to  
22.35 encourage, train, and assist youth in early

23.1 access to education and job-seeking skills,  
23.2 work-based learning experience including  
23.3 career pathways in STEM learning, career  
23.4 exploration and matching, and first job  
23.5 placement through local community  
23.6 partnerships and on-site job opportunities. This  
23.7 grant requires a 25 percent match from  
23.8 nonstate resources. In fiscal year 2020 and  
23.9 beyond, the base amount is \$0.

23.10 (v) \$150,000 each year is from the workforce  
23.11 development fund for grants to the YWCA of  
23.12 Minneapolis to provide economically  
23.13 challenged individuals the job skills training,  
23.14 career counseling, and job placement  
23.15 assistance necessary to secure a child  
23.16 development associate credential and to have  
23.17 a career path in early childhood education.

23.18 (w) \$4,050,000 each year is from the  
23.19 workforce development fund for the  
23.20 Minnesota youth program under Minnesota  
23.21 Statutes, sections 116L.56 and 116L.561, to  
23.22 provide employment and career advising to  
23.23 youth, including career guidance in secondary  
23.24 schools, to address the youth career advising  
23.25 deficiency, to carry out activities outlined in  
23.26 Minnesota Statutes, section 116L.561, to  
23.27 provide support services, and to provide work  
23.28 experience to youth in the workforce service  
23.29 areas. The funds in this paragraph may be used  
23.30 for expansion of the pilot program combining  
23.31 career and higher education advising in Laws  
23.32 2013, chapter 85, article 3, section 27.  
23.33 Activities in workforce services areas under  
23.34 this paragraph may serve all youth up to age  
23.35 24.

- 24.1 (x) \$1,000,000 each year is from the  
24.2 workforce development fund for the  
24.3 youthbuild program under Minnesota Statutes,  
24.4 sections 116L.361 to 116L.366.
- 24.5 (y) \$450,000 each year is from the workforce  
24.6 development fund for grants to Minnesota  
24.7 Diversified Industries, Inc., to provide  
24.8 progressive development and employment  
24.9 opportunities for people with disabilities.
- 24.10 (z) \$3,348,000 each year is from the workforce  
24.11 development fund for the "Youth at Work"  
24.12 youth workforce development competitive  
24.13 grant program. Of this amount, up to five  
24.14 percent is for administration and monitoring  
24.15 of the youth workforce development  
24.16 competitive grant program. All grant awards  
24.17 shall be for two consecutive years. Grants shall  
24.18 be awarded in the first year.
- 24.19 (aa) \$500,000 each year is from the workforce  
24.20 development fund for the Opportunities  
24.21 Industrialization Center programs.
- 24.22 (bb) \$750,000 each year is from the workforce  
24.23 development fund for grants to the Minnesota  
24.24 Alliance of Boys and Girls Clubs to administer  
24.25 a statewide project of youth job skills  
24.26 development. This project, which may have  
24.27 career guidance components, including health  
24.28 and life skills, is to encourage, train, and assist  
24.29 youth in job-seeking skills, workplace  
24.30 orientation, and job-site knowledge through  
24.31 coaching. This grant requires a 25 percent  
24.32 match from nonstate resources.
- 24.33 (cc) \$215,000 each year is from the workforce  
24.34 development fund for grants to Big Brothers,



25.1 Big Sisters of the Greater Twin Cities for  
25.2 workforce readiness, employment exploration,  
25.3 and skills development for youth ages 12 to  
25.4 21. The grant must serve youth in the Twin  
25.5 Cities, Central Minnesota, and Southern  
25.6 Minnesota Big Brothers, Big Sisters chapters.

25.7 (dd) \$1,350,000 each year is from the  
25.8 workforce development fund for grants to the  
25.9 Minnesota High Tech Association to support  
25.10 SciTechsperience, a program that supports  
25.11 science, technology, engineering, and math  
25.12 (STEM) internship opportunities for two- and  
25.13 four-year college students and graduate  
25.14 students in their field of study. The internship  
25.15 opportunities must match students with paid  
25.16 internships within STEM disciplines at small,  
25.17 for-profit companies located in Minnesota,  
25.18 having fewer than 250 employees worldwide.

25.19 At least 300 students must be matched in the  
25.20 first year and at least 350 students must be  
25.21 matched in the second year. No more than 15  
25.22 percent of the hires may be graduate students.

25.23 Selected hiring companies shall receive from  
25.24 the grant 50 percent of the wages paid to the  
25.25 intern, capped at \$2,500 per intern. The  
25.26 program must work toward increasing the  
25.27 participation among women or other  
25.28 underserved populations.

25.29 (ee) \$500,000 each year is from the workforce  
25.30 development fund for grants to Resource, Inc.  
25.31 to provide low-income individuals career  
25.32 education and job skills training that are fully  
25.33 integrated with chemical and mental health  
25.34 services.

26.1 (ff) \$500,000 each year is from the workforce  
 26.2 development fund for rural career counseling  
 26.3 coordinator positions in the workforce service  
 26.4 areas and for the purposes specified in  
 26.5 Minnesota Statutes, section 116L.667. The  
 26.6 commissioner of employment and economic  
 26.7 development, in consultation with local  
 26.8 workforce investment boards and local elected  
 26.9 officials in each of the service areas receiving  
 26.10 funds, shall develop a method of distributing  
 26.11 funds to provide equitable services across  
 26.12 workforce service areas.

26.13 **Subd. 4. General Support Services** 2,670,000 2,670,000

	<u>Appropriations by Fund</u>						
26.14							
26.15	<u>General Fund</u>	<u>2,653,000</u>		<u>2,653,000</u>			
26.16	<u>Workforce</u>						
26.17	<u>Development</u>	<u>17,000</u>		<u>17,000</u>			

26.18 (a) Of the amounts appropriated in this  
 26.19 subdivision, no more than \$1,027,000 in fiscal  
 26.20 year 2018 and \$1,027,000 in fiscal year 2019  
 26.21 may be expended on full-time equivalent  
 26.22 positions, totaling no more than 9.7 full-time  
 26.23 equivalent positions in fiscal year 2018 and  
 26.24 9.7 full-time equivalent positions in fiscal year  
 26.25 2019.

26.26 (b) \$1,269,000 each year is for operating the  
 26.27 Olmstead Implementation Office.

26.28 **Subd. 5. Minnesota Trade Office** 1,762,000 1,762,000

26.29 (a) Of the amounts appropriated in this  
 26.30 subdivision, no more than \$1,319,000 in fiscal  
 26.31 year 2018 and \$1,332,000 in fiscal year 2019  
 26.32 may be expended on full-time equivalent  
 26.33 positions, totaling no more than 12.9 full-time  
 26.34 equivalent positions in fiscal year 2018 and

- 27.1 12.9 full-time equivalent positions in fiscal  
 27.2 year 2019.
- 27.3 (b) \$300,000 each year is for the STEP grants  
 27.4 in Minnesota Statutes, section 116J.979.
- |      |   |                   |                   |
|------|---|-------------------|-------------------|
| 27.5 | <u>Subd. 6. Vocational Rehabilitation</u> | <u>30,191,000</u> | <u>30,191,000</u> |
| 27.6 | <u>Appropriations by Fund</u>             |                   |                   |
| 27.7 | <u>General</u>                            | <u>22,361,000</u> | <u>22,361,000</u> |
| 27.8 | <u>Workforce</u>                          |                   |                   |
| 27.9 | <u>Development</u>                        | <u>7,830,000</u>  | <u>7,830,000</u>  |
- 27.10 (a) Of the amounts appropriated in this  
 27.11 subdivision, no more than \$524,000 in fiscal  
 27.12 year 2018 and \$524,000 in fiscal year 2019  
 27.13 may be expended on full-time equivalent  
 27.14 positions, totaling no more than 5.1 full-time  
 27.15 equivalent positions in fiscal year 2018 and  
 27.16 5.1 full-time equivalent positions in fiscal year  
 27.17 2019.
- 27.18 (b) \$10,800,000 each year is for the state's  
 27.19 vocational rehabilitation program under  
 27.20 Minnesota Statutes, chapter 268A.
- 27.21 (c) \$3,011,000 each year is for grants to  
 27.22 centers for independent living under  
 27.23 Minnesota Statutes, section 268A.11.
- 27.24 (d) \$2,555,000 each year is for grants to  
 27.25 programs that provide employment support  
 27.26 services to persons with mental illness under  
 27.27 Minnesota Statutes, sections 268A.13 and  
 27.28 268A.14.
- 27.29 (e) \$5,995,000 each year from the general fund  
 27.30 and \$6,830,000 each year from the workforce  
 27.31 development fund are for extended  
 27.32 employment services for persons with severe  
 27.33 disabilities under Minnesota Statutes, section  
 27.34 268A.15.

28.1 (f) \$1,000,000 each year is from the workforce  
 28.2 development fund for grants under Minnesota  
 28.3 Statutes, section 268A.16, for employment  
 28.4 services for persons, including transition-age  
 28.5 youth, who are deaf, deafblind, or  
 28.6 hard-of-hearing. If the amount in the first year  
 28.7 is insufficient, the amount in the second year  
 28.8 is available in the first year.

28.9 **Subd. 7. Competitive Grant Limitations**

28.10 An organization that receives a direct  
 28.11 appropriation under this section is not eligible  
 28.12 to participate in competitive grant programs  
 28.13 under this section, either directly or by  
 28.14 receiving funds from a third party that received  
 28.15 a competitive grant under this section, during  
 28.16 the fiscal years in which the direct  
 28.17 appropriations are received.

28.18 **Subd. 8. Services for the Blind**

6,425,000

6,425,000

28.19 Of the amounts appropriated in this  
 28.20 subdivision, no more than \$3,209,000 in fiscal  
 28.21 year 2018 and \$3,224,000 in fiscal year 2019  
 28.22 may be expended on full-time equivalent  
 28.23 positions, totaling no more than 45 full-time  
 28.24 equivalent positions in fiscal year 2018 and  
 28.25 45 full-time equivalent positions in fiscal year  
 28.26 2019.

28.27 **Subd. 9. Broadband Development**

7,250,000

250,000

28.28 (a) Of the amounts appropriated in this  
 28.29 subdivision, no more than \$174,000 in fiscal  
 28.30 year 2018 and \$177,000 in fiscal year 2019  
 28.31 may be expended on full-time equivalent  
 28.32 positions, totaling no more than 1.5 full-time  
 28.33 equivalent positions in fiscal year 2018 and  
 28.34 1.5 full-time equivalent positions in fiscal year  
 28.35 2019.



30.1 2018 shall be available for any eligible activity  
 30.2 under Minnesota Statutes, section 462A.33.  
 30.3 In fiscal year 2020 and beyond, the base  
 30.4 amount is \$1,208,000.

30.5 (c) \$4,000,000 in fiscal year 2018 is for the  
 30.6 purposes of the workforce housing  
 30.7 development program under Minnesota  
 30.8 Statutes, section 462A.39. Notwithstanding  
 30.9 article 11, section 13, the commissioner of  
 30.10 housing finance may hire staff sufficient for  
 30.11 the purposes of this paragraph. In fiscal year  
 30.12 2020 and beyond, the base amount is \$0.

30.13 (d) \$250,000 each year is for grants to  
 30.14 programs under Minnesota Statutes, section  
 30.15 462A.204, subdivision 8. In fiscal year 2020  
 30.16 and beyond, the base amount is \$250,000.

30.17 (e) \$1,750,000 each year is to the housing trust  
 30.18 fund for the rental assistance to highly mobile  
 30.19 students program under Minnesota Statutes,  
 30.20 section 462A.201, subdivision 2, paragraph  
 30.21 (a), clause (4). In fiscal year 2020 and beyond,  
 30.22 the base amount is \$1,750,000.

30.23 Subd. 3. **Housing Trust Fund** 11,471,000 11,471,000

30.24 This appropriation is for deposit in the housing  
 30.25 fund account created under Minnesota  
 30.26 Statutes, section 462A.201, and may be used  
 30.27 for the purposes provided in that section.

30.28 Subd. 4. **Rental Assistance for Mentally Ill** 4,088,000 4,088,000

30.29 This appropriation is for the rental housing  
 30.30 assistance program under Minnesota Statutes,  
 30.31 section 462A.2097. Among comparable  
 30.32 proposals, the agency shall prioritize those  
 30.33 proposals that target, in part, eligible persons

31.1 who desire to move to more integrated,  
 31.2 community-based settings.

31.3 **Subd. 5. Family Homeless Prevention** 8,519,000 8,519,000

31.4 This appropriation is for the family homeless  
 31.5 prevention and assistance programs under  
 31.6 Minnesota Statutes, section 462A.204.

31.7 **Subd. 6. Home Ownership Assistance Fund** 885,000 885,000

31.8 This appropriation is for the home ownership  
 31.9 assistance program under Minnesota Statutes,  
 31.10 section 462A.21, subdivision 8. The agency  
 31.11 shall continue to strengthen its efforts to  
 31.12 address the disparity gap in the  
 31.13 homeownership rate between white  
 31.14 households and indigenous American Indians  
 31.15 and communities of color.

31.16 **Subd. 7. Affordable Rental Investment Fund** 4,218,000 4,218,000

31.17 (a) This appropriation is for the affordable  
 31.18 rental investment fund program under  
 31.19 Minnesota Statutes, section 462A.21,  
 31.20 subdivision 8b, to finance the acquisition,  
 31.21 rehabilitation, and debt restructuring of  
 31.22 federally assisted rental property and for  
 31.23 making equity take-out loans under Minnesota  
 31.24 Statutes, section 462A.05, subdivision 39.

31.25 (b) The owner of federally assisted rental  
 31.26 property must agree to participate in the  
 31.27 applicable federally assisted housing program  
 31.28 and to extend any existing low-income  
 31.29 affordability restrictions on the housing for  
 31.30 the maximum term permitted. The owner must  
 31.31 also enter into an agreement that gives local  
 31.32 units of government, housing and  
 31.33 redevelopment authorities, and nonprofit  
 31.34 housing organizations the right of first refusal

32.1 if the rental property is offered for sale.  
 32.2 Priority must be given among comparable  
 32.3 federally assisted rental properties to  
 32.4 properties with the longest remaining term  
 32.5 under an agreement for federal assistance.  
 32.6 Priority must also be given among comparable  
 32.7 rental housing developments to developments  
 32.8 that are or will be owned by local government  
 32.9 units, a housing and redevelopment authority,  
 32.10 or a nonprofit housing organization.  
 32.11 (c) The appropriation also may be used to  
 32.12 finance the acquisition, rehabilitation, and debt  
 32.13 restructuring of existing supportive housing  
 32.14 properties. For purposes of this subdivision,  
 32.15 "supportive housing" means affordable rental  
 32.16 housing with links to services necessary for  
 32.17 individuals, youth, and families with children  
 32.18 to maintain housing stability.  
 32.19 **Subd. 8. Housing Rehabilitation**  
 32.20 This appropriation is for the housing  
 32.21 rehabilitation program under Minnesota  
 32.22 Statutes, section 462A.05, subdivision 14. Of  
 32.23 this amount, \$2,772,000 each year is for the  
 32.24 rehabilitation of owner-occupied housing,  
 32.25 \$3,743,000 each year is for the rehabilitation  
 32.26 of eligible rental housing, and \$1,000,000 in  
 32.27 fiscal year 2018 is prioritized to complete  
 32.28 interim controls or lead abatement measures  
 32.29 to reduce the risk of lead exposure in rental  
 32.30 housing statewide. Any funds not committed  
 32.31 in the first 11 months of 2018 shall be  
 32.32 available for any eligible activity under this  
 32.33 section. In administering a rehabilitation  
 32.34 program for rental housing, the agency may  
 32.35 apply the processes and priorities adopted for

6,515,000

6,515,000



33.1	<u>administration of the economic development</u>		
33.2	<u>and housing challenge program under</u>		
33.3	<u>Minnesota Statutes, section 462A.33.</u>		
33.4	<b><u>Subd. 9. Homeownership Education, Counseling,</u></b>		
33.5	<b><u>and Training</u></b>	<u>857,000</u>	<u>857,000</u>
33.6	<u>This appropriation is for the homeownership</u>		
33.7	<u>education, counseling, and training program</u>		
33.8	<u>under Minnesota Statutes, section 462A.209.</u>		
33.9	<u>Priority may be given to funding programs</u>		
33.10	<u>that are aimed at culturally specific groups</u>		
33.11	<u>who are providing services to members of their</u>		
33.12	<u>communities.</u>		
33.13	<b><u>Subd. 10. Capacity Building Grants</u></b>	<u>875,000</u>	<u>875,000</u>
33.14	<u>This appropriation is for nonprofit capacity</u>		
33.15	<u>building grants under Minnesota Statutes,</u>		
33.16	<u>section 462A.21, subdivision 3b. Of this</u>		
33.17	<u>amount:</u>		
33.18	<u>(1) \$125,000 each year is for support of the</u>		
33.19	<u>Homeless Management Information System</u>		
33.20	<u>(HMIS); and</u>		
33.21	<u>(2) \$500,000 each year is for grants to Build</u>		
33.22	<u>Wealth MN to provide a family stabilization</u>		
33.23	<u>plan program including program outreach,</u>		
33.24	<u>financial literacy education, and budget and</u>		
33.25	<u>debt counseling.</u>		
33.26	<b><u>Sec. 4. DEPARTMENT OF LABOR AND</u></b>		
33.27	<b><u>INDUSTRY</u></b>		
33.28	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 27,934,000</u></b>	<b><u>\$ 27,934,000</u></b>
33.29	<u>Appropriations by Fund</u>		
33.30		<u>2018</u>	<u>2019</u>
33.31	<u>General</u>	<u>1,652,000</u>	<u>1,652,000</u>
33.32	<u>Workers'</u>		
33.33	<u>Compensation</u>	<u>24,975,000</u>	<u>24,975,000</u>
33.34	<u>Workforce</u>		
33.35	<u>Development</u>	<u>1,307,000</u>	<u>1,307,000</u>

34.1 (a) The amounts that may be spent for each  
 34.2 purpose are specified in the following  
 34.3 subdivisions.

34.4 (b) Notwithstanding Minnesota Statutes,  
 34.5 section 16A.285, the commissioner of labor  
 34.6 and industry must not allow transfers of  
 34.7 money appropriated in this section between  
 34.8 divisions or programs of the Department of  
 34.9 Labor and Industry.

34.10 (c) Notwithstanding Minnesota Statutes,  
 34.11 section 16B.37, subdivision 4, the  
 34.12 commissioner of labor and industry must not  
 34.13 allow billing between divisions or programs  
 34.14 of amounts appropriated within the  
 34.15 Department of Labor and Industry, or  
 34.16 otherwise use any "Internal Billing  
 34.17 Expenditures" of amounts appropriated.

34.18 (d) Notwithstanding Minnesota Statutes,  
 34.19 sections 16B.37, subdivision 4, and 471.59,  
 34.20 except for work performed by MN.IT under  
 34.21 Minnesota Statutes, chapter 16E, the  
 34.22 commissioner of labor and industry must not  
 34.23 allow billing or transfers between other  
 34.24 executive branch agencies or departments and  
 34.25 the Department of Labor and Industry.

34.26 **Subd. 2. Workers' Compensation** 14,782,000 14,782,000

34.27 (a) This appropriation is from the workers'  
 34.28 compensation fund. Of the amount  
 34.29 appropriated in this subdivision, and any fees  
 34.30 collected, no more than \$10,791,000 in fiscal  
 34.31 year 2018 and \$10,797,000 in fiscal year 2019  
 34.32 may be expended on full-time equivalent  
 34.33 positions, totaling no more than 109.6  
 34.34 full-time equivalent positions in fiscal year

35.1 2018 and 109.6 full-time equivalent positions  
 35.2 in fiscal year 2019.

35.3 (b)(1) \$3,000,000 each year is for workers'  
 35.4 compensation system upgrades. This amount  
 35.5 is available until June 30, 2021. The base  
 35.6 amount for fiscal year 2020 and beyond is \$0.

35.7 (2) This appropriation includes funds for  
 35.8 information technology project services and  
 35.9 support subject to the provisions of Minnesota  
 35.10 Statutes, section 16E.0466. Any ongoing  
 35.11 information technology costs must be  
 35.12 incorporated into the service level agreement  
 35.13 and must be paid to the Office of MN.IT  
 35.14 Services by the commissioner of labor and  
 35.15 industry under the rates and mechanism  
 35.16 specified in that agreement.

35.17 **Subd. 3. Labor Standards and Apprenticeship** 2,759,000 2,759,000

35.18	<u>Appropriations by Fund</u>		
35.19	<u>General</u>	<u>1,452,000</u>	<u>1,452,000</u>
35.20	<u>Workforce</u>		
35.21	<u>Development</u>	<u>1,307,000</u>	<u>1,307,000</u>

35.22 (a) Of the amounts appropriated in this  
 35.23 subdivision, and any fees collected, no more  
 35.24 than \$2,304,000 in fiscal year 2018 and  
 35.25 \$2,238,000 in fiscal year 2019 may be  
 35.26 expended on full-time equivalent positions,  
 35.27 totaling no more than 21.7 full-time equivalent  
 35.28 positions in fiscal year 2018 and 19.7 full-time  
 35.29 equivalent positions in fiscal year 2019.

35.30 (b) \$1,202,000 each year is from the general  
 35.31 fund for the labor standards and apprenticeship  
 35.32 program.

35.33 (c) \$125,000 each year is from the general  
 35.34 fund for wage theft prevention under the  
 35.35 division of labor standards.

36.1 (d) \$1,029,000 each year is from the  
 36.2 workforce development fund for the  
 36.3 apprenticeship program under Minnesota  
 36.4 Statutes, chapter 178.

36.5 (e) \$100,000 each year is from the workforce  
 36.6 development fund for labor education and  
 36.7 advancement program grants under Minnesota  
 36.8 Statutes, section 178.11, to expand and  
 36.9 promote registered apprenticeship training for  
 36.10 minorities and women.

36.11 (f) \$150,000 each year is from the workforce  
 36.12 development fund for prevailing wage  
 36.13 enforcement.

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

36.15 This appropriation is from the workers'  
 36.16 compensation fund. Of the amount  
 36.17 appropriated, and any fees collected, not more  
 36.18 than \$3,970,000 in fiscal year 2018 and  
 36.19 \$3,970,000 in fiscal year 2019 may be  
 36.20 expended on full-time equivalent positions,  
 36.21 totaling no more than 82.6 full-time equivalent  
 36.22 positions in fiscal year 2018 and 82.6 full-time  
 36.23 equivalent positions in fiscal year 2019.

36.24 **Subd. 5. General Support** 6,239,000 6,239,000

36.25	<u>Appropriations by Fund</u>		
36.26	<u>General Fund</u>	<u>200,000</u>	<u>200,000</u>
36.27	<u>Workers'</u>		
36.28	<u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>

36.29 (a) Of the amount appropriated in this  
 36.30 subdivision, and any fees collected, no more  
 36.31 than \$5,875,000 in fiscal year 2018 and  
 36.32 \$6,039,000 in fiscal year 2019 may be  
 36.33 expended on full-time equivalent positions,  
 36.34 totaling no more than 57.1 full-time equivalent

37.1 positions in fiscal year 2018 and 57.1 full-time  
37.2 equivalent positions in fiscal year 2019.

37.3 (b) Except as provided in paragraph (c), this  
37.4 appropriation is from the workers'  
37.5 compensation fund.

37.6 (c) \$200,000 each year is from the general  
37.7 fund for grants to the Construction Careers  
37.8 Foundation Inc. for the Helmets to Hardhats  
37.9 Minnesota Initiative. Grant funds must be used  
37.10 to recruit, retain, assist, and support National  
37.11 Guard, reserve, active duty military members,  
37.12 and veteran's participation into apprenticeship  
37.13 programs registered with the Department of  
37.14 Labor and Industry and connect them with  
37.15 career training and employment in the building  
37.16 and construction industry. The recruitment,  
37.17 selection, employment, and training must be  
37.18 without discrimination due to race, color,  
37.19 creed, religion, national origin, sex, sexual  
37.20 orientation, marital status, physical or mental  
37.21 disability, receipt of public assistance, or age.

37.22 **Sec. 5. BUREAU OF MEDIATION SERVICES \$ 1,853,000 \$ 1,853,000**

37.23 (a) Notwithstanding Minnesota Statutes,  
37.24 section 16A.285, the commissioner of  
37.25 mediation services must not allow transfers  
37.26 of money appropriated in this section between  
37.27 divisions or programs of the Bureau of  
37.28 Mediation Services.

37.29 (b) Notwithstanding Minnesota Statutes,  
37.30 section 16B.37, subdivision 4, the  
37.31 commissioner of mediation services must not  
37.32 allow billing between divisions or programs  
37.33 within the Bureau of Mediation Services, or

38.1 otherwise use any "Internal Billing  
 38.2 Expenditures."

38.3 (c) Notwithstanding Minnesota Statutes,  
 38.4 section 16B.37, subdivision 4, and Minnesota  
 38.5 Statutes, section 471.59, except for work  
 38.6 performed by MN.IT under Minnesota  
 38.7 Statutes, chapter 16E, the commissioner of  
 38.8 mediation services must not allow billing or  
 38.9 transfers between other executive branch  
 38.10 agencies or departments and the Bureau of  
 38.11 Mediation Services.

38.12 (d) Of the amounts appropriated in this  
 38.13 section, no more than \$1,639,000 in fiscal year  
 38.14 2018 and \$1,639,000 in fiscal year 2019 may  
 38.15 be expended on full-time equivalent positions,  
 38.16 totaling no more than 15.1 full-time equivalent  
 38.17 positions in fiscal year 2018 and 15.1 full-time  
 38.18 equivalent positions in fiscal year 2019.

38.19 (e) \$68,0000 each year is from the general  
 38.20 fund for grants to area labor management  
 38.21 committees. Grants may be awarded for a  
 38.22 12-month period beginning July 1 each year.  
 38.23 Any unencumbered balance remaining at the  
 38.24 end of the first year does not cancel but is  
 38.25 available for the second year.

38.26 **Sec. 6. WORKERS' COMPENSATION COURT**  
 38.27 **OF APPEALS**

\$

1,913,000 \$1,913,000

38.28 (a) This appropriation is from the workers'  
 38.29 compensation fund.

38.30 (b) Of the amounts appropriated in this  
 38.31 section, no more than \$1,683,000 in fiscal year  
 38.32 2018 and \$1,683,000 in fiscal year 2019 may  
 38.33 be expended on full-time equivalent positions,  
 38.34 totaling no more than 12 full-time equivalent

39.1 positions in fiscal year 2018 and 12 full-time  
39.2 equivalent positions in fiscal year 2019.

39.3 Sec. 7. DEPARTMENT OF COMMERCE

39.4 Subdivision 1. Total Appropriation                             \$       30,795,000 \$       30,601,000

39.5                                     Appropriations by Fund

39.6	<u>General</u>	<u>27,032,000</u>	<u>26,838,000</u>
39.7	<u>Special Revenue</u>	<u>1,960,000</u>	<u>1,960,000</u>
39.8	<u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
39.9	<u>Workers'</u>		
39.10	<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>

39.11 (a) The amounts that may be spent for each  
39.12 purpose are specified in the following  
39.13 subdivisions.

39.14 (b) Notwithstanding Minnesota Statutes,  
39.15 section 16A.285, the commissioner of  
39.16 commerce must not allow transfers of money  
39.17 appropriated in this section between divisions  
39.18 or programs of the Department of Commerce.

39.19 (c) Notwithstanding Minnesota Statutes,  
39.20 section 16B.37, subdivision 4, the  
39.21 commissioner of commerce must not allow  
39.22 billing between divisions or programs within  
39.23 the Department of Commerce, or otherwise  
39.24 use any "Internal Billing Expenditures."

39.25 (d) Notwithstanding Minnesota Statutes,  
39.26 section 16B.37, subdivision 4, and Minnesota  
39.27 Statutes, section 471.59, except for work  
39.28 performed by MN.IT under Minnesota  
39.29 Statutes, chapter 16E, the commissioner of  
39.30 commerce must not allow billing or transfers  
39.31 between other executive branch agencies or  
39.32 departments and the Department of  
39.33 Commerce.

39.34 Subd. 2. Financial Institutions   5,285,000                     5,410,000

40.1 (a) Of the amounts appropriated in this  
 40.2 subdivision, no more than \$4,343,000 in fiscal  
 40.3 year 2018 and \$4,343,000 in fiscal year 2019  
 40.4 may be expended on full-time equivalent  
 40.5 positions, totaling no more than 45.3 full-time  
 40.6 equivalent positions in fiscal year 2018 and  
 40.7 45.3 full-time equivalent positions in fiscal  
 40.8 year 2019.

40.9 (b) \$400,000 each year is for grants to Prepare  
 40.10 and Prosper for purposes of developing,  
 40.11 marketing, evaluating, and distributing a  
 40.12 financial services inclusion program that will  
 40.13 assist low-income and financially underserved  
 40.14 populations build savings, strengthen credit,  
 40.15 and provide services to assist them in being  
 40.16 more financially stable and secure. Grants in  
 40.17 fiscal year 2018 must be matched by nonstate  
 40.18 contributions. Money remaining after the first  
 40.19 year is available for the second year.

40.20 **Subd. 3. Petroleum Tank Release Compensation**  
 40.21 **Board**

1,052,000

1,052,000

40.22 (a) This appropriation is from the petroleum  
 40.23 tank fund.

40.24 (b) Of the amounts appropriated in this  
 40.25 subdivision, no more than \$710,000 in fiscal  
 40.26 year 2018 and \$710,000 in fiscal year 2019  
 40.27 may be expended on full-time equivalent  
 40.28 positions, totaling no more than 6.9 full-time  
 40.29 equivalent positions in fiscal year 2018 and  
 40.30 6.9 full-time equivalent positions in fiscal year  
 40.31 2019.

40.32 **Subd. 4. Administrative Services**

7,603,000

7,353,000

40.33 Appropriations by Fund

40.34 General                      7,353,000              7,103,000

40.35 Special Revenue              250,000              250,000



41.1 (a) Of the amounts appropriated in this  
 41.2 subdivision, no more than \$4,709,000 in fiscal  
 41.3 year 2018 and \$4,709,000 in fiscal year 2019  
 41.4 may be expended on full-time equivalent  
 41.5 positions, totaling no more than 49.9 full-time  
 41.6 equivalent positions in fiscal year 2018 and  
 41.7 49.9 full-time equivalent positions in fiscal  
 41.8 year 2019.

41.9 (b) \$625,000 in fiscal year 2018 and \$375,000  
 41.10 in fiscal year 2019 are to fund Minnesota  
 41.11 Statutes, section 345.42, subdivision 1a,  
 41.12 paragraph (b).

41.13 (c) \$33,000 each year is for rulemaking and  
 41.14 administration under Minnesota Statutes,  
 41.15 section 80A.461.

41.16 (d) \$250,000 each year is from the energy fund  
 41.17 account in the special revenue fund established  
 41.18 in Minnesota Statutes, section 116C.779,  
 41.19 subdivision 1, for transfer to the Board of  
 41.20 Regents of the University of Minnesota for  
 41.21 operations and maintenance of the Natural  
 41.22 Resources Research Institute at the University  
 41.23 of Minnesota Duluth. The funds shall be used  
 41.24 for operations, maintenance, research, and  
 41.25 staff support to strengthen applied research  
 41.26 activities and accelerate innovation and  
 41.27 economic development in key areas such as  
 41.28 minerals, mining and water, energy and the  
 41.29 environment, and forest products and  
 41.30 bioeconomy. In fiscal year 2020 and beyond,  
 41.31 the base amount is \$0.

41.32 **Subd. 5. Telecommunications** 2,589,000 2,520,000

	<u>Appropriations by Fund</u>		
41.34	<u>General</u>	<u>979,000</u>	<u>910,000</u>
41.35	<u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>

42.1 (a) For the general fund appropriations under  
42.2 this subdivision, the base amount in fiscal year  
42.3 2020 is \$546,000, and the base amount in  
42.4 fiscal year 2021 is \$431,000.

42.5 (b) Of the amounts appropriated in this  
42.6 subdivision, no more than \$759,000 in fiscal  
42.7 year 2018 and \$759,000 in fiscal year 2019  
42.8 may be expended on full-time equivalent  
42.9 positions, totaling no more than seven  
42.10 full-time equivalent positions in fiscal year  
42.11 2018 and seven full-time equivalent positions  
42.12 in fiscal year 2019.

42.13 (c) \$1,610,000 each year is from the  
42.14 telecommunication access Minnesota fund  
42.15 account in the special revenue fund for the  
42.16 following transfers. This appropriation is  
42.17 added to the department's base.

42.18 (1) \$1,170,000 each year is to the  
42.19 commissioner of human services to  
42.20 supplement the ongoing operational expenses  
42.21 of the Commission of Deaf, DeafBlind, and  
42.22 Hard-of-Hearing Minnesotans;

42.23 (2) \$290,000 each year is to the chief  
42.24 information officer for the purpose of  
42.25 coordinating technology accessibility and  
42.26 usability;

42.27 (3) \$100,000 each year is to the Legislative  
42.28 Coordinating Commission for captioning of  
42.29 legislative coverage. This transfer is subject  
42.30 to Minnesota Statutes, section 16A.281; and

42.31 (4) \$50,000 each year is to the Office of  
42.32 MN.IT Services for a consolidated access fund  
42.33 to provide grants to other state agencies related  
42.34 to accessibility of their Web-based services.

43.1	<u>Subd. 6. Enforcement</u>	<u>5,299,000</u>	<u>5,099,000</u>
43.2	<u>Appropriations by Fund</u>		
43.3	<u>General</u>	<u>5,101,000</u>	<u>4,901,000</u>
43.4	<u>Workers'</u>		
43.5	<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>
43.6	<u>(a) Of the amounts appropriated in this</u>		
43.7	<u>subdivision, no more than \$4,732,000 in fiscal</u>		
43.8	<u>year 2018 and \$4,732,000 in fiscal year 2019</u>		
43.9	<u>may be expended on full-time equivalent</u>		
43.10	<u>positions, totaling no more than 48.5 full-time</u>		
43.11	<u>equivalent positions in fiscal year 2018 and</u>		
43.12	<u>48.5 full-time equivalent positions in fiscal</u>		
43.13	<u>year 2019.</u>		
43.14	<u>(b) \$279,000 each year is for health care</u>		
43.15	<u>enforcement.</u>		
43.16	<u>(c)(1) \$200,000 in fiscal year 2018 is to create</u>		
43.17	<u>and execute a statewide education and</u>		
43.18	<u>outreach campaign to protect seniors, meaning</u>		
43.19	<u>those 60 years of age or older, vulnerable</u>		
43.20	<u>adults, as defined in Minnesota Statutes,</u>		
43.21	<u>section 626.5572, subdivision 21, and their</u>		
43.22	<u>caregivers from financial fraud and</u>		
43.23	<u>exploitation.</u>		
43.24	<u>(2) The education and outreach campaign must</u>		
43.25	<u>be statewide, and must include, but is not</u>		
43.26	<u>limited to, the dissemination of information</u>		
43.27	<u>through television, print, or other media,</u>		
43.28	<u>training and outreach to senior living facilities,</u>		
43.29	<u>and the creation of a senior fraud toolkit.</u>		
43.30	<u>(3) The commissioner of commerce shall</u>		
43.31	<u>report by January 15, 2018, to the chairs and</u>		
43.32	<u>ranking minority members of the committees</u>		
43.33	<u>of the house of representatives and senate</u>		
43.34	<u>having jurisdiction over commerce issues</u>		
43.35	<u>regarding the results of the statewide education</u>		

44.1 and outreach campaign, and recommendations  
 44.2 for supporting ongoing efforts to prevent  
 44.3 financial fraud from occurring to, and the  
 44.4 financial exploitation of, seniors, vulnerable  
 44.5 adults, and their caregivers.

44.6 **Subd. 7. Energy Resources** 4,099,000 4,299,000

44.7	<u>Appropriations by Fund</u>		
44.8	<u>General</u>	<u>3,999,000</u>	<u>4,199,000</u>
44.9	<u>Special Revenue</u>	<u>100,000</u>	<u>100,000</u>

44.10 (a) Of the amounts appropriated in this  
 44.11 subdivision, no more than \$3,689,000 in fiscal  
 44.12 year 2018 and \$3,689,000 in fiscal year 2019  
 44.13 may be expended on full-time equivalent  
 44.14 positions, totaling no more than 26.8 full-time  
 44.15 equivalent positions in fiscal year 2018 and  
 44.16 26.8 full-time equivalent positions in fiscal  
 44.17 year 2019.

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

44.20 (c) \$200,000 in fiscal year 2019 is to remediate  
 44.21 insulation from households that are eligible  
 44.22 for weatherization assistance under  
 44.23 Minnesota's weatherization assistance program  
 44.24 state plan under Minnesota Statutes, section  
 44.25 216C.264. Remediation must be done in  
 44.26 conjunction with federal weatherization  
 44.27 assistance program services. This is a onetime  
 44.28 appropriation.

44.29 (d) \$100,000 each year is from the energy fund  
 44.30 account in the special revenue fund established  
 44.31 in Minnesota Statutes, section 116C.779,  
 44.32 subdivision 1, to administer the "Made in  
 44.33 Minnesota" solar energy production incentive  
 44.34 program in Minnesota Statutes, section

45.1 216C.417. Any remaining unspent funds  
 45.2 cancel back to the energy fund account at the  
 45.3 end of the biennium.

45.4 **Subd. 8. Insurance** 4,868,000 4,868,000

		<u>Appropriations by Fund</u>	
45.6	<u>General</u>	<u>4,315,000</u>	<u>4,315,000</u>
45.7	<u>Workers'</u>		
45.8	<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

45.9 (a) Of the amounts appropriated in this  
 45.10 subdivision, no more than \$4,431,000 in fiscal  
 45.11 year 2018 and \$4,431,000 in fiscal year 2019  
 45.12 may be expended on full-time equivalent  
 45.13 positions, totaling no more than 37.3 full-time  
 45.14 equivalent positions in fiscal year 2018 and  
 45.15 37.3 full-time equivalent positions in fiscal  
 45.16 year 2019.

45.17 (b) \$642,000 each year is for health insurance  
 45.18 rate review staffing.

45.19 (c) \$412,000 each year is for actuarial work  
 45.20 to prepare for implementation of  
 45.21 principle-based reserves.

45.22 **Sec. 8. PUBLIC UTILITIES COMMISSION** **\$ 7,242,000 \$ 7,030,000**

45.23 (a) For the general fund appropriations under  
 45.24 this section, the base amount in fiscal year  
 45.25 2020 is \$6,774,000, and the base amount in  
 45.26 fiscal year 2021 is \$6,649,000.

45.27 (b) Notwithstanding Minnesota Statutes,  
 45.28 section 16A.285, the Public Utilities  
 45.29 Commission and its members must not allow  
 45.30 transfers of money appropriated in this section  
 45.31 between divisions or programs of the Public  
 45.32 Utilities Commission.

46.1 (c) Notwithstanding Minnesota Statutes,  
 46.2 section 16B.37, subdivision 4, the Public  
 46.3 Utilities Commission and its members must  
 46.4 not allow billing between divisions or  
 46.5 programs within the Public Utilities  
 46.6 Commission, or otherwise use any "Internal  
 46.7 Billing Expenditures."

46.8 (d) Notwithstanding Minnesota Statutes,  
 46.9 section 16B.37, subdivision 4, and section  
 46.10 471.59, or any other law to the contrary,  
 46.11 except for work performed by MN.IT, under  
 46.12 Minnesota Statutes, chapter 16E, the Public  
 46.13 Utilities Commission and its members must  
 46.14 not allow billing or transfers between other  
 46.15 executive branch agencies or departments and  
 46.16 the Public Utilities Commission.

46.17 (e) Of the amount appropriated in this section,  
 46.18 no more than \$6,072,000 in fiscal year 2018  
 46.19 and \$6,072,000 in fiscal year 2019 may be  
 46.20 expended on full-time equivalent positions,  
 46.21 totaling no more than 55 full-time equivalent  
 46.22 positions in fiscal year 2018 and 55 full-time  
 46.23 equivalent positions in fiscal year 2019.

46.24 (f) \$21,000 each year is for the purposes of  
 46.25 Minnesota Statutes, section 237.045.

46.26 **Sec. 9. PUBLIC FACILITIES AUTHORITY    \$        7,450,000 \$                    0**

46.27 (a) \$300,000 in fiscal year 2018 is for a grant  
 46.28 to the city of New Trier to replace water  
 46.29 infrastructure under Hogan Avenue, including  
 46.30 related road reconstruction, and to acquire land  
 46.31 for predesign, design, and construction of a  
 46.32 storm water pond that will be colocated with  
 46.33 the pond of the new subdivision. This

- 47.1 appropriation does not require a nonstate  
47.2 contribution.
- 47.3 (b) \$3,500,000 in fiscal year 2018 is for a  
47.4 grant for land acquisition, design, engineering,  
47.5 and construction of facilities and infrastructure  
47.6 necessary for Phase 3 of the Lewis and Clark  
47.7 Regional Water System project. Phase 3  
47.8 includes extension of the project from the  
47.9 Lincoln-Pipestone Rural Water System  
47.10 connection near Adrian to Worthington,  
47.11 construction of a reservoir in Nobles County  
47.12 and a meter building in Worthington, and  
47.13 acquisition and installation of a supervisory  
47.14 control and data acquisition system.
- 47.15 (c) \$1,200,000 in fiscal year 2018 is for a grant  
47.16 to the Clear Lake-Clearwater Sewer Authority  
47.17 to remove and replace the existing wastewater  
47.18 treatment facility. This project is intended to  
47.19 prevent the discharge of phosphorus into the  
47.20 Mississippi River. This appropriation is not  
47.21 available until the commissioner of  
47.22 management and budget determines that at  
47.23 least \$200,000 is committed to the project  
47.24 from nonstate sources and the authority has  
47.25 applied for at least two grants to offset the  
47.26 cost. An amount equal to any grant money  
47.27 received by the authority must be returned to  
47.28 the general fund.
- 47.29 (d) \$1,200,000 in fiscal year 2018 is for a  
47.30 grant to the Ramsey/Washington Recycling  
47.31 and Energy Board to design, construct, and  
47.32 equip capital improvements to the  
47.33 Ramsey/Washington Recycling and Energy  
47.34 Center in Newport.

48.1 (e) \$750,000 in fiscal year 2018 is for a grant  
 48.2 to the city of Cold Spring to acquire land,  
 48.3 predesign, design, engineer, construct, furnish,  
 48.4 and equip water infrastructure, including  
 48.5 drilling new wells, a water treatment plant,  
 48.6 and piping for water distribution.

48.7 (f) \$500,000 in fiscal year 2018 is for a grant  
 48.8 to the Big Lake Area Sanitary District to  
 48.9 construct a pressure sewer system and force  
 48.10 main to convey sewage to the Western Lake  
 48.11 Superior Sanitary District connection in the  
 48.12 city of Cloquet. This appropriation is in  
 48.13 addition to the appropriation in Laws 2014,  
 48.14 chapter 294, article 1, section 22, subdivision  
 48.15 4.

48.16 **Sec. 10. DEPARTMENT OF IRON RANGE**  
 48.17 **RESOURCES AND REHABILITATION.**

**\$ 1,500,000 \$ 0**

48.18 This appropriation is from the energy fund  
 48.19 account in the special revenue fund established  
 48.20 in Minnesota Statutes, section 116C.779,  
 48.21 subdivision 1, for grants for innovative energy  
 48.22 solutions on the Iron Range.

48.23 **Sec. 11. GENERAL FUND TRANSFER TO ENERGY FUND ACCOUNT.**

48.24 The commissioner of management and budget must transfer \$500,000 in fiscal year  
 48.25 2018 and \$3,500,000 in fiscal year 2019 from the general fund to the energy fund account  
 48.26 in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision  
 48.27 1. In fiscal year 2020 and beyond, the base amount is \$4,000,000.

48.28 **Sec. 12. MINNESOTA FILM AND TV BOARD APPROPRIATION**  
 48.29 **CANCELLATION.**

48.30 All unspent funds, estimated to be \$350,000, appropriated for the film production jobs  
 48.31 program under Minnesota Statutes, section 116U.26, under Laws 2016, chapter 189, article  
 48.32 7, section 2, subdivision 2, are canceled to the general fund the day following final enactment  
 48.33 of this section.



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

49.2 **ARTICLE 2**

49.3 **DEPARTMENT OF LABOR AND INDUSTRY POLICY**

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

49.5 **175.45 ~~COMPETENCY STANDARDS FOR DUAL TRAINING.~~**

49.6 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene  
 49.7 industry representatives, identify occupational competency standards for dual training, and  
 49.8 provide technical assistance to develop dual-training programs. ~~The goal of dual training~~  
 49.9 ~~is to provide employees of an employer with training to acquire competencies that the~~  
 49.10 ~~employer requires.~~ The competency standards shall be identified for employment in  
 49.11 occupations in advanced manufacturing, health care services, information technology, and  
 49.12 agriculture. Competency standards are not rules and are exempt from the rulemaking  
 49.13 provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do  
 49.14 not apply.

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

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

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

49.22 Subd. 3. **Competency standards identification process.** In identifying competency  
 49.23 standards, the commissioner shall consult with the commissioner of the Office of Higher  
 49.24 Education and the commissioner of employment and economic development and convene  
 49.25 recognized industry experts, representative employers, higher education institutions,  
 49.26 representatives of the disabled community, and representatives of labor to assist in identifying  
 49.27 credible competency standards. Competency standards must be consistent with, to the extent  
 49.28 available and practical, recognized international and national standards.

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

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

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

50.1 ~~(2)~~ (3) verify the competency standards and skill levels and their transferability by subject  
 50.2 matter expert representatives of each respective industry;

50.3 ~~(3)~~ (4) develop models for Minnesota educational institutions to engage in providing  
 50.4 education and training to meet the competency standards established;

50.5 ~~(4)~~ (5) encourage participation by employers and labor in the competency standard  
 50.6 identification process for occupations in their industry; ~~and~~

50.7 ~~(5)~~ (6) align ~~dual-training competency standards~~ dual-training programs with other  
 50.8 workforce initiatives; and

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

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

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

50.16 Subdivision 1. Program established; grants authorized. The commissioner shall  
 50.17 approve youth skills training programs established for the purpose of providing work-based  
 50.18 skills training for student learners ages 16 and older.

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

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

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

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

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

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

51.2 (1) approve youth skills training programs in high growth, high demand occupations  
51.3 that provide:

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

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

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

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

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

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

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

51.16 (3) work with individuals representing industry and labor to develop new youth skills  
51.17 training programs;

51.18 (4) develop model program guides;

51.19 (5) monitor youth skills training programs;

51.20 (6) provide technical assistance to local partnership grantees;

51.21 (7) work with providers to identify paths for receiving postsecondary credit for  
51.22 participation in the youth skills training program; and

51.23 (8) approve other activities as necessary to implement the program.

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

51.29 Subd. 4. Training agreement. Each student learner shall sign a written training agreement  
51.30 on a form prescribed by the commissioner. Each agreement shall contain the name of the  
51.31 student learner, and be signed by the employer, the school coordinator or administrator, and

52.1 the student learner, or if the student learner is a minor, by the student's parent or legal  
52.2 guardian. Copies of each agreement shall be kept on file by both the school and the employer.

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

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

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

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

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

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

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

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

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

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

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

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

53.4 Subd. 12. **Outcomes.** The following outcomes are expected of a local youth skills training  
 53.5 program:

53.6 (1) at least 80 percent of the student learners who participate in a youth skills training  
 53.7 program receive a high school diploma when eligible on completion of the training program;  
 53.8 and

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

53.11 Subd. 13. **Reporting.** (a) By February 1, 2019, and annually thereafter, the commissioner  
 53.12 shall report on the activity and outcomes of the program for the preceding fiscal year to the  
 53.13 chairs of the legislative committees with jurisdiction over jobs and economic growth policy  
 53.14 and finance. At a minimum, the report must include:

53.15 (1) the number of student learners who commenced the training program and the number  
 53.16 who completed the training program; and

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

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

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

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

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

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

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20

54.1	Journeyworker	\$20	\$40
54.2	Master	\$40	\$80
54.3	Business		\$180

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

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

54.12 (f) If the application is for the renewal of a license issued under sections 326B.802 to  
 54.13 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision  
 54.14 3, and any additional assessment required under section 326B.89, subdivision 16, must be  
 54.15 included in the license renewal fee.

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

54.18	License Classification	License Duration	
		54.19 1 year	2 years
54.20	Entry level	\$10	\$20
54.21			<del>\$35</del>
54.22	Journeyworker	\$15	<u>\$30</u>
54.23			<del>\$75</del>
54.24	Master	\$30	<u>\$60</u>
54.25			<del>\$160</del>
54.26	Business		<u>\$120</u>

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

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

54.32 Subdivision 1. Definition. For purposes of this section, "place of public accommodation"  
 54.33 means a publicly or privately owned facility that is designed for occupancy by 200 or more  
 54.34 people and includes a sports or entertainment arena, stadium, theater, community or

55.1 convention hall, special event center, indoor amusement facility or water park, or swimming  
 55.2 pool.

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

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

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

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

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

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

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

55.15 (1) \$1 to \$500, ~~\$29.50~~ \$21;

55.16 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100  
 55.17 or fraction thereof, to and including \$2,000;

55.18 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each  
 55.19 additional \$1,000 or fraction thereof, to and including \$25,000;

55.20 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each  
 55.21 additional \$1,000 or fraction thereof, to and including \$50,000;

55.22 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for  
 55.23 each additional \$1,000 or fraction thereof, to and including \$100,000;

55.24 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for  
 55.25 each additional \$1,000 or fraction thereof, to and including \$500,000;

55.26 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25  
 55.27 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

55.28 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75  
 55.29 for each additional \$1,000 or fraction thereof.

55.30 (c) Other inspections and fees are:

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

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

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

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

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

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

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

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

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

56.18 (2) 100,001 watts to and including 500,000 watts, \$105;

56.19 (3) 500,001 watts to and including 1,000,000 watts, \$120;

56.20 (4) 1,000,001 watts to and including 1,500,000 watts, \$125;

56.21 (5) 1,500,001 watts to and including 2,000,000 watts, \$130;

56.22 (6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

56.23 (7) 3,000,001 watts and larger, \$160.

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

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

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



- 57.1 (1) zero watts to and including 5,000 watts, \$60;
- 57.2 (2) 5,001 watts to and including 10,000 watts, \$100;
- 57.3 (3) 10,001 watts to and including 20,000 watts, \$150;
- 57.4 (4) 20,001 watts to and including 30,000 watts, \$200;
- 57.5 (5) 30,001 watts to and including 40,000 watts, \$250;
- 57.6 (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional
- 57.7 10,000 watts over 40,000 watts;
- 57.8 (7) 1,000,001 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts
- 57.9 over 1,000,000 watts; and
- 57.10 (8) 5,000,001 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over
- 57.11 5,000,000 watts.
- 57.12 (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating
- 57.13 current energy output of the solar photovoltaic system.
- 57.14 Sec. 8. Minnesota Statutes 2016, section 326B.435, subdivision 2, is amended to read:
- 57.15 Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power
- 57.16 to:
- 57.17 (1) elect its chair, vice-chair, and secretary;
- 57.18 (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,
- 57.19 and containing such other provisions as may be useful and necessary for the efficient conduct
- 57.20 of the business of the board;
- 57.21 (3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code
- 57.22 amendments thereto. The Plumbing Code shall include the minimum standards described
- 57.23 in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the
- 57.24 Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in
- 57.25 subdivision 6, paragraphs (b), (c), and (d);
- 57.26 (4) review requests for final interpretations and issue final interpretations as provided
- 57.27 in section 326B.127, subdivision 5;
- 57.28 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
- 57.29 contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers,
- 57.30 restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and
- 57.31 testers, water conditioning contractors, and water conditioning installers, and other persons

58.1 engaged in the design, installation, and alteration of plumbing systems or engaged in or  
58.2 working at the business of water conditioning installation or service, or engaged in or  
58.3 working at the business of medical gas system installation, maintenance, or repair, except  
58.4 for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall  
58.5 adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e)  
58.6 and (f);

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

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

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

58.19 (9) approve license reciprocity agreements;

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

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

58.23 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the  
58.24 Board of High Pressure Piping Systems, the commissioner of labor and industry shall  
58.25 administer and enforce the provisions of this chapter and any rules promulgated pursuant  
58.26 thereto.

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

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

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

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

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

59.8 or

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

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

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

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

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

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

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

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

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

59.27 (4) the direct supervisor reviews the water conditioning installation work performed by  
59.28 the registered unlicensed individual before the water conditioning installation is operated;

59.29 and

59.30 (5) the direct supervisor determines that all water conditioning installation work  
59.31 performed by the registered unlicensed individual is performed in compliance with sections

60.1 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code,  
60.2 and all orders issued under section 326B.082.

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

60.5 Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman  
60.6 plumber, restricted master plumber, restricted journeyman plumber, water conditioning  
60.7 master, or water conditioning journeyman responsible for providing direct supervision of  
60.8 a registered unlicensed individual.

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

60.10 Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be  
60.11 issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~  
60.12 servicing, and installing water conditioning installations, and has successfully passed the  
60.13 examination for water conditioning masters. A water conditioning journeyman license shall  
60.14 only be issued to an individual other than a water conditioning master who has demonstrated  
60.15 practical knowledge of water conditioning installation, and has successfully passed the  
60.16 examination for water conditioning journeymen. A water conditioning journeyman must  
60.17 successfully pass the examination for water conditioning masters before being licensed as  
60.18 a water conditioning master.

60.19 (b) Each water conditioning contractor must designate a responsible licensed master  
60.20 plumber or a responsible licensed water conditioning master, who shall be responsible for  
60.21 the performance of all water conditioning installation and servicing in accordance with the  
60.22 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to  
60.23 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If  
60.24 the water conditioning contractor is an individual or sole proprietorship, the responsible  
60.25 licensed master must be the individual, proprietor, or managing employee. If the water  
60.26 conditioning contractor is a partnership, the responsible licensed master must be a general  
60.27 partner or managing employee. If the water conditioning contractor is a limited liability  
60.28 company, the responsible licensed master must be a chief manager or managing employee.  
60.29 If the water conditioning contractor is a corporation, the responsible licensed master must  
60.30 be an officer or managing employee. If the responsible licensed master is a managing  
60.31 employee, the responsible licensed master must be actively engaged in performing water  
60.32 conditioning work on behalf of the water conditioning contractor and cannot be employed  
60.33 in any capacity as a water conditioning master or water conditioning journeyman for any

61.1 other water conditioning contractor. An individual must not be the responsible licensed  
61.2 master for more than one water conditioning contractor.

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

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

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

61.9 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under  
61.10 section 326B.47 is authorized to assist in water conditioning installation and water  
61.11 conditioning servicing only while under the direct supervision of a master plumber,  
61.12 journeyman plumber, restricted master plumber, restricted journeyman plumber, water  
61.13 conditioning master, or water conditioning journeyman. The master or journeyman is  
61.14 responsible for ensuring that all water conditioning work performed by the plumber's  
61.15 apprentice complies with the plumbing code and rules adopted under sections 326B.50 to  
61.16 326B.59. The supervising master or journeyman must be licensed and must be employed  
61.17 by the same employer as the plumber's apprentice. Licensed individuals shall not permit  
61.18 plumber's apprentices to perform water conditioning work except under the direct supervision  
61.19 of an individual actually licensed to perform such work. Plumber's apprentices shall not  
61.20 supervise the performance of plumbing work or make assignments of plumbing work to  
61.21 unlicensed individuals.

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

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

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

61.29 (b) A registered unlicensed individual is authorized to assist in water conditioning  
61.30 installations in a single family residential unit only when a master plumber, journeyman  
61.31 plumber, restricted master plumber, restricted journeyman plumber, water conditioning  
61.32 master, or water conditioning journeyman is available and responsible for ensuring that all

62.1 water conditioning installation work performed by the unlicensed individual complies with  
62.2 the applicable provisions of the plumbing and water conditioning codes and rules adopted  
62.3 pursuant to such codes. For all other water conditioning installation work, the registered  
62.4 unlicensed individual must be under the direct supervision of a responsible licensed water  
62.5 conditioning master.

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

62.10 Subd. 2. **Journeyman exam.** A registered unlicensed individual who has completed  
62.11 875 hours of practical water conditioning installation, servicing, and training is eligible to  
62.12 take the water conditioning journeyman examination. Up to 100 hours of practical water  
62.13 conditioning installation and servicing experience prior to becoming a registered unlicensed  
62.14 individual may be applied to the practical experience requirement. However, none of this  
62.15 practical experience may be applied if the unlicensed individual did not have any practical  
62.16 experience in the 12-month period immediately prior to becoming a registered unlicensed  
62.17 individual.

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

62.26 Sec. 15. Minnesota Statutes 2016, section 326B.805, subdivision 3, is amended to read:

62.27 Subd. 3. **Prohibition.** Except as provided in subdivision 6, no persons required to be  
62.28 licensed by subdivision 1 may act or hold themselves out as a residential building contractor,  
62.29 residential remodeler, residential roofer, or manufactured home installer for compensation  
62.30 without a license issued by the commissioner. Unlicensed residential building contractor,  
62.31 residential remodeler, or residential roofer activity is a gross misdemeanor.

63.1 Sec. 16. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

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

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

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

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

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

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

63.18 Sec. 17. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

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

63.26 Sec. 18. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is  
63.27 amended to read:

63.28 Subd. 2. **Workers' Compensation** 15,226,000 17,782,000

63.29 This appropriation is from the workers'  
63.30 compensation fund.

64.1 \$4,000,000 in fiscal year 2016 and \$6,000,000  
64.2 in fiscal year 2017 are for workers'  
64.3 compensation system upgrades and are  
64.4 available through June 30, 2021. The base  
64.5 appropriation for this purpose is \$3,000,000  
64.6 in fiscal year 2018 and \$3,000,000 in fiscal  
64.7 year 2019. The base appropriation for fiscal  
64.8 year 2020 and beyond is zero.

64.9 This appropriation includes funds for  
64.10 information technology project services and  
64.11 support subject to the provisions of Minnesota  
64.12 Statutes, section 16E.0466. Any ongoing  
64.13 information technology costs will be  
64.14 incorporated into the service level agreement  
64.15 and will be paid to the Office of MN.IT  
64.16 Services by the commissioner of labor and  
64.17 industry under the rates and mechanism  
64.18 specified in that agreement.

64.19 **Sec. 19. RULEMAKING.**

64.20 The commissioner of labor and industry shall amend Minnesota Rules, part 1309.0313,  
64.21 IRC sections R313.1 to R313.3, to establish that one- and two-family dwellings and two-unit  
64.22 townhouses are not required to have installed automatic fire sprinkler systems. The  
64.23 commissioner may use the exempt provisions of Minnesota Statutes, section 14.386, except  
64.24 that paragraph (b) shall not apply.

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

64.26 **Sec. 20. REPEALER.**

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

64.28 **ARTICLE 3**

64.29 **EMPLOYMENT, ECONOMIC DEVELOPMENT, AND WORKFORCE**  
64.30 **DEVELOPMENT POLICY**

64.31 Section 1. Minnesota Statutes 2016, section 116J.01, subdivision 5, is amended to read:



65.1 Subd. 5. **Departmental organization.** (a) The commissioner shall organize the  
65.2 department as provided in section 15.06.

65.3 (b) The commissioner may establish divisions and offices within the department. The  
65.4 commissioner may employ ~~four~~ one deputy ~~commissioners~~ commissioner in the unclassified  
65.5 service.

65.6 (c) The commissioner shall:

65.7 (1) employ assistants and other officers, employees, and agents that the commissioner  
65.8 considers necessary to discharge the functions of the commissioner's office;

65.9 (2) define the duties of the officers, employees, and agents, and delegate to them any of  
65.10 the commissioner's powers, duties, and responsibilities, subject to the commissioner's control  
65.11 and under conditions prescribed by the commissioner.

65.12 (d) The commissioner shall ensure that there are at least three employment and economic  
65.13 development officers in state offices in nonmetropolitan areas of the state who will work  
65.14 with local units of government on developing local employment and economic development.

65.15 Sec. 2. Minnesota Statutes 2016, section 116J.013, is amended to read:

65.16 **116J.013 COST-OF-LIVING STUDY; ANNUAL REPORT.**

65.17 (a) The commissioner shall conduct an annual cost-of-living study in Minnesota. The  
65.18 study shall include:

65.19 (1) a calculation of the statewide basic needs cost of living, including reasonable  
65.20 retirement and long-term care savings, adjusted for family size;

65.21 (2) a calculation of the basic needs cost of living, including reasonable retirement and  
65.22 long-term care savings, adjusted for family size, for each county;

65.23 (3) an analysis of statewide and county cost-of-living data, employment data, and job  
65.24 vacancy data; and

65.25 (4) recommendations to aid in the assessment of employment and economic development  
65.26 planning needs throughout the state.

65.27 (b) The commissioner shall report on the cost-of-living study and recommendations by  
65.28 February 1 of each year to the governor and to the chairs of the standing committees of the  
65.29 house of representatives and the senate having jurisdiction over employment and economic  
65.30 development issues.

66.1 **Sec. 3. [116J.4221] RURAL POLICY AND DEVELOPMENT CENTER FUND.**

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

66.9 (b) Gifts and donations, including land or interests in land, may be made to the account.  
66.10 Noncash gifts and donations must be disposed of for cash as soon as the board prudently  
66.11 can maximize the value of the gift or donation. Gifts and donations of marketable securities  
66.12 may be held or be disposed of for cash at the option of the board. The cash receipts of gifts  
66.13 and donations of cash or capital assets and marketable securities disposed of for cash must  
66.14 be credited immediately to the principal of the account. The value of marketable securities  
66.15 at the time the gift or donation is made must be credited to the principal of the account and  
66.16 any earnings from the marketable securities are earnings of the account. The earnings in  
66.17 the account are annually appropriated to the board of the Center for Rural Policy and  
66.18 Development to carry out the duties of the center.

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

66.20 **Sec. 4. [116J.9922] CENTRAL MINNESOTA OPPORTUNITY GRANT PROGRAM.**

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

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

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

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

66.28 Subd. 2. **Establishment.** The commissioner shall establish a central Minnesota  
66.29 opportunity grant program, administered by the foundation, to identify and support  
66.30 community initiatives in central and west central Minnesota that enhance long-term economic  
66.31 self-sufficiency by improving education, housing, and economic outcomes for central and  
66.32 west central Minnesota communities of color.

67.1 Subd. 3. Grant to the Central Minnesota Community Foundation. The commissioner  
67.2 shall award all grant funds to the foundation, which shall administer the central Minnesota  
67.3 opportunity grant program. The foundation may use up to five percent of grant funds for  
67.4 administrative costs.

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

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

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

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

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

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

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

67.19 (3) the total cost of the project;

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

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

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

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

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

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

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

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

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

68.4 (2) program costs;

68.5 (3) travel within Minnesota;

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

68.8 (5) capacity building.

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

68.15 Sec. 5. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

69.5 ~~(6)~~ (5) is a veteran as defined by section 197.447, has been discharged or released from  
69.6 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
69.7 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
69.8 veteran;

69.9 ~~(7)~~ (6) is an individual determined by the United States Department of Labor to be  
69.10 covered by trade adjustment assistance under United States Code, title 19, sections 2271 to  
69.11 2331, as amended; or

69.12 ~~(8)~~ (7) is a displaced homemaker. A "displaced homemaker" is an individual who has  
69.13 spent a substantial number of years in the home providing homemaking service and (i) has  
69.14 been dependent upon the financial support of another; and now due to divorce, separation,  
69.15 death, or disability of that person, must find employment to self support; or (ii) derived the  
69.16 substantial share of support from public assistance on account of dependents in the home  
69.17 and no longer receives such support. To be eligible under this clause, the support must have  
69.18 ceased while the worker resided in Minnesota.

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

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

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

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

70.1 Sec. 6. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter  
70.2 189, article 7, section 8, is amended to read:

70.3 **Sec. 14. ASSIGNED RISK TRANSFER.**

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

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

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

70.30 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of an  
70.31 audit that there is an excess surplus in the assigned risk plan created under Minnesota  
70.32 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
70.33 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
70.34 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,

71.1 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a  
 71.2 transfer occurs under this paragraph, the amount transferred is appropriated from the general  
 71.3 fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section  
 71.4 15. Both the transfer and appropriation under this paragraph are onetime.

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

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

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

71.21 Sec. 7. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 6, is  
 71.22 amended to read:

71.23 **Subd. 6. Vocational Rehabilitation**

71.24	Appropriations by Fund		
71.25	General	22,611,000	21,611,000
71.26	Workforce		
71.27	Development	7,830,000	7,830,000

71.28 (a) \$10,800,000 each year is from the general  
 71.29 fund for the state's vocational rehabilitation  
 71.30 program under Minnesota Statutes, chapter  
 71.31 268A.

71.32 (b) \$2,261,000 each year is from the general  
 71.33 fund for grants to centers for independent

72.1 living under Minnesota Statutes, section  
72.2 268A.11.

72.3 (c) \$5,745,000 each year from the general fund  
72.4 and \$6,830,000 each year from the workforce  
72.5 development fund are for extended  
72.6 employment services for persons with severe  
72.7 disabilities under Minnesota Statutes, section  
72.8 268A.15.

72.9 (d) \$250,000 in fiscal year 2016 and \$250,000  
72.10 in fiscal year 2017 are for rate increases to  
72.11 providers of extended employment services  
72.12 for persons with severe disabilities under  
72.13 Minnesota Statutes, section 268A.15. This  
72.14 appropriation is added to the agency's base.

72.15 (e) \$2,555,000 each year is from the general  
72.16 fund for grants to programs that provide  
72.17 employment support services to persons with  
72.18 mental illness under Minnesota Statutes,  
72.19 sections 268A.13 and 268A.14.

72.20 (f) \$1,000,000 each year is from the workforce  
72.21 development fund for grants under Minnesota  
72.22 Statutes, section 268A.16, for employment  
72.23 services for persons, including transition-aged  
72.24 youth, who are deaf, deafblind, or  
72.25 hard-of-hearing. If the amount in the first year  
72.26 is insufficient, the amount in the second year  
72.27 is available in the first year.

72.28 (g) \$1,000,000 in fiscal year 2016 is for a  
72.29 grant to Assistive Technology of Minnesota,  
72.30 a statewide nonprofit organization that is  
72.31 exclusively dedicated to the issues of access  
72.32 to and the acquisition of assistive technology.  
72.33 ~~The purpose of the grant is to acquire assistive~~  
72.34 ~~technology and to work in tandem with~~



73.1 ~~individuals using this technology to create~~  
 73.2 ~~career paths~~ Assistive Technology of  
 73.3 Minnesota must use the funds to provide  
 73.4 low-interest loans to individuals of all ages  
 73.5 and types of disabilities to purchase assistive  
 73.6 technology and employment-related  
 73.7 equipment. This is a onetime appropriation.

73.8 (h) For purposes of this subdivision,  
 73.9 Minnesota Diversified Industries, Inc. is an  
 73.10 eligible provider of services for persons with  
 73.11 severe disabilities under Minnesota Statutes,  
 73.12 section 268A.15.

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

73.14 Sec. 8. Laws 2016, chapter 189, article 7, section 46, subdivision 3, is amended to read:

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

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

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

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

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

73.24 (2) document a reduction of at least ~~ten~~ five percent in gross receipts in any two-year  
 73.25 period since 2010; and

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

74.1 Sec. 9. Laws 2016, chapter 189, article 7, section 46, the effective date, is amended to  
74.2 read:

74.3 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1, 2016,  
74.4 and expires June 30, ~~2017~~ 2018. Subdivision 4 is effective July 1, 2016, and expires on the  
74.5 date the last loan is repaid or forgiven as provided under this section.

74.6 Sec. 10. **GREATER MINNESOTA COMMUNITY DESIGN PILOT PROJECT.**

74.7 **Subdivision 1. Creation.** The Minnesota Design Center at the University of Minnesota  
74.8 shall partner with relevant organizations in selected communities within greater Minnesota  
74.9 to establish a pilot project for community design. The pilot project shall identify current  
74.10 and future opportunities for rural development, create designs, seek funding from existing  
74.11 sources, and assist with the implementation of economically, environmentally, and culturally  
74.12 sensitive projects that respond to current community conditions, needs, capabilities, and  
74.13 aspirations in support of the selected communities. For the purposes of this section, "greater  
74.14 Minnesota" is limited to the following counties: Blue Earth, Brown, Dodge, Faribault,  
74.15 Fillmore, Freeborn, Goodhue, Houston, Le Sueur, Martin, Mower, Olmsted, Rice, Sibley,  
74.16 Steele, Wabasha, Waseca, Watonwan, and Winona.

74.17 **Subd. 2. Community selection.** In order to be considered for inclusion in the pilot  
74.18 project, communities with fewer than 12,000 residents within the counties listed in  
74.19 subdivision 1 must submit a letter of interest to the Minnesota Design Center. The Minnesota  
74.20 Design Center may choose up to ten communities for participation in the pilot project.

74.21 **Subd. 3. Pilot project activities.** Among other activities, the Minnesota Design Center,  
74.22 in partnership with relevant organizations within the selected communities, shall:

74.23 (1) assess community capacity to engage in design, development, and implementation;

74.24 (2) create community and project designs that respond to a community's culture and  
74.25 needs, reinforce its identity as a special place, and support its future aspirations;

74.26 (3) create an implementation strategy; and

74.27 (4) build capacity to implement design work by identifying potential funding strategies  
74.28 and sources and assisting in grant writing to secure funding.

75.1 Sec. 11. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT;**  
75.2 **MANDATED REPORT HOLIDAY.**

75.3 (a) Notwithstanding any law to the contrary, any report required by state law from the  
75.4 Department of Employment and Economic Development that is due in fiscal year 2018 or  
75.5 2019 is optional. The commissioner of employment and economic development may produce  
75.6 any reports at the commissioner's discretion or as may be required by federal law.

75.7 (b) This section does not apply to workforce programs outcomes reporting under  
75.8 Minnesota Statutes, section 116L.98.

75.9 Sec. 12. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**  
75.10 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

75.11 Notwithstanding Minnesota Statutes, section 116J.8731, subdivision 2, a home rule  
75.12 charter or statutory city, county, or town that has uncommitted money received from  
75.13 repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to  
75.14 transfer 20 percent of the balance of that money to the state general fund before June 30,  
75.15 2018. A home rule charter or statutory city, county, or town that does so may then use the  
75.16 remaining 80 percent of the uncommitted money for any purposes not otherwise forbidden  
75.17 by law other than Minnesota Statutes, section 116J.8731, but must submit a report by January  
75.18 20, 2020, to the chairs and ranking minority members of the house of representatives and  
75.19 the senate committees with jurisdiction over economic development that details how the  
75.20 money was used.

75.21 Sec. 13. **EXISTING DEPUTY COMMISSIONERS MAY SERVE UNTIL JANUARY**  
75.22 **1, 2019.**

75.23 All existing deputy commissioners under Minnesota Statutes, section 116J.01, may serve  
75.24 until January 1, 2019. Vacancies that occur in these positions before January 1, 2019, must  
75.25 not be filled.

75.26 Sec. 14. **REPEALER.**

75.27 Minnesota Statutes 2016, section 116J.549, is repealed.

75.28 **ARTICLE 4**

75.29 **IRON RANGE RESOURCES AND REHABILITATION POLICY**

75.30 Section 1. Minnesota Statutes 2016, section 3.732, subdivision 1, is amended to read:

76.1 Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined  
76.2 in this section have the meanings given them.

76.3 (1) "State" includes each of the departments, boards, agencies, commissions, courts, and  
76.4 officers in the executive, legislative, and judicial branches of the state of Minnesota and  
76.5 includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher  
76.6 Education, the Higher Education Facilities Authority, the Health Technology Advisory  
76.7 Committee, the Armory Building Commission, the Zoological Board, the Department of  
76.8 Iron Range Resources and Rehabilitation Board, the Minnesota Historical Society, the State  
76.9 Agricultural Society, the University of Minnesota, the Minnesota State Colleges and  
76.10 Universities, state hospitals, and state penal institutions. It does not include a city, town,  
76.11 county, school district, or other local governmental body corporate and politic.

76.12 (2) "Employee of the state" means all present or former officers, members, directors, or  
76.13 employees of the state, members of the Minnesota National Guard, members of a bomb  
76.14 disposal unit approved by the commissioner of public safety and employed by a municipality  
76.15 defined in section 466.01 when engaged in the disposal or neutralization of bombs or other  
76.16 similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the  
76.17 municipality but within the state, or persons acting on behalf of the state in an official  
76.18 capacity, temporarily or permanently, with or without compensation. It does not include  
76.19 either an independent contractor except, for purposes of this section and section 3.736 only,  
76.20 a guardian ad litem acting under court appointment, or members of the Minnesota National  
76.21 Guard while engaged in training or duty under United States Code, title 10, or title 32,  
76.22 section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding  
76.23 sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee  
76.24 of the state" includes a district public defender or assistant district public defender in the  
76.25 Second or Fourth Judicial District, a member of the Health Technology Advisory Committee,  
76.26 and any officer, agent, or employee of the state of Wisconsin performing work for the state  
76.27 of Minnesota pursuant to a joint state initiative.

76.28 (3) "Scope of office or employment" means that the employee was acting on behalf of  
76.29 the state in the performance of duties or tasks lawfully assigned by competent authority.

76.30 (4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

76.31 Sec. 2. Minnesota Statutes 2016, section 3.736, subdivision 3, is amended to read:

76.32 Subd. 3. **Exclusions.** Without intent to preclude the courts from finding additional cases  
76.33 where the state and its employees should not, in equity and good conscience, pay

77.1 compensation for personal injuries or property losses, the legislature declares that the state  
77.2 and its employees are not liable for the following losses:

77.3 (a) a loss caused by an act or omission of a state employee exercising due care in the  
77.4 execution of a valid or invalid statute or rule;

77.5 (b) a loss caused by the performance or failure to perform a discretionary duty, whether  
77.6 or not the discretion is abused;

77.7 (c) a loss in connection with the assessment and collection of taxes;

77.8 (d) a loss caused by snow or ice conditions on a highway or public sidewalk that does  
77.9 not abut a publicly owned building or a publicly owned parking lot, except when the condition  
77.10 is affirmatively caused by the negligent acts of a state employee;

77.11 (e) a loss caused by wild animals in their natural state, except as provided in section  
77.12 3.7371;

77.13 (f) a loss other than injury to or loss of property or personal injury or death;

77.14 (g) a loss caused by the condition of unimproved real property owned by the state, which  
77.15 means land that the state has not improved, state land that contains idled or abandoned mine  
77.16 pits or shafts, and appurtenances, fixtures, and attachments to land that the state has neither  
77.17 affixed nor improved;

77.18 (h) a loss involving or arising out of the use or operation of a recreational motor vehicle,  
77.19 as defined in section 84.90, subdivision 1, within the right-of-way of a trunk highway, as  
77.20 defined in section 160.02, except that the state is liable for conduct that would entitle a  
77.21 trespasser to damages against a private person;

77.22 (i) a loss incurred by a user arising from the construction, operation, or maintenance of  
77.23 the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the  
77.24 construction, operation, maintenance, or administration of grants-in-aid trails as defined in  
77.25 section 85.018, or for a loss arising from the construction, operation, or maintenance of a  
77.26 water access site created by the Department of Iron Range Resources and Rehabilitation  
77.27 ~~Board~~, except that the state is liable for conduct that would entitle a trespasser to damages  
77.28 against a private person. For the purposes of this clause, a water access site, as defined in  
77.29 section 86A.04 or created by the commissioner of Iron Range resources and rehabilitation  
77.30 ~~Board~~, that provides access to an idled, water filled mine pit, also includes the entire water  
77.31 filled area of the pit and, further, includes losses caused by the caving or slumping of the  
77.32 mine pit walls;

78.1 (j) a loss of benefits or compensation due under a program of public assistance or public  
78.2 welfare, except if state compensation for loss is expressly required by federal law in order  
78.3 for the state to receive federal grants-in-aid;

78.4 (k) a loss based on the failure of a person to meet the standards needed for a license,  
78.5 permit, or other authorization issued by the state or its agents;

78.6 (l) a loss based on the usual care and treatment, or lack of care and treatment, of a person  
78.7 at a state hospital or state corrections facility where reasonable use of available appropriations  
78.8 has been made to provide care;

78.9 (m) loss, damage, or destruction of property of a patient or inmate of a state institution  
78.10 except as provided under section 3.7381;

78.11 (n) a loss for which recovery is prohibited by section 169A.48, subdivision 2;

78.12 (o) a loss caused by an aeration, bubbler, water circulation, or similar system used to  
78.13 increase dissolved oxygen or maintain open water on the ice of public waters, that is operated  
78.14 under a permit issued by the commissioner of natural resources;

78.15 (p) a loss incurred by a visitor to the Minnesota Zoological Garden, except that the state  
78.16 is liable for conduct that would entitle a trespasser to damages against a private person;

78.17 (q) a loss arising out of a person's use of a logging road on public land that is maintained  
78.18 exclusively to provide access to timber on that land by harvesters of the timber, and is not  
78.19 signed or otherwise held out to the public as a public highway; and

78.20 (r) a loss incurred by a user of property owned, leased, or otherwise controlled by the  
78.21 Minnesota National Guard or the Department of Military Affairs, except that the state is  
78.22 liable for conduct that would entitle a trespasser to damages against a private person.

78.23 The state will not pay punitive damages.

78.24 Sec. 3. Minnesota Statutes 2016, section 15.01, is amended to read:

78.25 **15.01 DEPARTMENTS OF THE STATE.**

78.26 The following agencies are designated as the departments of the state government: the  
78.27 Department of Administration; the Department of Agriculture; the Department of Commerce;  
78.28 the Department of Corrections; the Department of Education; the Department of Employment  
78.29 and Economic Development; the Department of Health; the Department of Human Rights;  
78.30 the Department of Iron Range Resources and Rehabilitation; the Department of Labor and  
78.31 Industry; the Department of Management and Budget; the Department of Military Affairs;  
78.32 the Department of Natural Resources; the Department of Public Safety; the Department of

79.1 Human Services; the Department of Revenue; the Department of Transportation; the  
79.2 Department of Veterans Affairs; and their successor departments.

79.3 Sec. 4. Minnesota Statutes 2016, section 15.38, subdivision 7, is amended to read:

79.4 Subd. 7. **Department of Iron Range Resources and Rehabilitation Board.** After  
79.5 seeking a recommendation from the Legislative Commission on Iron Range Resources and  
79.6 Rehabilitation, the commissioner of Iron Range resources and rehabilitation Board may  
79.7 purchase insurance ~~it considers~~ the commissioner deems necessary and appropriate to insure  
79.8 facilities operated by the ~~board~~ commissioner.

79.9 Sec. 5. Minnesota Statutes 2016, section 15A.0815, subdivision 3, is amended to read:

79.10 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall  
79.11 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually  
79.12 on January 1. The new limit must equal the limit for the prior year increased by the percentage  
79.13 increase, if any, in the Consumer Price Index for all urban consumers from October of the  
79.14 second prior year to October of the immediately prior year. The commissioner of management  
79.15 and budget must publish the limit on the department's Web site. This subdivision applies  
79.16 to the following positions:

79.17 Executive director of Gambling Control Board;

79.18 Commissioner, of Iron Range resources and rehabilitation Board;

79.19 Commissioner, Bureau of Mediation Services;

79.20 Ombudsman for Mental Health and Developmental Disabilities;

79.21 Chair, Metropolitan Council;

79.22 School trust lands director;

79.23 Executive director of pari-mutuel racing; and

79.24 Commissioner, Public Utilities Commission.

79.25 Sec. 6. Minnesota Statutes 2016, section 43A.02, subdivision 22, is amended to read:

79.26 Subd. 22. **Executive branch.** "Executive branch" means heads of all agencies of state  
79.27 government, elective or appointive, established by statute or Constitution and all employees  
79.28 of those agency heads who have within their particular field of responsibility statewide  
79.29 jurisdiction and who are not within the legislative or judicial branches of government. The  
79.30 executive branch also includes employees of the Department of Iron Range Resources and

80.1 Rehabilitation ~~Board~~. The executive branch does not include agencies with jurisdiction in  
80.2 specifically defined geographical areas, such as regions, counties, cities, towns,  
80.3 municipalities, or school districts, the University of Minnesota, the Public Employees  
80.4 Retirement Association, the Minnesota State Retirement System, the Teachers Retirement  
80.5 Association, the Minnesota Historical Society, and all of their employees, and any other  
80.6 entity which is incorporated, even though it receives state funds.

80.7 Sec. 7. Minnesota Statutes 2016, section 85.0146, subdivision 1, is amended to read:

80.8 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area  
80.9 Citizens Advisory Council is established. Membership on the advisory council shall include:

80.10 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;

80.11 (2) a representative of the Croft Mine Historical Park Joint Powers Board;

80.12 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked  
80.13 as a miner in the local area;

80.14 (4) a representative of the Crow Wing County Board;

80.15 (5) an elected state official;

80.16 (6) a representative of the Grand Rapids regional office of the Department of Natural  
80.17 Resources;

80.18 (7) a designee of the commissioner of Iron Range resources and rehabilitation ~~Board~~;

80.19 (8) a designee of the local business community selected by the area chambers of  
80.20 commerce;

80.21 (9) a designee of the local environmental community selected by the Crow Wing County  
80.22 District 5 commissioner;

80.23 (10) a designee of a local education organization selected by the Crosby-Ironton School  
80.24 Board;

80.25 (11) a designee of one of the recreation area user groups selected by the Cuyuna Range  
80.26 Chamber of Commerce; and

80.27 (12) a member of the Cuyuna Country Heritage Preservation Society.

80.28 Sec. 8. Minnesota Statutes 2016, section 116D.04, subdivision 1a, is amended to read:

80.29 Subd. 1a. **Definitions.** For the purposes of this chapter, the following terms have the  
80.30 meanings given to them in this subdivision.



81.1 (a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

81.2 (b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02,  
81.3 subdivision 5.

81.4 (c) "Environmental assessment worksheet" means a brief document which is designed  
81.5 to set out the basic facts necessary to determine whether an environmental impact statement  
81.6 is required for a proposed action.

81.7 (d) "Governmental action" means activities, including projects wholly or partially  
81.8 conducted, permitted, assisted, financed, regulated, or approved by units of government  
81.9 including the federal government.

81.10 (e) "Governmental unit" means any state agency and any general or special purpose unit  
81.11 of government in the state including, but not limited to, watershed districts organized under  
81.12 chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic  
81.13 development authorities established under sections 469.090 to 469.108, but not including  
81.14 courts, school districts, the Department of Iron Range Resources and Rehabilitation, and  
81.15 regional development commissions other than the Metropolitan Council.

81.16 Sec. 9. Minnesota Statutes 2016, section 116J.423, subdivision 2, is amended to read:

81.17 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans or  
81.18 equity investments in mineral, steel, or any other industry processing, production,  
81.19 manufacturing, or technology project that would enhance the economic diversification and  
81.20 that is located within the taconite relief tax relief area as defined under section 273.134.  
81.21 The commissioner must, prior to making any loans or equity investments and after  
81.22 consultation with industry and public officials, develop a strategy for making loans and  
81.23 equity investments that assists the taconite relief area in retaining and enhancing its economic  
81.24 competitiveness. Money in the fund may also be used to pay for the costs of carrying out  
81.25 the commissioner's due diligence duties under this section.

81.26 Sec. 10. Minnesota Statutes 2016, section 116J.424, is amended to read:

81.27 **116J.424 IRON RANGE RESOURCES AND REHABILITATION ~~BOARD~~**  
81.28 **CONTRIBUTION.**

81.29 The commissioner of the Iron Range resources and rehabilitation ~~Board with approval~~  
81.30 ~~by the board~~, after consultation with the Legislative Commission on Iron Range Resources  
81.31 and Rehabilitation and complying with the requirements for expenditures under section  
81.32 298.22, may provide an equal match for any loan or equity investment made for a project

82.1 located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota  
82.2 21st century fund created by section 116J.423. The match may be in the form of a loan or  
82.3 equity investment, notwithstanding whether the fund makes a loan or equity investment.  
82.4 The state shall not acquire an equity interest because of an equity investment or loan by the  
82.5 ~~board and the board at its sole discretion shall~~ commissioner of Iron Range resources and  
82.6 rehabilitation and the commissioner, after consultation with the commission, shall have sole  
82.7 discretion to decide what interest ~~it~~ the fund acquires in a project. The commissioner of  
82.8 employment and economic development may require a commitment from the ~~board~~  
82.9 commissioner of Iron Range resources and rehabilitation to make the match prior to  
82.10 disbursing money from the fund.

82.11 Sec. 11. Minnesota Statutes 2016, section 116J.994, subdivision 3, is amended to read:

82.12 Subd. 3. **Subsidy agreement.** (a) A recipient must enter into a subsidy agreement with  
82.13 the grantor of the subsidy that includes:

82.14 (1) a description of the subsidy, including the amount and type of subsidy, and type of  
82.15 district if the subsidy is tax increment financing;

82.16 (2) a statement of the public purposes for the subsidy;

82.17 (3) measurable, specific, and tangible goals for the subsidy;

82.18 (4) a description of the financial obligation of the recipient if the goals are not met;

82.19 (5) a statement of why the subsidy is needed;

82.20 (6) a commitment to continue operations in the jurisdiction where the subsidy is used  
82.21 for at least five years after the benefit date;

82.22 (7) the name and address of the parent corporation of the recipient, if any; and

82.23 (8) a list of all financial assistance by all grantors for the project.

82.24 (b) Business subsidies in the form of grants must be structured as forgivable loans. For  
82.25 other types of business subsidies, the agreement must state the fair market value of the  
82.26 subsidy to the recipient, including the value of conveying property at less than a fair market  
82.27 price, or other in-kind benefits to the recipient.

82.28 (c) If a business subsidy benefits more than one recipient, the grantor must assign a  
82.29 proportion of the business subsidy to each recipient that signs a subsidy agreement. The  
82.30 proportion assessed to each recipient must reflect a reasonable estimate of the recipient's  
82.31 share of the total benefits of the project.

83.1 (d) The state or local government agency and the recipient must both sign the subsidy  
83.2 agreement and, if the grantor is a local government agency, the agreement must be approved  
83.3 by the local elected governing body, except for the St. Paul Port Authority and a seaway  
83.4 port authority.

83.5 (e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be  
83.6 authorized to move from the jurisdiction where the subsidy is used within the five-year  
83.7 period after the benefit date if, after a public hearing, the grantor approves the recipient's  
83.8 request to move. For the purpose of this paragraph, if the grantor is a state government  
83.9 agency other than the Department of Iron Range Resources and Rehabilitation Board,  
83.10 "jurisdiction" means a city or township.

83.11 Sec. 12. Minnesota Statutes 2016, section 116J.994, subdivision 5, is amended to read:

83.12 Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds  
83.13 \$500,000 for a state government grantor and \$150,000 for a local government grantor, the  
83.14 grantor must provide public notice and a hearing on the subsidy. A public hearing and notice  
83.15 under this subdivision is not required if a hearing and notice on the subsidy is otherwise  
83.16 required by law.

83.17 (b) Public notice of a proposed business subsidy under this subdivision by a state  
83.18 government grantor, other than the commissioner of Iron Range resources and rehabilitation  
83.19 Board, must be published in the State Register. Public notice of a proposed business subsidy  
83.20 under this subdivision by a local government grantor or the commissioner of Iron Range  
83.21 resources and rehabilitation Board must be published in a local newspaper of general  
83.22 circulation. The public notice must identify the location at which information about the  
83.23 business subsidy, including a summary of the terms of the subsidy, is available. Published  
83.24 notice should be sufficiently conspicuous in size and placement to distinguish the notice  
83.25 from the surrounding text. The grantor must make the information available in printed paper  
83.26 copies and, if possible, on the Internet. The government agency must provide at least a  
83.27 ten-day notice for the public hearing.

83.28 (c) The public notice must include the date, time, and place of the hearing.

83.29 (d) The public hearing by a state government grantor other than the commissioner of  
83.30 Iron Range resources and rehabilitation Board must be held in St. Paul.

83.31 (e) If more than one nonstate grantor provides a business subsidy to the same recipient,  
83.32 the nonstate grantors may designate one nonstate grantor to hold a single public hearing  
83.33 regarding the business subsidies provided by all nonstate grantors. For the purposes of this

84.1 paragraph, "nonstate grantor" includes the commissioner of Iron Range resources and  
84.2 rehabilitation Board.

84.3 (f) The public notice of any public meeting about a business subsidy agreement, including  
84.4 those required by this subdivision and by subdivision 4, must include notice that a person  
84.5 with residence in or the owner of taxable property in the granting jurisdiction may file a  
84.6 written complaint with the grantor if the grantor fails to comply with sections 116J.993 to  
84.7 116J.995, and that no action may be filed against the grantor for the failure to comply unless  
84.8 a written complaint is filed.

84.9 Sec. 13. Minnesota Statutes 2016, section 116J.994, subdivision 7, is amended to read:

84.10 Subd. 7. **Reports by recipients to grantors.** (a) A business subsidy grantor must monitor  
84.11 the progress by the recipient in achieving agreement goals.

84.12 (b) A recipient must provide information regarding goals and results for two years after  
84.13 the benefit date or until the goals are met, whichever is later. If the goals are not met, the  
84.14 recipient must continue to provide information on the subsidy until the subsidy is repaid.  
84.15 The information must be filed on forms developed by the commissioner in cooperation with  
84.16 representatives of local government. Copies of the completed forms must be sent to the  
84.17 local government agency that provided the subsidy or to the commissioner if the grantor is  
84.18 a state agency. If the commissioner of Iron Range resources and rehabilitation Board is the  
84.19 grantor, the copies must be sent to the board. The report must include:

84.20 (1) the type, public purpose, and amount of subsidies and type of district, if the subsidy  
84.21 is tax increment financing;

84.22 (2) the hourly wage of each job created with separate bands of wages;

84.23 (3) the sum of the hourly wages and cost of health insurance provided by the employer  
84.24 with separate bands of wages;

84.25 (4) the date the job and wage goals will be reached;

84.26 (5) a statement of goals identified in the subsidy agreement and an update on achievement  
84.27 of those goals;

84.28 (6) the location of the recipient prior to receiving the business subsidy;

84.29 (7) the number of employees who ceased to be employed by the recipient when the  
84.30 recipient relocated to become eligible for the business subsidy;

84.31 (8) why the recipient did not complete the project outlined in the subsidy agreement at  
84.32 their previous location, if the recipient was previously located at another site in Minnesota;

85.1 (9) the name and address of the parent corporation of the recipient, if any;

85.2 (10) a list of all financial assistance by all grantors for the project; and

85.3 (11) other information the commissioner may request.

85.4 A report must be filed no later than March 1 of each year for the previous year. The local  
85.5 agency and the commissioner of Iron Range resources and rehabilitation Board must forward  
85.6 copies of the reports received by recipients to the commissioner by April 1.

85.7 (c) Financial assistance that is excluded from the definition of "business subsidy" by  
85.8 section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting  
85.9 requirements of this subdivision, except that the report of the recipient must include instead:

85.10 (1) the type, public purpose, and amount of the financial assistance, and type of district  
85.11 if the assistance is tax increment financing;

85.12 (2) progress towards meeting goals stated in the assistance agreement and the public  
85.13 purpose of the assistance;

85.14 (3) if the agreement includes job creation, the hourly wage of each job created with  
85.15 separate bands of wages;

85.16 (4) if the agreement includes job creation, the sum of the hourly wages and cost of health  
85.17 insurance provided by the employer with separate bands of wages;

85.18 (5) the location of the recipient prior to receiving the assistance; and

85.19 (6) other information the grantor requests.

85.20 (d) If the recipient does not submit its report, the local government agency must mail  
85.21 the recipient a warning within one week of the required filing date. If, after 14 days of the  
85.22 postmarked date of the warning, the recipient fails to provide a report, the recipient must  
85.23 pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The  
85.24 maximum penalty shall not exceed \$1,000.

85.25 Sec. 14. Minnesota Statutes 2016, section 216B.161, subdivision 1, is amended to read:

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

85.28 (b) "Area development rate" means a rate schedule established by a utility that provides  
85.29 customers within an area development zone service under a base utility rate schedule, except  
85.30 that charges may be reduced from the base rate as agreed upon by the utility and the customer  
85.31 consistent with this section.

86.1 (c) "Area development zone" means a contiguous or noncontiguous area designated by  
86.2 an authority or municipality for development or redevelopment and within which one of  
86.3 the following conditions exists:

86.4 (1) obsolete buildings not suitable for improvement or conversion or other identified  
86.5 hazards to the health, safety, and general well-being of the community;

86.6 (2) buildings in need of substantial rehabilitation or in substandard condition; or

86.7 (3) low values and damaged investments.

86.8 (d) "Authority" means a rural development financing authority established under sections  
86.9 469.142 to 469.151; a housing and redevelopment authority established under sections  
86.10 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an  
86.11 economic development authority established under sections 469.090 to 469.108; a  
86.12 redevelopment agency as defined in sections 469.152 to 469.165; the commissioner of Iron  
86.13 Range resources and rehabilitation Board established under section 298.22; a municipality  
86.14 that is administering a development district created under sections 469.124 to 469.133 or  
86.15 any special law; a municipality that undertakes a project under sections 469.152 to 469.165,  
86.16 except a town located outside the metropolitan area as defined in section 473.121, subdivision  
86.17 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers  
86.18 of a port authority under any general or special law.

86.19 (e) "Municipality" means a city, however organized, and, with respect to a project  
86.20 undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in  
86.21 sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142  
86.22 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008,  
86.23 also includes any county.

86.24 Sec. 15. Minnesota Statutes 2016, section 216B.1694, subdivision 1, is amended to read:

86.25 Subdivision 1. **Definition.** For the purposes of this section, the term "innovative energy  
86.26 project" means a proposed energy-generation facility or group of facilities which may be  
86.27 located on up to three sites:

86.28 (1) that makes use of an innovative generation technology utilizing coal as a primary  
86.29 fuel in a highly efficient combined-cycle configuration with significantly reduced sulfur  
86.30 dioxide, nitrogen oxide, particulate, and mercury emissions from those of traditional  
86.31 technologies;

86.32 (2) that the project developer or owner certifies is a project capable of offering a long-term  
86.33 supply contract at a hedged, predictable cost; and

87.1 (3) that is designated by the commissioner of ~~the~~ Iron Range resources and rehabilitation  
87.2 ~~Board~~ as a project that is located in the taconite tax relief area on a site that has substantial  
87.3 real property with adequate infrastructure to support new or expanded development and  
87.4 that has received prior financial and other support from the board.

87.5 Sec. 16. Minnesota Statutes 2016, section 276A.01, subdivision 8, is amended to read:

87.6 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole  
87.7 or part within the area. If a municipality is located partly within and partly without the area,  
87.8 the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to  
87.9 taxation or taxing jurisdiction within the municipality are to the property or portion thereof  
87.10 that is located in that portion of the municipality within the area, except that the fiscal  
87.11 capacity of the municipality must be computed upon the basis of the valuation and population  
87.12 of the entire municipality. A municipality shall be excluded from the area if its municipal  
87.13 comprehensive zoning and planning policies conscientiously exclude most  
87.14 commercial-industrial development, for reasons other than preserving an agricultural use.  
87.15 The commissioner of Iron Range resources and rehabilitation ~~Board~~ and the commissioner  
87.16 of revenue shall jointly make this determination annually and shall notify those municipalities  
87.17 that are ineligible to participate in the tax base sharing program provided in this chapter for  
87.18 the following year. Before making the determination, the commissioner of Iron Range  
87.19 resources and rehabilitation must consult the Legislative Commission on Iron Range  
87.20 Resources and Rehabilitation.

87.21 Sec. 17. Minnesota Statutes 2016, section 276A.01, subdivision 17, is amended to read:

87.22 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to  
87.23 25 percent of the areawide levy certified by the commissioner of Iron Range resources and  
87.24 rehabilitation ~~Board~~, after consultation with the Legislative Commission on Iron Range  
87.25 Resources and Rehabilitation, to be used for the purposes of the Iron Range school  
87.26 consolidation and cooperatively operated school account under section 298.28, subdivision  
87.27 7a.

87.28 (b) The allocation under paragraph (a) shall only be made after the commissioner of  
87.29 Iron Range resources and rehabilitation ~~Board~~, after consultation with the Legislative  
87.30 Commission on Iron Range Resources and Rehabilitation, has certified by June 30 that the  
87.31 Iron Range school consolidation and cooperatively operated account has insufficient funds  
87.32 to make payments as authorized under section 298.28, subdivision 7a.

88.1 Sec. 18. Minnesota Statutes 2016, section 276A.06, subdivision 8, is amended to read:

88.2 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine  
88.3 for each county the difference between the total levy on distribution value pursuant to  
88.4 subdivision 3, clause (1), including the school fund allocation within the county and the  
88.5 total tax on contribution value pursuant to subdivision 7, within the county. On or before  
88.6 May 16 of each year, the administrative auditor shall certify the differences so determined  
88.7 and the county's portion of the school fund allocation to each county auditor. In addition,  
88.8 the administrative auditor shall certify to those county auditors for whose county the total  
88.9 tax on contribution value exceeds the total levy on distribution value the settlement the  
88.10 county is to make to the other counties of the excess of the total tax on contribution value  
88.11 over the total levy on distribution value in the county. On or before June 15 and November  
88.12 15 of each year, each county treasurer in a county having a total tax on contribution value  
88.13 in excess of the total levy on distribution value shall pay one-half of the excess to the other  
88.14 counties in accordance with the administrative auditor's certification. On or before June 15  
88.15 and November 15 of each year, each county treasurer shall pay to the administrative auditor  
88.16 that county's share of the school fund allocation. On or before December 1 of each year,  
88.17 the administrative auditor shall pay the school fund allocation to the commissioner of Iron  
88.18 Range resources and rehabilitation Board for deposit in the Iron Range school consolidation  
88.19 and cooperatively operated account.

88.20 Sec. 19. Minnesota Statutes 2016, section 282.38, subdivision 1, is amended to read:

88.21 Subdivision 1. **Development.** In any county where the county board by proper resolution  
88.22 sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or  
88.23 section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation  
88.24 ~~with the approval of the board,~~ after consultation with the Legislative Commission on Iron  
88.25 Range Resources and Rehabilitation, may upon request of the county board assist said  
88.26 county in carrying out any project for the long range development of its forest resources  
88.27 through matching of funds or otherwise.

88.28 Sec. 20. Minnesota Statutes 2016, section 282.38, subdivision 3, is amended to read:

88.29 Subd. 3. **Not to affect commissioner of Iron Range resources and rehabilitation.**  
88.30 Nothing herein shall be construed to limit or abrogate the authority of the commissioner of  
88.31 Iron Range resources and rehabilitation to give temporary assistance to any county in the  
88.32 development of its land use program.



89.1 Sec. 21. Minnesota Statutes 2016, section 298.001, subdivision 8, is amended to read:

89.2 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the  
89.3 state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to  
89.4 298.298, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

89.5 Sec. 22. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision  
89.6 to read:

89.7 Subd. 11. **Commission.** "Commission" means the Legislative Commission on Iron  
89.8 Range Resources and Rehabilitation, as established under section 298.22.

89.9 Sec. 23. Minnesota Statutes 2016, section 298.018, subdivision 1, is amended to read:

89.10 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under  
89.11 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the  
89.12 taconite assistance area defined in section 273.1341, shall be allocated as follows:

89.13 (1) five percent to the city or town within which the minerals or energy resources are  
89.14 mined or extracted, or within which the concentrate was produced. If the mining and  
89.15 concentration, or different steps in either process, are carried on in more than one taxing  
89.16 district, the commissioner shall apportion equitably the proceeds among the cities and towns  
89.17 by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction,  
89.18 and the remainder to the concentrating plant and to the processes of concentration, and with  
89.19 respect to each thereof giving due consideration to the relative extent of the respective  
89.20 operations performed in each taxing district;

89.21 (2) ten percent to the taconite municipal aid account to be distributed as provided in  
89.22 section 298.282;

89.23 (3) ten percent to the school district within which the minerals or energy resources are  
89.24 mined or extracted, or within which the concentrate was produced. If the mining and  
89.25 concentration, or different steps in either process, are carried on in more than one school  
89.26 district, distribution among the school districts must be based on the apportionment formula  
89.27 prescribed in clause (1);

89.28 (4) 20 percent to a group of school districts comprised of those school districts wherein  
89.29 the mineral or energy resource was mined or extracted or in which there is a qualifying  
89.30 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
89.31 district indexes as follows: for each school district, its pupil units determined under section  
89.32 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted

90.1 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
90.2 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
90.3 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
90.4 portion of the distribution which its index bears to the sum of the indices for all school  
90.5 districts that receive the distributions;

90.6 (5) 20 percent to the county within which the minerals or energy resources are mined  
90.7 or extracted, or within which the concentrate was produced. If the mining and concentration,  
90.8 or different steps in either process, are carried on in more than one county, distribution  
90.9 among the counties must be based on the apportionment formula prescribed in clause (1),  
90.10 provided that any county receiving distributions under this clause shall pay one percent of  
90.11 its proceeds to the Range Association of Municipalities and Schools;

90.12 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed  
90.13 as provided in sections 273.134 to 273.136;

90.14 (7) five percent to the commissioner of Iron Range resources and rehabilitation Board  
90.15 for the purposes of section 298.22;

90.16 (8) three percent to the Douglas J. Johnson economic protection trust fund; and

90.17 (9) seven percent to the taconite environmental protection fund.

90.18 The proceeds of the tax shall be distributed on July 15 each year.

90.19 Sec. 24. Minnesota Statutes 2016, section 298.17, is amended to read:

90.20 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

90.21 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock  
90.22 companies, corporations, and associations, however or for whatever purpose organized,  
90.23 engaged in the business of mining or producing iron ore or other ores, when collected shall  
90.24 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,  
90.25 article X, section 3, in the manner following: 90 percent shall be deposited in the state  
90.26 treasury and credited to the general fund of which four-ninths shall be used for the support  
90.27 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed  
90.28 by this section shall be deposited in the state treasury and credited to the general fund for  
90.29 the general support of the university.

90.30 (b) Of the money apportioned to the general fund by this section: (1) there is annually  
90.31 appropriated and credited to the mining environmental and regulatory account in the special  
90.32 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax

91.1 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.

91.2 Money in the mining environmental and regulatory account is appropriated annually to the

91.3 commissioner of natural resources to fund agency staff to work on environmental issues

91.4 and provide regulatory services for ferrous and nonferrous mining operations in this state.

91.5 Payment to the mining environmental and regulatory account shall be made by July 1

91.6 annually. The commissioner of natural resources shall execute an interagency agreement

91.7 with the Pollution Control Agency to assist with the provision of environmental regulatory

91.8 services such as monitoring and permitting required for ferrous and nonferrous mining

91.9 operations; (2) there is annually appropriated and credited to the Iron Range resources and

91.10 rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which

91.11 would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable

91.12 ton produced in the preceding calendar year, to be expended for the purposes of section

91.13 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and

91.14 rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school

91.15 consolidation and cooperatively operated school account under section 298.28, subdivision

91.16 7a, an amount equal to that which would have been generated by a six cent tax imposed by

91.17 section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the

91.18 Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

91.19 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to

91.20 provide environmental development grants to local governments located within any county

91.21 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,

91.22 which does not contain a municipality qualifying pursuant to section 273.134, paragraph

91.23 (b), or (ii) to provide economic development loans or grants to businesses located within

91.24 any such county, provided that the county board or an advisory group appointed by the

91.25 county board to provide recommendations on economic development shall make

91.26 recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~

91.27 regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account

91.28 shall be made by May 15 annually.

91.29 (d) Of the money allocated to Koochiching County, one-third must be paid to the

91.30 Koochiching County Economic Development Commission.

91.31 Sec. 25. Minnesota Statutes 2016, section 298.22, subdivision 1, is amended to read:

91.32 Subdivision 1. ~~The Office of Commissioner~~ **Department of Iron Range Resources**

91.33 **and Rehabilitation.** (a) The ~~Office of the Commissioner~~ Department of Iron Range

91.34 Resources and Rehabilitation is created as an agency in the executive branch of state

92.1 government. The governor shall appoint the commissioner of Iron Range resources and  
92.2 rehabilitation under section 15.06.

92.3 (b) The commissioner may hold other positions or appointments that are not incompatible  
92.4 with duties as commissioner of Iron Range resources and rehabilitation. The commissioner  
92.5 may appoint a deputy commissioner. All expenses of the commissioner, including the  
92.6 payment of staff and other assistance as may be necessary, must be paid out of the amounts  
92.7 appropriated by section 298.28 or otherwise made available by law to the commissioner.  
92.8 Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting  
92.9 options available under section 471.345 when the commissioner determines it is in the best  
92.10 interest of the agency. The agency is not subject to sections 16E.016 and 16C.05.

92.11 (c) When the commissioner determines that distress and unemployment exists or may  
92.12 exist in the future in any county by reason of the removal of natural resources or a possibly  
92.13 limited use of natural resources in the future and any resulting decrease in employment, the  
92.14 commissioner may use whatever amounts of the appropriation made to the commissioner  
92.15 of revenue in section 298.28 that are determined to be necessary and proper in the  
92.16 development of the remaining resources of the county and in the vocational training and  
92.17 rehabilitation of its residents, ~~except that the amount needed to cover cost overruns awarded~~  
92.18 ~~to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in~~  
92.19 ~~effect after July 1, 1985, is appropriated from the general fund.~~ For the purposes of this  
92.20 section, "development of remaining resources" includes, but is not limited to, the promotion  
92.21 of tourism.

92.22 (d) The commissioner shall annually submit a budget proposal to the Legislative  
92.23 Commission on Iron Range Resources and Rehabilitation. The commission must review  
92.24 and make recommendations on the commissioner's budget proposal and the governor must  
92.25 approve the commissioner's budget proposal as provided in subdivisions 1b, 1c, and 11.  
92.26 This paragraph applies to transfers and expenditures from the following funds or accounts:

92.27 (1) the taconite area environmental protection fund under section 298.223, including  
92.28 grants under section 298.2961;

92.29 (2) the Douglas J. Johnson economic protection trust fund under sections 298.291 to  
92.30 298.298, including grants under section 298.2961;

92.31 (3) the Iron Range resources and rehabilitation account in the special revenue fund;

92.32 (4) the Iron Range school consolidation and cooperatively operated school account under  
92.33 section 298.28, subdivision 7a, except as provided under paragraph (e);

93.1 (5) the Minnesota 21st century fund match requirements under section 116J.424; and

93.2 (6) the Iron Range higher education account under section 298.28, subdivision 9d.

93.3 (e) Paragraph (d) does not apply to expenditures for:

93.4 (1) the commissioner's obligations under sections 298.221; 298.2211, subdivision 4;

93.5 298.225, subdivision 2; and 298.292, subdivision 2, clause (3);

93.6 (2) payments of amounts authorized under section 298.28, subdivisions 2, 3, 4, 5, 6, 7a,

93.7 clause (4), and 9a; or

93.8 (3) other expenditures required to pay bonds or binding contracts entered into prior to

93.9 the effective date of this section.

93.10 Sec. 26. Minnesota Statutes 2016, section 298.22, subdivision 1a, is amended to read:

93.11 Subd. 1a. **Legislative Commission on Iron Range Resources and Rehabilitation**

93.12 **Board.** (a) The Legislative Commission on Iron Range Resources and Rehabilitation Board

93.13 is created in the legislative branch. The commissioner shall consult the commission before

93.14 making expenditures or undertaking projects authorized under this chapter. The commission

93.15 consists of the state senators and representatives elected from state senatorial or legislative

93.16 districts in which one-third or more of the residents reside in a taconite assistance area as

93.17 defined in section 273.1341. One additional state senator shall also be appointed by the

93.18 senate Subcommittee on Committees of the Committee on Rules and Administration. All

93.19 expenditures and projects made by the commissioner shall first be submitted to the board

93.20 for approval. The expenses of the board shall be paid by the state from the funds raised

93.21 pursuant to this section. Members of the board may be reimbursed for expenses in the

93.22 manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per diem

93.23 payments during the interims between legislative sessions in the manner provided in section

93.24 3.099, subdivision 1.

93.25 ~~The members shall be appointed in January of every odd-numbered year, and shall serve~~

93.26 ~~until January of the next odd-numbered year. Vacancies on the board shall be filled in the~~

93.27 ~~same manner as original members were chosen.~~

93.28 (b) The most senior legislator will serve as temporary chair for the purposes of convening

93.29 the first meeting, at which members shall develop procedures to elect a chair. The chair

93.30 shall preside and convene meetings as often as necessary to conduct duties prescribed by

93.31 this chapter. The commission must meet at least quarterly to review the actions of the

93.32 commissioner.

94.1 (c) The appointed legislative member shall serve on the commission for a two-year term,  
94.2 beginning January 1 of each odd-numbered year. The appointed legislative member serves  
94.3 until their successor is appointed and qualified.

94.4 **EFFECTIVE DATE.** This section is effective the day following final enactment. The  
94.5 additional state senator shall be appointed under this section no later than July 1, 2018.

94.6 Sec. 27. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
94.7 read:

94.8 Subd. 1b. **Evaluation of proposed budgets and projects.** (a) In evaluating budgets  
94.9 proposed by the commissioner, the commission must consider factors including but not  
94.10 limited to the extent to which the proposed budget:

94.11 (1) contributes to increasing the effectiveness of promoting or managing Iron Range  
94.12 economic and workforce development, community development, minerals and natural  
94.13 resources development, and any other issue as determined by the commission; and

94.14 (2) advances the strategic plan adopted under subdivision 1c.

94.15 (b) In evaluating projects proposed by the commissioner, the commission must consider  
94.16 factors including but not limited to:

94.17 (1) whether, and the extent to which, an applicant could complete the proposed project  
94.18 without funding from the commissioner;

94.19 (2) job creation or retention goals for the proposed project, including but not limited to  
94.20 wages and benefits; whether the jobs created are full time, part time, temporary, or permanent;  
94.21 and whether the stated job creation or retention goals in the proposal can be adequately  
94.22 measured using methods established by the commissioner;

94.23 (3) how and to what extent the proposed project is expected to impact the economic  
94.24 climate of the Iron Range resources and rehabilitation services area;

94.25 (4) how the proposed project would meet match requirements, if any; and

94.26 (5) whether the proposed project meets the written objectives, priorities, and policies  
94.27 established by the commissioner.

94.28 Sec. 28. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
94.29 read:

94.30 Subd. 1c. **Strategic plan required.** The commissioner, in consultation with the  
94.31 commission, shall adopt a strategic plan for making expenditures including identifying the

95.1 priority areas for funding for the next six years. The strategic plan must be reviewed every  
 95.2 two years. The strategic plan must have clearly stated short- and long-term goals and  
 95.3 strategies for expenditures, provide measurable outcomes for expenditures, and determine  
 95.4 areas of emphasis for funding.

95.5 Sec. 29. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
 95.6 read:

95.7 Subd. 1d. **Administrative and staff assistance.** The Legislative Coordinating  
 95.8 Commission shall provide administrative and staff support to the commission. The  
 95.9 commissioner shall provide additional information and research assistance to the commission,  
 95.10 as requested by the commission.

95.11 Sec. 30. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
 95.12 read:

95.13 Subd. 1e. **Expenses of the commission.** All expenses of the commission, including the  
 95.14 payment of per diems and expenses under subdivision 1a must be paid out of the amounts  
 95.15 appropriated by section 298.28 or otherwise made available by law to the commissioner.

95.16 Sec. 31. Minnesota Statutes 2016, section 298.22, subdivision 5a, is amended to read:

95.17 Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board~~ after consultation  
 95.18 with the commission, may purchase forest lands in the taconite assistance area defined ~~in~~  
 95.19 under section 273.1341 with funds specifically authorized for the purchase. The acquired  
 95.20 forest lands must be held in trust for the benefit of the citizens of the taconite assistance  
 95.21 area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed  
 95.22 and developed for recreation and economic development purposes. The commissioner, ~~upon~~  
 95.23 ~~approval by the board~~ after consultation with the commission, may sell forest lands purchased  
 95.24 under this subdivision if the ~~board finds~~ commissioner determines that the sale advances  
 95.25 the purposes of the trust. Proceeds derived from the management or sale of the lands and  
 95.26 from the sale of timber or removal of gravel or other minerals from these forest lands shall  
 95.27 be deposited into an Iron Range Miners' Memorial Forest account that is established within  
 95.28 the state financial accounts. Funds may be expended from the account ~~upon approval by~~  
 95.29 ~~the board~~ by the commissioner, after consultation with the commission, to purchase, manage,  
 95.30 administer, convey interests in, and improve the forest lands. ~~With approval by the board,~~  
 95.31 After consultation with the commission, the commissioner may transfer money in the Iron  
 95.32 Range Miners' Memorial Forest account ~~may be transferred~~ into the corpus of the Douglas  
 95.33 J. Johnson economic protection trust fund established under sections 298.291 to 298.294.

96.1 The property acquired under the authority granted by this subdivision and income derived  
96.2 from the property or the operation or management of the property are exempt from taxation  
96.3 by the state or its political subdivisions while held by the forest trust. The commissioner's  
96.4 actions under this subdivision must at all times comply with the requirements for expenditures  
96.5 under subdivisions 1, 1b, 1c, and 11.

96.6 Sec. 32. Minnesota Statutes 2016, section 298.22, subdivision 6, is amended to read:

96.7 Subd. 6. **Private entity participation.** ~~The board~~ commissioner, after consultation with  
96.8 the commission, may acquire an equity interest in any project for which ~~the commissioner~~  
96.9 provides funding. The commissioner may, after consultation with the commission, establish,  
96.10 participate in the management of, and dispose of the assets of charitable foundations,  
96.11 nonprofit limited liability companies, and nonprofit corporations associated with any project  
96.12 for which ~~the commissioner~~ provides funding, including specifically, but without limitation,  
96.13 a corporation within the meaning of section 317A.011, subdivision 6. The commissioner's  
96.14 actions under this subdivision must at all times comply with the requirements for expenditures  
96.15 under subdivisions 1, 1b, 1c, and 11.

96.16 Sec. 33. Minnesota Statutes 2016, section 298.22, subdivision 10, is amended to read:

96.17 Subd. 10. **Sale or privatization of functions.** The commissioner of ~~Iron Range resources~~  
96.18 ~~and rehabilitation~~ may not sell or privatize the Ironworld Discovery Center or Giants Ridge  
96.19 Golf and Ski Resort without ~~prior approval by the board~~ first seeking the recommendation  
96.20 of the commission.

96.21 Sec. 34. Minnesota Statutes 2016, section 298.22, subdivision 11, is amended to read:

96.22 Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation  
96.23 shall annually prepare a budget for operational expenditures, programs, and projects, and  
96.24 submit it to the ~~Iron Range Resources and Rehabilitation Board~~ commission. After the  
96.25 commission has been consulted, its recommendations and the commissioner's budget shall  
96.26 be submitted to the governor. Once the budget is approved by ~~the board~~ and the governor,  
96.27 the commissioner may spend money in accordance with the approved budget. If unanticipated  
96.28 needs for funds arise outside of the annual budget process, the commissioner must consult  
96.29 the commission and receive the governor's approval before spending the funds.



97.1 Sec. 35. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
97.2 read:

97.3 Subd. 13. Grants and loans; requirements. (a) Prior to awarding any grants or approving  
97.4 loans from any fund or account from which the commissioner has the authority under law  
97.5 to expend money, the commissioner must evaluate applications based on criteria including,  
97.6 but not limited to:

97.7 (1) whether, and the extent to which, an applicant could complete a project without  
97.8 funding from the commissioner;

97.9 (2) job creation or retention goals for the project, including but not limited to wages and  
97.10 benefits, and whether the jobs created are full time, part time, temporary, or permanent;

97.11 (3) whether the applicant's stated job creation or retention goals can be adequately  
97.12 measured using methods established by the commissioner;

97.13 (4) how and to what extent the project proposed by the applicant is expected to impact  
97.14 the economic climate of the Iron Range resources and rehabilitation services area;

97.15 (5) how the applicant would meet match requirements, if any; and

97.16 (6) whether the project for which a grant or loan application has been submitted meets  
97.17 the written objectives, priorities, and policies established by the commissioner.

97.18 (b) The commissioner, if appropriate, must include incentives in loan and grant award  
97.19 agreements to promote and assist grant recipients in achieving the stated job creation and  
97.20 retention objectives established by the commissioner.

97.21 (c) For all loans and grants awarded from funds under the commissioner's authority  
97.22 pursuant to this chapter, the commissioner must:

97.23 (1) create and maintain a database for tracking loan and grant awards;

97.24 (2) create and maintain an objective mechanism for measuring job creation and retention;

97.25 (3) verify achievement of job creation and retention goals by grant and loan recipients;

97.26 (4) monitor grant and loan awards to ensure that projects comply with applicable Iron  
97.27 Range resources and rehabilitation policies; and

97.28 (5) verify that grant or loan recipients have met applicable matching fund requirements.

98.1 Sec. 36. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
98.2 read:

98.3 Subd. 14. Expenditures; taconite assistance area. Expenditures subject to the  
98.4 requirements of this section may be expended only within or for the benefit of the taconite  
98.5 assistance area defined in section 273.1341.

98.6 Sec. 37. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to  
98.7 read:

98.8 Subd. 15. Reports to the legislature. The commissioner shall submit to the chairs and  
98.9 ranking minority members of the senate and house of representatives committees with  
98.10 primary jurisdiction over economic development policy an annual report of expenditures  
98.11 under this section.

98.12 Sec. 38. Minnesota Statutes 2016, section 298.221, is amended to read:

98.13 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

98.14 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant  
98.15 to the terms of any contract entered into by the state under authority of section 298.22 and  
98.16 any fees which may, in the discretion of the commissioner of Iron Range resources and  
98.17 rehabilitation, be charged in connection with any project pursuant to that section as amended,  
98.18 shall be deposited in the state treasury to the credit of the Iron Range resources and  
98.19 rehabilitation ~~Board~~ account in the special revenue fund and are hereby appropriated for  
98.20 the purposes of section 298.22.

98.21 (b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner  
98.22 of the Iron Range resources and rehabilitation ~~Board~~ for payment of advertising contracts  
98.23 if the commissioner determines that the merchandise can be used for special event prizes  
98.24 or mementos at facilities operated by the ~~board~~ commissioner. Nothing in this paragraph  
98.25 authorizes the commissioner or a member of the ~~board~~ commission to receive merchandise  
98.26 for personal use.

98.27 (c) All fees charged by the commissioner in connection with public use of the state-owned  
98.28 ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived  
98.29 by the commissioner from the operation or lease of those facilities and from the lease, sale,  
98.30 or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be  
98.31 deposited into an Iron Range resources and rehabilitation ~~Board~~ account that is created  
98.32 within the state enterprise fund. All funds deposited in the enterprise fund account are

99.1 appropriated to the commissioner ~~to be expended, subject to approval by the board, and~~  
99.2 may only be used, as follows:

99.3 (1) to pay costs associated with the construction, equipping, operation, repair, or  
99.4 improvement of the Giants Ridge Recreation Area facilities or lands;

99.5 (2) to pay principal, interest and associated bond issuance, reserve, and servicing costs  
99.6 associated with the financing of the facilities; and

99.7 (3) to pay the costs of any other project authorized under section 298.22.

99.8 Sec. 39. Minnesota Statutes 2016, section 298.2211, subdivision 3, is amended to read:

99.9 Subd. 3. **Project approval.** ~~All projects authorized by this section shall be submitted~~  
99.10 ~~by the commissioner to the Iron Range Resources and Rehabilitation Board for approval~~  
99.11 ~~by the board~~ To get approval of a project under this section, the commissioner must comply  
99.12 with all the requirements for expenditures under section 298.22. Prior to the commencement  
99.13 of a project involving the exercise by the commissioner of any authority of sections 469.174  
99.14 to 469.179, the governing body of each municipality in which any part of the project is  
99.15 located and the county board of any county containing portions of the project not located  
99.16 in an incorporated area shall by majority vote approve or disapprove the project. ~~Any project~~  
99.17 ~~approved by the board and the applicable governing bodies, if any, together with detailed~~  
99.18 ~~information concerning the project, its costs, the sources of its funding, and the amount of~~  
99.19 ~~any bonded indebtedness to be incurred in connection with the project, shall be transmitted~~  
99.20 ~~to the governor, who shall approve, disapprove, or return the proposal for additional~~  
99.21 ~~consideration within 30 days of receipt. No project authorized under this section shall be~~  
99.22 ~~undertaken, and no obligations shall be issued and no tax increments shall be expended for~~  
99.23 ~~a project authorized under this section until the project has been approved by the governor.~~

99.24 Sec. 40. Minnesota Statutes 2016, section 298.2211, subdivision 6, is amended to read:

99.25 Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the  
99.26 commissioner of Iron Range resources and rehabilitation Board that have been established  
99.27 according to prevailing market conditions and to recover operating costs need not be set by  
99.28 rule.

99.29 Sec. 41. Minnesota Statutes 2016, section 298.2212, is amended to read:

99.30 **298.2212 INVESTMENT OF FUNDS.**

100.1 All funds credited to the Iron Range resources and rehabilitation ~~Board~~ account in the  
100.2 special revenue fund for the purposes of section 298.22 must be invested pursuant to law.  
100.3 The net interest and dividends from the investments are included and become part of the  
100.4 funds available for purposes of section 298.22.

100.5 Sec. 42. Minnesota Statutes 2016, section 298.2214, subdivision 2, is amended to read:

100.6 Subd. 2. **Iron Range Higher Education Committee; membership.** The members of  
100.7 the committee shall consist of:

100.8 (1) one member appointed by the governor;

100.9 (2) one member appointed by the president of the University of Minnesota;

100.10 (3) four members of the Legislative Commission on Iron Range Resources and  
100.11 Rehabilitation ~~Board~~ appointed by the chair;

100.12 (4) the commissioner of Iron Range resources and rehabilitation; and

100.13 (5) the president of the Northeast Higher Education District or its successor.

100.14 Sec. 43. Minnesota Statutes 2016, section 298.223, is amended to read:

100.15 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

100.16 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection  
100.17 fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast  
100.18 Minnesota located within the taconite assistance area defined in section 273.1341, that are  
100.19 adversely affected by the environmentally damaging operations involved in mining taconite  
100.20 and iron ore and producing iron ore concentrate and for the purpose of promoting the  
100.21 economic development of northeast Minnesota. The taconite environmental protection fund  
100.22 shall be used for the following purposes:

100.23 (1) to initiate investigations into matters the commissioner of Iron Range resources and  
100.24 rehabilitation ~~Board~~ determines are in need of study and which will determine the  
100.25 environmental problems requiring remedial action;

100.26 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for  
100.27 by state law;

100.28 (3) local economic development projects ~~but only if those projects are approved by the~~  
100.29 ~~board~~, and public works, including construction of sewer and water systems located within  
100.30 the taconite assistance area defined in section 273.1341;

101.1 (4) monitoring of mineral industry related health problems among mining employees;  
101.2 and

101.3 (5) local public works projects under section 298.227, paragraph (c).

101.4 Subd. 2. **Administration.** ~~(a) The taconite area environmental protection fund shall be~~  
101.5 ~~administered by the commissioner of the Iron Range resources and rehabilitation Board.~~  
101.6 ~~The commissioner shall by September 1 of each year submit to the board a list of projects~~  
101.7 ~~to be funded from the taconite area environmental protection fund, with such supporting~~  
101.8 ~~information including description of the projects, plans, and cost estimates as may be~~  
101.9 ~~necessary.~~ in compliance with the requirements for expenditures under section 298.22.

101.10 ~~(b) Each year no less than one-half of the amounts deposited into the taconite~~  
101.11 ~~environmental protection fund must be used for public works projects, including construction~~  
101.12 ~~of sewer and water systems, as specified under subdivision 1, clause (3). The Iron Range~~  
101.13 ~~Resources and Rehabilitation Board may waive the requirements of this paragraph.~~

101.14 ~~(c) Upon approval by the board, the list of projects approved under this subdivision shall~~  
101.15 ~~be submitted to the governor by November 1 of each year. By December 1 of each year,~~  
101.16 ~~the governor shall approve or disapprove, or return for further consideration, each project.~~  
101.17 ~~Funds for a project may be expended only upon approval of the project by the board and~~  
101.18 ~~the governor. The commissioner may submit supplemental projects to the board and governor~~  
101.19 ~~for approval at any time.~~

101.20 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron  
101.21 Range resources and rehabilitation taconite area environmental protection funds necessary  
101.22 to carry out approved projects and programs and the funds necessary for administration of  
101.23 this section. Annual administrative costs, not including detailed engineering expenses for  
101.24 the projects, shall not exceed five percent of the amount annually expended from the fund.

101.25 Funds for the purposes of this section are provided by section 298.28, subdivision 11,  
101.26 relating to the taconite area environmental protection fund.

101.27 Sec. 44. Minnesota Statutes 2016, section 298.227, is amended to read:

101.28 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

101.29 (a) An amount equal to that distributed pursuant to each taconite producer's taxable  
101.30 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the  
101.31 commissioner of Iron Range resources and rehabilitation Board in a separate taconite  
101.32 economic development fund for each taconite and direct reduced ore producer. Money from  
101.33 the fund for each producer shall be released by the commissioner after review by a joint

102.1 committee consisting of an equal number of representatives of the salaried employees and  
102.2 the nonsalaried production and maintenance employees of that producer. The District 11  
102.3 director of the United States Steelworkers of America, on advice of each local employee  
102.4 president, shall select the employee members. In nonorganized operations, the employee  
102.5 committee shall be elected by the nonsalaried production and maintenance employees. The  
102.6 review must be completed no later than six months after the producer presents a proposal  
102.7 for expenditure of the funds to the committee. The funds held pursuant to this section may  
102.8 be released only for workforce development and associated public facility improvement,  
102.9 or for acquisition of plant and stationary mining equipment and facilities for the producer  
102.10 or for research and development in Minnesota on new mining, or taconite, iron, or steel  
102.11 production technology, but only if the producer provides a matching expenditure equal to  
102.12 the amount of the distribution to be used for the same purpose beginning with distributions  
102.13 in 2014. Effective for proposals for expenditures of money from the fund beginning May  
102.14 26, 2007, the commissioner may not release the funds before the next scheduled meeting  
102.15 of the board. If a proposed expenditure is not approved by the board under the requirements  
102.16 for expenditures under section 298.22, the funds must be deposited in the Taconite  
102.17 Environmental Protection Fund under sections 298.222 to 298.225. ~~If a producer uses money~~  
102.18 ~~which has been released from the fund prior to May 26, 2007 to procure haulage trucks,~~  
102.19 ~~mobile equipment, or mining shovels, and the producer removes the piece of equipment~~  
102.20 ~~from the taconite tax relief area defined in section 273.134 within ten years from the date~~  
102.21 ~~of receipt of the money from the fund, a portion of the money granted from the fund must~~  
102.22 ~~be repaid to the taconite economic development fund. The portion of the money to be repaid~~  
102.23 ~~is 100 percent of the grant if the equipment is removed from the taconite tax relief area~~  
102.24 ~~within 12 months after receipt of the money from the fund, declining by ten percent for~~  
102.25 ~~each of the subsequent nine years during which the equipment remains within the taconite~~  
102.26 ~~tax relief area.~~ If a taconite production facility is sold after operations at the facility had  
102.27 ceased, any money remaining in the fund for the former producer may be released to the  
102.28 purchaser of the facility on the terms otherwise applicable to the former producer under this  
102.29 section. If a producer fails to provide matching funds for a proposed expenditure within six  
102.30 months after the commissioner approves release of the funds, the funds are available for  
102.31 release to another producer in proportion to the distribution provided and under the conditions  
102.32 of this section. Any portion of the fund which is not released by the commissioner within  
102.33 one year of its deposit in the fund shall be divided between the taconite environmental  
102.34 protection fund created in section 298.223 and the Douglas J. Johnson economic protection  
102.35 trust fund created in section 298.292 for placement in their respective special accounts.

103.1 Two-thirds of the unreleased funds shall be distributed to the taconite environmental  
103.2 protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

103.3 ~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of~~  
103.4 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~  
103.5 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed under~~  
103.6 ~~paragraph (a), may be used for a loan or grant for the cost of providing for a value-added~~  
103.7 ~~wood product facility located in the taconite tax relief area and in a county that contains a~~  
103.8 ~~city of the first class. This amount must be deducted from the distribution under paragraph~~  
103.9 ~~(a) for which a matching expenditure by the producer is not required. The granting of the~~  
103.10 ~~loan or grant is subject to approval by the board. If the money is provided as a loan, interest~~  
103.11 ~~must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii)~~  
103.12 ~~Repayments of the loan and interest, if any, must be deposited in the taconite environment~~  
103.13 ~~protection fund under sections 298.222 to 298.225. If a loan or grant is not made under this~~  
103.14 ~~paragraph by July 1, 2012, the amount that had been made available for the loan under this~~  
103.15 ~~paragraph must be transferred to the taconite environment protection fund under sections~~  
103.16 ~~298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section~~  
103.17 ~~that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a~~  
103.18 ~~pro rata basis.~~

103.19 ~~(e) Repayment or transfer of money to the taconite environmental protection fund under~~  
103.20 ~~paragraph (b), item (ii), must be allocated by the Iron Range resources and rehabilitation~~  
103.21 ~~Board for public works projects in house legislative districts in the same proportion as~~  
103.22 ~~taxable tonnage of production in 2007 in each house legislative district, for distribution in~~  
103.23 ~~2008, bears to total taxable tonnage of production in 2007, for distribution in 2008.~~  
103.24 ~~Notwithstanding any other law to the contrary, expenditures under this paragraph do not~~  
103.25 ~~require approval by the governor. For purposes of this paragraph, "house legislative districts"~~  
103.26 ~~means the legislative districts in existence on May 15, 2009.~~

103.27 Sec. 45. Minnesota Statutes 2016, section 298.27, is amended to read:

103.28 **298.27 COLLECTION AND PAYMENT OF TAX.**

103.29 The taxes provided by section 298.24 shall be paid directly to each eligible county and  
103.30 the commissioner of Iron Range resources and rehabilitation Board. The commissioner of  
103.31 revenue shall notify each producer of the amount to be paid each recipient prior to February  
103.32 15. Every person subject to taxes imposed by section 298.24 shall file a correct report  
103.33 covering the preceding year. The report must contain the information required by the  
103.34 commissioner of revenue. The report shall be filed by each producer on or before February

104.1 1. A remittance equal to 50 percent of the total tax required to be paid hereunder shall be  
104.2 paid on or before February 24. A remittance equal to the remaining total tax required to be  
104.3 paid hereunder shall be paid on or before August 24. On or before February 25 and August  
104.4 25, the county auditor shall make distribution of the payments previously received by the  
104.5 county in the manner provided by section 298.28. Reports shall be made and hearings held  
104.6 upon the determination of the tax in accordance with procedures established by the  
104.7 commissioner of revenue. The commissioner of revenue shall have authority to make  
104.8 reasonable rules as to the form and manner of filing reports necessary for the determination  
104.9 of the tax hereunder, and by such rules may require the production of such information as  
104.10 may be reasonably necessary or convenient for the determination and apportionment of the  
104.11 tax. All the provisions of the occupation tax law with reference to the assessment and  
104.12 determination of the occupation tax, including all provisions for appeals from or review of  
104.13 the orders of the commissioner of revenue relative thereto, but not including provisions for  
104.14 refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent  
104.15 herewith. If any person subject to section 298.24 shall fail to make the report provided for  
104.16 in this section at the time and in the manner herein provided, the commissioner of revenue  
104.17 shall in such case, upon information possessed or obtained, ascertain the kind and amount  
104.18 of ore mined or produced and thereon find and determine the amount of the tax due from  
104.19 such person. There shall be added to the amount of tax due a penalty for failure to report  
104.20 on or before February 1, which penalty shall equal ten percent of the tax imposed and be  
104.21 treated as a part thereof.

104.22 If any person responsible for making a tax payment at the time and in the manner herein  
104.23 provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount  
104.24 so due, which penalty shall be treated as part of the tax due.

104.25 In the case of any underpayment of the tax payment required herein, there may be added  
104.26 and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

104.27 A person having a liability of \$120,000 or more during a calendar year must remit all  
104.28 liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The  
104.29 funds transfer payment date, as defined in section 336.4A-401, must be on or before the  
104.30 date the tax is due. If the date the tax is due is not a funds transfer business day, as defined  
104.31 in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the  
104.32 funds transfer business day next following the date the tax is due.



105.1 Sec. 46. Minnesota Statutes 2016, section 298.28, subdivision 7, is amended to read:

105.2 Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998  
105.3 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and  
105.4 rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be  
105.5 increased for distribution years 1999 through 2014 and for distribution in 2018 and  
105.6 subsequent years in the same proportion as the increase in the implicit price deflator as  
105.7 provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision  
105.8 shall be expended within or for the benefit of the taconite assistance area defined in section  
105.9 273.1341 and in compliance with the requirements for expenditures under section 298.22.  
105.10 ~~No part of the fund provided in this subdivision may be used to provide loans for the~~  
105.11 ~~operation of private business unless the loan is approved by the governor.~~

105.12 Sec. 47. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:

105.13 Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.**

105.14 (a) The following amounts must be allocated to the Iron Range resources and rehabilitation  
105.15 ~~Board~~ account to be deposited in the Iron Range school consolidation and cooperatively  
105.16 operated school account that is hereby created:

105.17 (1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed  
105.18 under section 298.24; and

105.19 (ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed  
105.20 under section 298.24;

105.21 (2) the amount as determined under section 298.17, paragraph (b), clause (3);

105.22 (3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax  
105.23 proceeds attributable to the increase in the implicit price deflator as provided in section  
105.24 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J.  
105.25 Johnson economic protection trust fund;

105.26 (ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased  
105.27 tax proceeds attributable to the increase in the implicit price deflator as provided in section  
105.28 298.24, subdivision 1, for distribution years 2015 and 2016, with the remaining one-third  
105.29 to be distributed to the Douglas J. Johnson economic protection trust fund; and

105.30 (iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased  
105.31 tax proceeds attributable to the increase in the implicit price deflator as provided in section  
105.32 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining  
105.33 one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

106.1 (4) any other amount as provided by law.

106.2 (b) Expenditures from this account shall be made only to provide disbursements to assist  
106.3 school districts with the payment of bonds that were issued for qualified school projects,  
106.4 or for any other school disbursement as approved by the commissioner of Iron Range  
106.5 resources and rehabilitation Board, after consultation with the commission. For purposes  
106.6 of this section, "qualified school projects" means school projects within the taconite assistance  
106.7 area as defined in section 273.1341, that were (1) approved, by referendum, after April 3,  
106.8 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

106.9 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for  
106.10 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset  
106.11 any reduction in debt service equalization aid that the school district qualifies for in that  
106.12 year, under section 123B.53, subdivision 6, compared with the amount the school district  
106.13 qualified for in fiscal year 2018.

106.14 (d) No expenditure under this section shall be made unless ~~approved by seven members~~  
106.15 ~~of the Iron Range Resources and Rehabilitation Board~~ the commissioner has complied with  
106.16 the requirements for expenditures under section 298.22.

106.17 Sec. 48. Minnesota Statutes 2016, section 298.28, subdivision 9c, is amended to read:

106.18 Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the  
106.19 city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the  
106.20 Hockey Hall of Fame, provided that it continues to operate in that city, and provided that  
106.21 the city of Eveleth certifies to the St. Louis County auditor that it has received donations  
106.22 for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame  
106.23 ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and  
106.24 the governing body of the city determines that it is unlikely to resume operation there within  
106.25 a six-month period, the distribution under this subdivision shall be made to the commissioner  
106.26 of Iron Range resources and rehabilitation Board.

106.27 Sec. 49. Minnesota Statutes 2016, section 298.28, subdivision 9d, is amended to read:

106.28 Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be  
106.29 ~~allocated to the Iron Range Resources and Rehabilitation Board to be~~ deposited in an Iron  
106.30 Range higher education account that is hereby created, to be used for higher education  
106.31 programs conducted at educational institutions in the taconite assistance area defined in  
106.32 section 273.1341. The Iron Range Higher Education committee under section 298.2214,  
106.33 and the commissioner of Iron Range resources and rehabilitation Board, after complying

107.1 with all the requirements for expenditures under section 298.22, must approve all  
107.2 expenditures from the account.

107.3 Sec. 50. Minnesota Statutes 2016, section 298.28, subdivision 11, is amended to read:

107.4 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which  
107.5 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the  
107.6 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with  
107.7 interest earned on all money distributed under this section prior to distribution, shall be  
107.8 divided between the taconite environmental protection fund created in section 298.223 and  
107.9 the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows:  
107.10 Two-thirds to the taconite environmental protection fund and one-third to the Douglas J.  
107.11 Johnson economic protection trust fund. The proceeds shall be placed in the respective  
107.12 special accounts.

107.13 (b) There shall be distributed to each city, town, and county the amount that it received  
107.14 under Minnesota Statutes 1978, section 294.26<sub>2</sub> in calendar year 1977; provided, however,  
107.15 that the amount distributed in 1981 to the unorganized territory number 2 of Lake County  
107.16 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company  
107.17 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of  
107.18 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of  
107.19 Erie Mining Company in each taxing district.

107.20 (c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account  
107.21 the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount  
107.22 distributed under this paragraph shall be expended within or for the benefit of the taconite  
107.23 assistance area defined in section 273.1341.

107.24 (d) There shall be distributed to each school district 62 percent of the amount that it  
107.25 received under Minnesota Statutes 1978, section 294.26<sub>2</sub> in calendar year 1977.

107.26 Sec. 51. Minnesota Statutes 2016, section 298.292, subdivision 2, is amended to read:

107.27 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust  
107.28 fund may be used for the following purposes:

107.29 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation  
107.30 with private sources of financing, but a loan to a private enterprise shall be for a principal  
107.31 amount not to exceed one-half of the cost of the project for which financing is sought, and  
107.32 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight

108.1 percent or an interest rate three percentage points less than a full faith and credit obligation  
108.2 of the United States government of comparable maturity, at the time that the loan is approved;

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

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

108.9 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
108.10 entities that are engaging in, or that will engage in, projects or programs that have the  
108.11 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
108.12 or enterprise unless at least two other unrelated investors make investments of at least  
108.13 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.  
108.14 Johnson economic protection trust fund may not exceed the amount of the largest investment  
108.15 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
108.16 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
108.17 which the investment is made or to any individual who owns more than 40 percent of the  
108.18 value of the entity, in any of the following relationships: spouse, parent, child, sibling,  
108.19 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
108.20 interests in it. For purposes of determining the limitations under this clause, the amount of  
108.21 investments made by an investor other than the Douglas J. Johnson economic protection  
108.22 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
108.23 the period beginning one year before the date of the investment by the Douglas J. Johnson  
108.24 economic protection trust fund; and

108.25 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to  
108.26 be held and managed as a public trust for the benefit of the area for the purposes authorized  
108.27 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the  
108.28 commissioner ~~upon approval by the board~~, after consultation with the commission. The net  
108.29 proceeds must be deposited in the trust fund for the purposes and uses of this section.

108.30 Money from the trust fund shall be expended only in or for the benefit of the taconite  
108.31 assistance area defined in section 273.1341.

108.32 Sec. 52. Minnesota Statutes 2016, section 298.296, is amended to read:

108.33 **298.296 OPERATION OF FUND.**

109.1 Subdivision 1. **Project approval.** ~~The board and commissioner shall by August 1 of~~  
109.2 ~~each year prepare a list of projects to be funded from the Douglas J. Johnson economic~~  
109.3 ~~protection trust with necessary supporting information including description of the projects,~~  
109.4 ~~plans, and cost estimates~~ must comply with the requirements for expenditures under section  
109.5 298.22. These Projects shall be consistent with the priorities established in section 298.292  
109.6 and shall not be ~~approved by the board unless it~~ proposed by the commissioner unless the  
109.7 commissioner finds that:

109.8 (a) the project will materially assist, directly or indirectly, the creation of additional  
109.9 long-term employment opportunities;

109.10 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

109.11 (c) in the case of assistance to private enterprise, the project will serve a sound business  
109.12 purpose.

109.13 ~~Each project must be approved by over one-half of all of the members of the board and~~  
109.14 ~~the commissioner of Iron Range resources and rehabilitation. The list of projects shall be~~  
109.15 ~~submitted to the governor, who shall, by November 15 of each year, approve or disapprove,~~  
109.16 ~~or return for further consideration, each project. The money for a project may be expended~~  
109.17 ~~only upon approval of the project by the governor. The board may submit supplemental~~  
109.18 ~~projects for approval at any time.~~

109.19 Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on  
109.20 projects and for administration of the trust fund only from the net interest, earnings, and  
109.21 dividends arising from the investment of the trust at any time, including net interest, earnings,  
109.22 and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for  
109.23 use in fiscal year 1983, except that any amount required to be paid out of the trust fund to  
109.24 provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and  
109.25 to make school bond payments and payments to recipients of taconite production tax proceeds  
109.26 pursuant to section 298.225, may be taken from the corpus of the trust.

109.27 (b) Additionally, ~~upon recommendation by the board,~~ the commissioner, after consulting  
109.28 the commission, may choose to make up to \$13,000,000 from the corpus of the trust ~~may~~  
109.29 ~~be made~~ available for use as provided in subdivision 4, and up to \$10,000,000 from the  
109.30 corpus of the trust may be made available for use as provided in section 298.2961.

109.31 (c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust  
109.32 on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts  
109.33 made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8,

110.1 section 17, may be expended on projects. ~~Funds~~ The commissioner may be expended expend  
110.2 funds for projects under this paragraph only if ~~the project~~:

110.3 (1) the project is for the purposes established under section 298.292, subdivision 1,  
110.4 clause (1) or (2); and

110.5 (2) ~~is approved by two-thirds of all of the members of the board~~ the commissioner  
110.6 complied with the requirements for expenditures under section 298.22.

110.7 No money made available under this paragraph or paragraph (d) can be used for  
110.8 administrative or operating expenses of the Department of Iron Range resources and  
110.9 rehabilitation ~~Board~~ or expenses relating to any facilities owned or operated by the ~~board~~  
110.10 commissioner on May 18, 2002.

110.11 (d) ~~Upon recommendation by a unanimous vote of all members of the board,~~ The  
110.12 commissioner may spend amounts in addition to those authorized under paragraphs (a), (b),  
110.13 and (c) ~~may be expended~~ on projects described in section 298.292, subdivision 1, if the  
110.14 commissioner complies with the requirements for expenditures under section 298.22.

110.15 (e) Annual administrative costs, not including detailed engineering expenses for the  
110.16 projects, shall not exceed five percent of the net interest, dividends, and earnings arising  
110.17 from the trust in the preceding fiscal year.

110.18 (f) Principal and interest received in repayment of loans made pursuant to this section,  
110.19 and earnings on other investments made under section 298.292, subdivision 2, clause (4),  
110.20 shall be deposited in the state treasury and credited to the trust. These receipts are  
110.21 appropriated to the board for the purposes of sections 298.291 to 298.298.

110.22 (g) Additionally, notwithstanding section 298.293, ~~upon the approval of the board~~ if the  
110.23 commissioner complies with the requirements for expenditures under section 298.22, money  
110.24 from the corpus of the trust may be expended to purchase forest lands within the taconite  
110.25 assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2,  
110.26 clause (5).

110.27 Subd. 3. **Administration.** The commissioner ~~and staff of the~~ Iron Range resources and  
110.28 rehabilitation ~~Board~~ shall administer the program under which funds are expended pursuant  
110.29 to sections 298.292 to 298.298.

110.30 Subd. 4. **Temporary loan authority.** (a) ~~The board may recommend that~~ If the  
110.31 commissioner complies with the requirements for expenditures under section 298.22, the  
110.32 commissioner may use up to \$7,500,000 from the corpus of the trust ~~may be used~~ for loans,  
110.33 loan guarantees, grants, or equity investments as provided in this subdivision. The money

111.1 would be available for loans for construction and equipping of facilities constituting (1) a  
 111.2 value added iron products plant, which may be either a new plant or a facility incorporated  
 111.3 into an existing plant that produces iron upgraded to a minimum of 75 percent iron content  
 111.4 or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or  
 111.5 minerals processing plant for any mineral subject to the net proceeds tax imposed under  
 111.6 section 298.015. A loan or loan guarantee under this paragraph may not exceed \$5,000,000  
 111.7 for any facility.

111.8 (b) Additionally, ~~the board must reserve~~ the first \$2,000,000 of the net interest, dividends,  
 111.9 and earnings arising from the investment of the trust after June 30, 1996, ~~to be used~~ must  
 111.10 be reserved for grants, loans, loan guarantees, or equity investments for the purposes set  
 111.11 forth in paragraph (a). This amount must be reserved until it is used as described in this  
 111.12 subdivision.

111.13 (c) Additionally, ~~the board may recommend that~~ up to \$5,500,000 from the corpus of  
 111.14 the trust may be used for additional grants, loans, loan guarantees, or equity investments  
 111.15 for the purposes set forth in paragraph (a).

111.16 (d) The ~~board~~ commissioner, after consultation with the commission, may require that  
 111.17 ~~the fund~~ receive an equity percentage in any project to which it contributes under this  
 111.18 section.

111.19 Sec. 53. Minnesota Statutes 2016, section 298.2961, is amended to read:

111.20 **298.2961 PRODUCER GRANTS.**

111.21 Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J.  
 111.22 Johnson economic protection trust fund to a special account in the taconite area environmental  
 111.23 protection fund for grants to producers on a project-by-project basis as provided in this  
 111.24 section.

111.25 (b) The proceeds of the tax designated under section 298.28, subdivision 9b, are  
 111.26 appropriated for grants to producers on a project-by-project basis as provided in this section.

111.27 Subd. 2. **Projects; approval.** (a) Projects funded must be for:

111.28 (1) environmentally unique reclamation projects; or

111.29 (2) pit or plant repairs, expansions, or modernizations other than for a value added iron  
 111.30 products plant.

111.31 (b) ~~To be proposed by the board, a project must be approved by the board. The money~~  
 111.32 ~~for a project may be spent only upon approval of the project by the governor. The board~~

112.1 ~~may submit supplemental projects for approval at any time~~ For all such projects, the  
112.2 commissioner must comply with the requirements for expenditures under section 298.22.

112.3 (c) The ~~board~~ commissioner, after consultation with the commission, may require that  
112.4 ~~the fund~~ receive an equity percentage in any project to which it contributes under this  
112.5 section.

112.6 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at  
112.7 the facility had ceased, any money remaining in the taconite environmental fund for the  
112.8 former producer may be released to the purchaser of the facility on the terms otherwise  
112.9 applicable to the former producer under this section.

112.10 (b) Any portion of the taconite environmental fund that is not released by the  
112.11 commissioner within three years of its deposit in the taconite environmental fund shall be  
112.12 divided between the taconite environmental protection fund created in section 298.223 and  
112.13 the Douglas J. Johnson economic protection trust fund created in section 298.292 for  
112.14 placement in their respective special accounts. Two-thirds of the unreleased funds must be  
112.15 distributed to the taconite environmental protection fund and one-third to the Douglas J.  
112.16 Johnson economic protection trust fund.

112.17 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under  
112.18 section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision.  
112.19 Any grant or loan made under this subdivision must ~~be approved by the board, established~~  
112.20 ~~under section 298.22~~ comply with the requirements for expenditures under section 298.22.

112.21 (b) All distributions received in 2009 and subsequent years are allocated for projects  
112.22 under section 298.223, subdivision 1.

112.23 Sec. 54. Minnesota Statutes 2016, section 298.297, is amended to read:

112.24 **298.297 ADVISORY COMMITTEES.**

112.25 Before submission of a project to the ~~board~~ commissioner, the commissioner of Iron Range  
112.26 resources and rehabilitation shall appoint a technical advisory committee consisting of one  
112.27 or more persons who are knowledgeable in areas related to the objectives of the proposal.  
112.28 Members of the committees shall be compensated as provided in section 15.059, subdivision  
112.29 3. The ~~board shall not act~~ commission shall not make recommendations on a proposal until  
112.30 it has received the evaluation and recommendations of the technical advisory committee or  
112.31 until 15 days have elapsed since the proposal was transmitted to the advisory committee,  
112.32 whichever occurs first.



113.1 Sec. 55. Minnesota Statutes 2016, section 298.46, subdivision 2, is amended to read:

113.2 Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly  
113.3 constituted authorities of a taxing district there are in existence reserves of unmined iron  
113.4 ore located in such district, these authorities may petition the commissioner of Iron Range  
113.5 resources and rehabilitation ~~Board~~ for authority to petition the county assessor to verify the  
113.6 existence of such reserves and to ascertain the value thereof by drilling in a manner consistent  
113.7 with established engineering and geological exploration methods, in order that such taxing  
113.8 district may be able to forecast in a proper manner its future economic and fiscal potentials.  
113.9 The commissioner may grant the authority to petition only after consultation with the  
113.10 commission.

113.11 Sec. 56. Minnesota Statutes 2016, section 298.46, subdivision 5, is amended to read:

113.12 Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling  
113.13 plus any damages to the property which may be assessed by the district court shall be paid  
113.14 by the commissioner of Iron Range resources and rehabilitation ~~Board~~ from amounts  
113.15 appropriated to ~~that board~~ the commissioner under section 298.22. The commissioner of  
113.16 Iron Range resources and rehabilitation ~~Board~~ shall be reimbursed for one-half of the  
113.17 amounts thus expended. Such reimbursement shall be made by the taxing districts in the  
113.18 proportion that each such taxing district's levy on the property involved bears to the total  
113.19 levy on such property. Such reimbursement shall be made to the commissioner of Iron  
113.20 Range resources and rehabilitation ~~Board~~ in the manner provided by section 298.221.

113.21 Sec. 57. Minnesota Statutes 2016, section 298.46, subdivision 6, is amended to read:

113.22 Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district  
113.23 refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor  
113.24 is hereby authorized to reduce payments required to be made by the county to such taxing  
113.25 district under other provisions of law. Thereafter the auditor shall draw a warrant, which  
113.26 shall be deposited with the state treasury in accordance with section 298.221, to the credit  
113.27 of the commissioner of Iron Range resources and rehabilitation ~~Board~~.

113.28 Sec. 58. Minnesota Statutes 2016, section 466.03, subdivision 6c, is amended to read:

113.29 Subd. 6c. **Water access sites.** Any claim based upon the construction, operation, or  
113.30 maintenance by a municipality of a water access site created by the commissioner of Iron  
113.31 Range resources and rehabilitation ~~Board~~. A water access site under this subdivision that  
113.32 provides access to an idled, water filled mine pit also includes the entire water filled area

114.1 of the pit, and, further, claims related to a mine pit water access site under this subdivision  
114.2 include those based upon the caving or slumping of mine pit walls.

114.3 Sec. 59. Minnesota Statutes 2016, section 469.310, subdivision 9, is amended to read:

114.4 Subd. 9. **Local government unit.** "Local government unit" means a statutory or home  
114.5 rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation  
114.6 ~~agency~~, regional development commission, or a federally designated economic development  
114.7 district.

114.8 Sec. 60. Minnesota Statutes 2016, section 474A.02, subdivision 21, is amended to read:

114.9 Subd. 21. **Preliminary resolution.** "Preliminary resolution" means a resolution adopted  
114.10 by the governing body or board of the issuer, or ~~in the case of the~~ by the commissioner of  
114.11 Iron Range resources and rehabilitation Board ~~by the commissioner~~. The resolution must  
114.12 express a preliminary intention of the issuer to issue obligations for a specific project,  
114.13 identify the proposed project, and disclose the proposed amount of qualified bonds to be  
114.14 issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify  
114.15 a specific project.

114.16 Sec. 61. Laws 2010, chapter 389, article 5, section 7, is amended to read:

114.17 Sec. 7. **GIANTS RIDGE RECREATION AREA TAXING AUTHORITY.**

114.18 Subdivision 1. **Additional taxes authorized.** Notwithstanding Minnesota Statutes,  
114.19 section 477A.016, or any other law, ordinance, or charter provision to the contrary, the city  
114.20 of Biwabik, upon approval both by its governing body and by the vote of at least seven  
114.21 members of the Iron Range Resources and Rehabilitation Board, may impose any or all of  
114.22 the taxes described in this section.

114.23 Subd. 2. **Use of proceeds.** The proceeds of any taxes imposed under this section, less  
114.24 refunds and costs of collection, must be deposited into the Iron Range Resources and  
114.25 Rehabilitation ~~Board~~ account enterprise fund created under the provisions of Minnesota  
114.26 Statutes, section 298.221, paragraph (c), and must be dedicated and expended by the  
114.27 commissioner of ~~the~~ Iron Range resources and rehabilitation ~~Board~~, ~~upon approval by the~~  
114.28 ~~vote of at least seven members of~~ after consultation with the Legislative Commission on  
114.29 Iron Range Resources and Rehabilitation Board, to pay costs for the construction, renovation,  
114.30 improvement, expansion, and maintenance of public recreational facilities located in those  
114.31 portions of the city within the Giants Ridge Recreation Area as defined in Minnesota Statutes,  
114.32 section 298.22, subdivision 7, or to pay any principal, interest, or premium on any bond

115.1 issued to finance the construction, renovation, improvement, or expansion of such public  
115.2 recreational facilities.

115.3 Subd. 3. **Lodging tax.** (a) The city of Biwabik, upon approval both by its governing  
115.4 body and by the vote of at least seven members of the Iron Range Resources and  
115.5 Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on the  
115.6 gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This  
115.7 tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and may  
115.8 be imposed only on gross lodging receipts generated within the Giants Ridge Recreation  
115.9 Area as defined in Minnesota Statutes, section 298.22, subdivision 7.

115.10 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax  
115.11 imposed under paragraph (a), the change must be approved by both the governing body of  
115.12 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after  
115.13 the commissioner consults with the Legislative Commission on Iron Range Resources and  
115.14 Rehabilitation.

115.15 Subd. 4. **Admissions and recreation tax.** (a) The city of Biwabik, upon approval both  
115.16 by its governing body and by the vote of at least seven members of the Iron Range Resources  
115.17 and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent  
115.18 on admission receipts to entertainment and recreational facilities and on receipts from the  
115.19 rental of recreation equipment, at sites within the Giants Ridge Recreation Area as defined  
115.20 in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes,  
115.21 section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration,  
115.22 collection, and enforcement of the tax authorized in this subdivision.

115.23 (b) If the city imposes the tax under paragraph (a), it must include in the ordinance an  
115.24 exemption for purchases of season tickets or passes.

115.25 (c) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax  
115.26 imposed under paragraph (a), the change must be approved by both the governing body of  
115.27 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after  
115.28 the commissioner consults with the Legislative Commission on Iron Range Resources and  
115.29 Rehabilitation.

115.30 Subd. 5. **Food and beverage tax.** (a) The city of Biwabik, upon approval both by its  
115.31 governing body and by the vote of at least seven members of the Iron Range Resources and  
115.32 Rehabilitation Board, may impose, by ordinance, an additional sales tax of not more than  
115.33 one percent on gross receipts of food and beverages sold whether it is consumed on or off  
115.34 the premises by restaurants and places of refreshment as defined by resolution of the city

116.1 within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22,  
116.2 subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions  
116.3 2 and 3, govern the imposition, administration, collection, and enforcement of the tax  
116.4 authorized in this subdivision.

116.5 (b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax  
116.6 imposed under paragraph (a), the change must be approved by both the governing body of  
116.7 the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after  
116.8 the commissioner consults with the Legislative Commission on Iron Range Resources and  
116.9 Rehabilitation.

116.10 **EFFECTIVE DATE.** This section is effective August 1, 2017, without local approval  
116.11 pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

116.12 Sec. 62. **REVISOR'S INSTRUCTION.**

116.13 The revisor of statutes, with cooperation from the House Research Department and the  
116.14 Office of Senate Counsel, Research, and Fiscal Analysis, shall prepare legislation that makes  
116.15 conforming changes in accordance with the provisions of this article. The revisor shall  
116.16 submit the proposal, in a form ready for introduction, during the 2018 regular legislative  
116.17 session to the chairs and ranking minority members of the senate and house of representatives  
116.18 committees with jurisdiction over taxes.

116.19 Sec. 63. **REPEALER.**

116.20 Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; and 298.298, are  
116.21 repealed.

## 116.22 **ARTICLE 5**

### 116.23 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL** 116.24 **POLICY**

116.25 Section 1. Minnesota Statutes 2016, section 268.046, subdivision 3, is amended to read:

116.26 Subd. 3. **Penalties; application.** (a) Any person that violates the requirements of this  
116.27 section and any taxpaying employer that violates subdivision 1, paragraph (b), or any  
116.28 nonprofit or government employer that violates subdivision 2, paragraph (b), is subject to  
116.29 the penalties under section 268.184, subdivision 1a. Penalties are credited to the trust fund.

116.30 (b) Section 268.051, subdivision 4, does not apply to contracts under this section. This  
116.31 section does not limit or prevent the application of section 268.051, subdivision 4, to any

117.1 other transactions or acquisitions involving the taxpaying employer. This section does not  
117.2 limit or prevent the application of section 268.051, subdivision 4a.

117.3 (c) An assignment of an account upon the execution of a contract under this section and  
117.4 a termination of a contract with the corresponding assignment of the account is not ~~considered~~  
117.5 a separation from employment of any worker covered by the contract. Nothing under this  
117.6 subdivision causes the person to be liable for any amounts past due under this chapter from  
117.7 the taxpaying employer or the nonprofit or government employer.

117.8 (d) ~~This section applies to, but is not limited to, persons registered under section 79.255,~~  
117.9 ~~but does not apply to persons that obtain~~ An exemption from registration under section  
117.10 79.255, subdivision 9, does not determine the application of this section.

117.11 Sec. 2. Minnesota Statutes 2016, section 268.065, subdivision 2, is amended to read:

117.12 Subd. 2. **Employee leasing company, professional employer organization, or similar**  
117.13 **person.** (a) A person whose work force consists of 50 percent or more of workers provided  
117.14 by an employee leasing company, professional employer organization, or similar person  
117.15 for a fee, is jointly and severally liable for the unpaid amounts that are due under this chapter  
117.16 or section 116L.20 on the wages paid on the contract with the employee leasing company,  
117.17 professional employer organization, or similar person.

117.18 (b) ~~This subdivision applies to, but is not limited to, persons registered under section~~  
117.19 ~~79.255, but does not apply to agreements with persons that obtain~~ An exemption from  
117.20 registration under section 79.255, subdivision 9, does not determine the application of this  
117.21 section.

117.22 Sec. 3. Minnesota Statutes 2016, section 268.085, subdivision 13, is amended to read:

117.23 Subd. 13. **Suspension from employment.** (a) An applicant who has been suspended  
117.24 from employment without pay for 30 calendar days or less, as a result of employment  
117.25 misconduct or aggravated employment misconduct as defined under section 268.095,  
117.26 ~~subdivision 6,~~ is ineligible for unemployment benefits beginning the Sunday of the week  
117.27 that the applicant was suspended and continuing for the duration of the suspension.

117.28 (b) A suspension from employment without pay that is of indefinite duration or is for  
117.29 more than 30 calendar days is considered, at the time the suspension begins, a discharge  
117.30 from employment under subject to section 268.095, ~~subdivision 5.~~

118.1 (c) A suspension from employment with pay, regardless of duration, is not ~~considered~~  
118.2 a separation from employment and the applicant is ineligible for unemployment benefits  
118.3 for the duration of the suspension with pay.

118.4 Sec. 4. Minnesota Statutes 2016, section 268.095, subdivision 5, is amended to read:

118.5 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words  
118.6 or actions by an employer would lead a reasonable employee to believe that the employer  
118.7 will no longer allow the employee to work for the employer in any capacity. A layoff because  
118.8 of lack of work is a discharge.

118.9 (b) A suspension from employment without pay that is of an indefinite duration or is  
118.10 for more than 30 calendar days is considered a discharge at the time the suspension begins.

118.11 ~~(b)~~ (c) When determining if an applicant was discharged, the theory of a constructive  
118.12 discharge does not apply.

118.13 ~~(e)~~ (d) An employee who gives notice of intention to quit the employment and is not  
118.14 allowed by the employer to work the entire notice period is discharged from the employment  
118.15 as of the date the employer will no longer allow the employee to work. If the discharge  
118.16 occurs within 30 calendar days before the intended date of quitting, then, as of the intended  
118.17 date of quitting, the separation from employment is a quit from employment subject to  
118.18 subdivision 1.

118.19 ~~(d)~~ (e) The end of a job assignment with the client of a staffing service is a discharge  
118.20 from employment with the staffing service unless subdivision 2, paragraph (e), applies.

118.21 Sec. 5. Minnesota Statutes 2016, section 268.101, subdivision 2, is amended to read:

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

118.30 (b) The commissioner must determine any issue of ineligibility raised by an employer  
118.31 and send to the applicant and that employer, by mail or electronic transmission, a document  
118.32 titled a determination of eligibility or a determination of ineligibility as is appropriate. The

119.1 determination on an issue of ineligibility as a result of a quit or discharge of the applicant  
119.2 must state the effect on the employer under section 268.047.

119.3 If a base period employer:

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

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

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

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

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

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

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

119.24 (e) ~~The commissioner may~~ department is authorized to issue a determination on an issue  
119.25 of ineligibility within 24 months from the establishment of a benefit account based upon  
119.26 information from any source, even if the issue of ineligibility was not raised by the applicant  
119.27 or an employer.

119.28 If an applicant obtained unemployment benefits through ~~fraud~~ misrepresentation under  
119.29 section 268.18, subdivision 2, the department is authorized to issue a determination of  
119.30 ineligibility ~~may be issued~~ within 48 months of the establishment of the benefit account.

120.1 If the department has filed an intervention in a worker's compensation matter under  
 120.2 section 176.361, the department is authorized to issue a determination of ineligibility within  
 120.3 48 months of the establishment of the benefit account.

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

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

## 120.12 ARTICLE 6

### 120.13 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL 120.14 HOUSEKEEPING

120.15 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 20, is amended to read:

120.16 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

120.17 (1) employment for the United States government or an instrumentality thereof, including  
 120.18 military service;

120.19 (2) employment for a state, other than Minnesota, or a political subdivision or  
 120.20 instrumentality thereof;

120.21 (3) employment for a foreign government;

120.22 (4) employment covered under the federal Railroad Unemployment Insurance Act;

120.23 (5) employment for a church or convention or association of churches, or a nonprofit  
 120.24 organization operated primarily for religious purposes that is operated, supervised, controlled,  
 120.25 or principally supported by a church or convention or association of churches;

120.26 (6) employment for an elementary or secondary school with a curriculum that includes  
 120.27 religious education that is operated by a church, a convention or association of churches,  
 120.28 or a nonprofit organization that is operated, supervised, controlled, or principally supported  
 120.29 by a church or convention or association of churches;

120.30 ~~(6)~~ (7) employment for Minnesota or a political subdivision, or a nonprofit organization,  
 120.31 of a duly ordained or licensed minister of a church in the exercise of a ministry or by a  
 120.32 member of a religious order in the exercise of duties required by the order;



121.1 ~~(7)~~(8) employment for Minnesota or a political subdivision, or a nonprofit organization,  
121.2 of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the  
121.3 purpose of carrying out a program of rehabilitation for individuals whose earning capacity  
121.4 is impaired by age or physical or mental deficiency or injury or a program providing  
121.5 "sheltered" work for individuals who because of an impaired physical or mental capacity  
121.6 cannot be readily absorbed in the competitive labor market. This clause applies only to  
121.7 services performed in a facility certified by the Rehabilitation Services Branch of the  
121.8 department or in a day training or habilitation program licensed by the Department of Human  
121.9 Services;

121.10 ~~(8)~~(9) employment for Minnesota or a political subdivision, or a nonprofit organization,  
121.11 of an individual receiving work relief or work training as part of an unemployment work  
121.12 relief or work training program ~~assisted or~~ financed in whole or in part by any federal agency  
121.13 or an agency of a state or political subdivision thereof. This clause does not apply to programs  
121.14 that require unemployment benefit coverage for the participants;

121.15 ~~(9)~~(10) employment for Minnesota or a political subdivision, as an elected official, a  
121.16 member of a legislative body, or a member of the judiciary;

121.17 ~~(10)~~(11) employment as a member of the Minnesota National Guard or Air National  
121.18 Guard;

121.19 ~~(11)~~(12) employment for Minnesota or a political subdivision, or instrumentality thereof,  
121.20 of an individual serving on a temporary basis in case of fire, flood, tornado, or similar  
121.21 emergency;

121.22 ~~(12)~~(13) employment as an election official or election worker for Minnesota or a  
121.23 political subdivision, if the compensation for that employment was less than \$1,000 in a  
121.24 calendar year;

121.25 ~~(13)~~(14) employment for Minnesota that is a major policy-making or advisory position  
121.26 in the unclassified service;

121.27 ~~(14)~~(15) employment for Minnesota in an unclassified position established under section  
121.28 43A.08, subdivision 1a;

121.29 ~~(15)~~(16) employment for a political subdivision of Minnesota that is a nontenured major  
121.30 policy making or advisory position;

121.31 ~~(16)~~(17) domestic employment in a private household, local college club, or local chapter  
121.32 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the

122.1 current or prior calendar year to all individuals in domestic employment totaled less than  
122.2 \$1,000.

122.3 "Domestic employment" includes all service in the operation and maintenance of a  
122.4 private household, for a local college club, or local chapter of a college fraternity or sorority  
122.5 as distinguished from service as an employee in the pursuit of an employer's trade or business;

122.6 ~~(17)~~ (18) employment of an individual by a son, daughter, or spouse, and employment  
122.7 of a child under the age of 18 by the child's father or mother;

122.8 ~~(18)~~ (19) employment of an inmate of a custodial or penal institution;

122.9 ~~(19)~~ (20) employment for a school, college, or university, by a student who is enrolled  
122.10 and whose primary relation to the school, college, or university is as a student. This does  
122.11 not include an individual whose primary relation to the school, college, or university is as  
122.12 an employee who also takes courses;

122.13 ~~(20)~~ (21) employment of an individual who is enrolled as a student in a full-time program  
122.14 at a nonprofit or public educational institution that maintains a regular faculty and curriculum  
122.15 and has a regularly organized body of students in attendance at the place where its educational  
122.16 activities are carried on, taken for credit at the institution, that combines academic instruction  
122.17 with work experience, if the employment is an integral part of the program, and the institution  
122.18 has so certified to the employer, except that this clause does not apply to employment in a  
122.19 program established for or on behalf of an employer or group of employers;

122.20 ~~(21)~~ (22) employment of university, college, or professional school students in an  
122.21 internship or other training program with the city of St. Paul or the city of Minneapolis  
122.22 under Laws 1990, chapter 570, article 6, section 3;

122.23 ~~(22)~~ (23) employment for a hospital by a patient of the hospital. "Hospital" means an  
122.24 institution that has been licensed by the Department of Health as a hospital;

122.25 ~~(23)~~ (24) employment as a student nurse for a hospital or a nurses' training school by  
122.26 an individual who is enrolled and is regularly attending classes in an accredited nurses'  
122.27 training school;

122.28 ~~(24)~~ (25) employment as an intern for a hospital by an individual who has completed a  
122.29 four-year course in an accredited medical school;

122.30 ~~(25)~~ (26) employment as an insurance salesperson, by other than a corporate officer, if  
122.31 all the wages from the employment is solely by way of commission. The word "insurance"  
122.32 includes an annuity and an optional annuity;

123.1 ~~(26)~~ (27) employment as an officer of a township mutual insurance company or farmer's  
123.2 mutual insurance company under chapter 67A;

123.3 ~~(27)~~ (28) employment of a corporate officer, if the officer directly or indirectly, including  
123.4 through a subsidiary or holding company, owns 25 percent or more of the employer  
123.5 corporation, and employment of a member of a limited liability company, if the member  
123.6 directly or indirectly, including through a subsidiary or holding company, owns 25 percent  
123.7 or more of the employer limited liability company;

123.8 ~~(28)~~ (29) employment as a real estate salesperson, other than a corporate officer, if all  
123.9 the wages from the employment is solely by way of commission;

123.10 ~~(29)~~ (30) employment as a direct seller as defined in United States Code, title 26, section  
123.11 3508;

123.12 ~~(30)~~ (31) employment of an individual under the age of 18 in the delivery or distribution  
123.13 of newspapers or shopping news, not including delivery or distribution to any point for  
123.14 subsequent delivery or distribution;

123.15 ~~(31)~~ (32) casual employment performed for an individual, other than domestic  
123.16 employment under clause ~~(16)~~ (17), that does not promote or advance that employer's trade  
123.17 or business;

123.18 ~~(32)~~ (33) employment in "agricultural employment" unless it is "covered agricultural  
123.19 employment" under subdivision 11; or

123.20 ~~(33)~~ (34) if employment during one-half or more of any pay period was covered  
123.21 employment, all the employment for the pay period is covered employment; but if during  
123.22 more than one-half of any pay period the employment was noncovered employment, then  
123.23 all of the employment for the pay period is noncovered employment. "Pay period" means  
123.24 a period of not more than a calendar month for which a payment or compensation is ordinarily  
123.25 made to the employee by the employer.

123.26 Sec. 2. Minnesota Statutes 2016, section 268.035, subdivision 21d, is amended to read:

123.27 Subd. 21d. **Staffing service.** A "staffing service" is an employer whose business involves  
123.28 employing individuals directly for the purpose of furnishing temporary assignment workers  
123.29 to ~~clients~~ support or supplement the workforce of the business that is a client of the staffing  
123.30 service.

124.1 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 9, is amended to read:

124.2 Subd. 9. **Assessments, fees, and surcharges; treatment.** ~~Any assessment, fee, or~~  
124.3 ~~surcharge imposed under the Minnesota Unemployment Insurance Law is treated the same~~  
124.4 ~~as, and considered as, a tax.~~ Any assessment, fee, or surcharge is subject to the same  
124.5 collection procedures that apply to past due taxes.

124.6 Sec. 4. Minnesota Statutes 2016, section 268.07, subdivision 3b, is amended to read:

124.7 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for  
124.8 unemployment benefits is effective the Sunday of the calendar week that the application  
124.9 was filed. An application for unemployment benefits may be backdated one calendar week  
124.10 before the Sunday of the week the application was actually filed if the applicant requests  
124.11 the backdating within seven calendar days of the date the application is filed. An application  
124.12 may be backdated only if the applicant was unemployed during the period of the backdating.  
124.13 If an individual attempted to file an application for unemployment benefits, but was prevented  
124.14 from filing an application by the department, the application is effective the Sunday of the  
124.15 calendar week the individual first attempted to file an application.

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

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

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

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

124.23 A benefit account may be withdrawn after the expiration of the benefit year, and the  
124.24 new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was  
124.25 not paid any unemployment benefits on the benefit account that is being withdrawn.

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

124.29 (d) An application for unemployment benefits is not allowed before the Sunday following  
124.30 the expiration of the benefit year on a prior benefit account. Except as allowed under  
124.31 paragraph (c), an applicant may establish only one benefit account each 52 calendar weeks.

125.1 This paragraph applies to benefit accounts established under any federal law or the law of  
125.2 any other state.

125.3 Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 1, is amended to read:

125.4 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive  
125.5 unemployment benefits for any week if:

125.6 (1) the applicant has filed a continued request for unemployment benefits for that week  
125.7 under section 268.0865;

125.8 (2) the week for which unemployment benefits are requested is in the applicant's benefit  
125.9 year;

125.10 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

125.11 (4) the applicant was available for suitable employment as defined in subdivision 15.

125.12 The applicant's weekly unemployment benefit amount is reduced one-fifth for each day the  
125.13 applicant is unavailable for suitable employment. This clause does not apply to an applicant  
125.14 who is in reemployment assistance training, or each day the applicant is on jury duty or  
125.15 serving as an election judge;

125.16 (5) the applicant was actively seeking suitable employment as defined in subdivision  
125.17 16. This clause does not apply to an applicant who is in reemployment assistance training  
125.18 or who was on jury duty throughout the week;

125.19 (6) the applicant has served a nonpayable period of one week that the applicant is  
125.20 otherwise eligible for some amount of unemployment benefits. This clause does not apply  
125.21 if the applicant would have been eligible for federal disaster unemployment assistance  
125.22 because of a disaster in Minnesota, but for the applicant's establishment of a benefit account  
125.23 under section 268.07; and

125.24 (7) the applicant has been participating in reemployment assistance services, such as  
125.25 development of, and adherence to, a work search plan, if the applicant has been directed to  
125.26 participate by the commissioner. This clause does not apply if the applicant has good cause  
125.27 for failing to participate. "Good cause" is a reason that would have prevented a reasonable  
125.28 person acting with due diligence from participating.

126.1 Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 13a, is amended to read:

126.2 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is  
126.3 ineligible for unemployment benefits for the duration of the leave of absence. An applicant  
126.4 on an involuntary leave of absence is not ineligible under this subdivision.

126.5 A leave of absence is voluntary when work that the applicant can then perform is available  
126.6 with the applicant's employer but the applicant chooses not to work. A medical leave of  
126.7 absence is not presumed to be voluntary.

126.8 (b) A period of vacation requested by the applicant, paid or unpaid, is ~~considered~~ a  
126.9 voluntary leave of absence. A vacation period assigned by an employer under: (1) a uniform  
126.10 vacation shutdown; (2) a collective bargaining agreement; or (3) an established employer  
126.11 policy, is ~~considered~~ an involuntary leave of absence.

126.12 (c) A leave of absence is a temporary stopping of work that has been approved by the  
126.13 employer. A voluntary leave of absence is not ~~considered~~ a quit and an involuntary leave  
126.14 of absence is not ~~considered~~ a discharge from employment for purposes of section 268.095.

126.15 (d) An applicant who is on a paid leave of absence, whether the leave of absence is  
126.16 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the  
126.17 leave.

126.18 (e) This subdivision applies to a leave of absence from a base period employer, an  
126.19 employer during the period between the end of the base period and the effective date of the  
126.20 benefit account, or an employer during the benefit year.

126.21 Sec. 7. Minnesota Statutes 2016, section 268.105, subdivision 2, is amended to read:

126.22 Subd. 2. **Request for reconsideration.** (a) Any party, or the commissioner, may within  
126.23 20 calendar days of the sending of the unemployment law judge's decision under subdivision  
126.24 1a, file a request for reconsideration asking the judge to reconsider that decision.

126.25 (b) Upon a request for reconsideration having been filed, the chief unemployment law  
126.26 judge must send a notice, by mail or electronic transmission, to all parties that a request for  
126.27 reconsideration has been filed. The notice must inform the parties:

126.28 (1) that reconsideration is the procedure for the unemployment law judge to correct any  
126.29 factual or legal mistake in the decision, or to order an additional hearing when appropriate;

126.30 (2) of the opportunity to provide comment on the request for reconsideration, and the  
126.31 right under subdivision 5 to obtain a copy of any recorded testimony and exhibits offered  
126.32 or received into evidence at the hearing;

127.1 (3) that providing specific comments as to a perceived factual or legal mistake in the  
127.2 decision, or a perceived mistake in procedure during the hearing, will assist the  
127.3 unemployment law judge in deciding the request for reconsideration;

127.4 (4) of the right to obtain any comments and submissions provided by any other party  
127.5 regarding the request for reconsideration; and

127.6 (5) of the provisions of paragraph (c) regarding additional evidence.

127.7 This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not  
127.8 mean the unemployment law judge has decided the request for reconsideration was timely  
127.9 filed.

127.10 (c) In deciding a request for reconsideration, the unemployment law judge must not  
127.11 consider any evidence that was not submitted at the hearing, except for purposes of  
127.12 determining whether to order an additional hearing.

127.13 The unemployment law judge must order an additional hearing if a party shows that  
127.14 evidence which was not submitted at the hearing:

127.15 (1) would likely change the outcome of the decision and there was good cause for not  
127.16 having previously submitted that evidence; or

127.17 (2) would show that the evidence that was submitted at the hearing was likely false and  
127.18 that the likely false evidence had an effect on the outcome of the decision.

127.19 "Good cause" for purposes of this paragraph is a reason that would have prevented a  
127.20 reasonable person acting with due diligence from submitting the evidence.

127.21 (d) If the party who filed the request for reconsideration failed to participate in the  
127.22 hearing, the unemployment law judge must issue an order setting aside the decision and  
127.23 ordering an additional hearing if the party who failed to participate had good cause for  
127.24 failing to do so. The party who failed to participate in the hearing must be informed of the  
127.25 requirement to show good cause for failing to participate. If the unemployment law judge  
127.26 determines that good cause for failure to participate has not been shown, the judge must  
127.27 state that in the decision issued under paragraph (f).

127.28 Submission of a written statement at the hearing does not constitute participation for  
127.29 purposes of this paragraph.

127.30 "Good cause" for purposes of this paragraph is a reason that would have prevented a  
127.31 reasonable person acting with due diligence from participating in the hearing.

128.1 (e) A request for reconsideration must be decided by the unemployment law judge who  
128.2 issued the decision under subdivision 1a unless that judge:

128.3 (1) is no longer employed by the department;

128.4 (2) is on an extended or indefinite leave; or

128.5 (3) has been removed from the proceedings by the chief unemployment law judge.

128.6 (f) If a request for reconsideration is timely filed, the unemployment law judge must  
128.7 issue:

128.8 (1) a decision affirming the findings of fact, reasons for decision, and decision issued  
128.9 under subdivision 1a;

128.10 (2) a decision modifying the findings of fact, reasons for decision, and decision under  
128.11 subdivision 1a; or

128.12 (3) an order setting aside the findings of fact, reasons for decision, and decision issued  
128.13 under subdivision 1a, and ordering an additional hearing.

128.14 The unemployment law judge must issue a decision dismissing the request for  
128.15 reconsideration as untimely if the judge decides the request for reconsideration was not  
128.16 filed within 20 calendar days after the sending of the decision under subdivision 1a.

128.17 The unemployment law judge must send to all parties, by mail or electronic transmission,  
128.18 the decision or order issued under this subdivision. A decision affirming or modifying the  
128.19 previously issued findings of fact, reasons for decision, and decision, or a decision dismissing  
128.20 the request for reconsideration as untimely, is the final decision on the matter and is binding  
128.21 on the parties unless judicial review is sought under subdivision 7.

## 128.22 ARTICLE 7

### 128.23 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL 128.24 TECHNICAL

128.25 Section 1. Minnesota Statutes 2016, section 268.031, subdivision 1, is amended to read:

128.26 Subdivision 1. **Standard of proof.** All issues ~~of fact~~ under the Minnesota Unemployment  
128.27 Insurance Law are determined by a preponderance of the evidence.

128.28 Sec. 2. Minnesota Statutes 2016, section 268.035, subdivision 15, is amended to read:

128.29 Subd. 15. **Employment.** (a) "Employment" means service performed by:



- 129.1 (1) an individual who is ~~considered~~ an employee under the common law of  
 129.2 employer-employee and not ~~considered~~ an independent contractor;
- 129.3 (2) an officer of a corporation;
- 129.4 (3) a member of a limited liability company who is ~~considered~~ an employee under the  
 129.5 common law of employer-employee; or
- 129.6 (4) product demonstrators in retail stores or other locations to aid in the sale of products.  
 129.7 The person that pays the wages is ~~considered~~ the employer; ~~or~~.
- 129.8 ~~(5) an individual who performs services for a person for compensation, as:~~
- 129.9 ~~(i) an agent driver or commission driver engaged in distributing meat products, vegetable~~  
 129.10 ~~products, fruit products, beverages, or laundry or dry cleaning services; or~~
- 129.11 ~~(ii) a traveling or city salesperson, other than as an agent driver or commission driver,~~  
 129.12 ~~engaged full-time in the solicitation on behalf of the person, of orders from wholesalers,~~  
 129.13 ~~retailers, contractors, or operators of hotels, restaurants, or other similar establishments for~~  
 129.14 ~~merchandise for resale or supplies for use in their business operations.~~
- 129.15 ~~This clause applies only if the contract of service provides that substantially all of the~~  
 129.16 ~~services are to be performed personally by the individual, and the services are part of a~~  
 129.17 ~~continuing relationship with the person for whom the services are performed, and the~~  
 129.18 ~~individual does not have a substantial investment in facilities used in connection with the~~  
 129.19 ~~performance of the services, other than facilities for transportation.~~
- 129.20 (b) Employment does not include service as a juror.
- 129.21 (c) Construction industry employment is defined in subdivision 9a. Trucking and  
 129.22 messenger/courier industry employment is defined in subdivision 25b. Rules on determining  
 129.23 worker employment status are described under Minnesota Rules, chapter 3315.
- 129.24 Sec. 3. Minnesota Statutes 2016, section 268.035, subdivision 23, is amended to read:
- 129.25 Subd. 23. **State's average annual and average weekly wage.** (a) On or before June 30  
 129.26 of each year, the commissioner must calculate, from wage detail reports under section  
 129.27 268.044, the state's average annual wage and the state's average weekly wage in the following  
 129.28 manner:
- 129.29 (1) the sum of the total monthly covered employment reported by all employers for the  
 129.30 prior calendar year is divided by 12 to calculate the average monthly covered employment;

130.1 (2) the sum of the total wages paid for all covered employment reported by all employers  
130.2 for the prior calendar year is divided by the average monthly covered employment to calculate  
130.3 the state's average annual wage; and

130.4 (3) the state's average annual wage is divided by 52 to calculate the state's average weekly  
130.5 wage.

130.6 (b) For purposes of calculating the amount of taxable wages under subdivision 24, the  
130.7 state's average annual wage applies to the calendar year following the calculation.

130.8 (c) For purposes of calculating ~~(1)~~ the state's maximum weekly unemployment benefit  
130.9 amount available on any benefit account under section 268.07, subdivision 2a, ~~and (2)~~ the  
130.10 state's average weekly wage applies to the one-year period beginning the last Sunday in  
130.11 October of the calendar year of the calculation.

130.12 (d) For purposes of calculating the wage credits necessary to establish a benefit account  
130.13 under section 268.07, subdivision 2, the state's average weekly wage applies to the one-year  
130.14 period beginning the last Sunday in October of the calendar year of the calculation.

130.15 Sec. 4. Minnesota Statutes 2016, section 268.035, subdivision 30, is amended to read:

130.16 Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

130.17 (1) that have been actually paid; or

130.18 (2) that have been credited to or set apart so that payment and disposition is under the  
130.19 control of the employee.

130.20 (b) Wage payments delayed beyond the regularly scheduled pay date are ~~considered~~  
130.21 "wages paid" on the missed pay date. Back pay is ~~considered~~ "wages paid" on the date of  
130.22 actual payment. Any wages earned but not paid with no scheduled date of payment is  
130.23 ~~considered~~ are "wages paid" on the last day of employment.

130.24 (c) Wages paid does not include wages earned but not paid except as provided for in  
130.25 this subdivision.

130.26 Sec. 5. Minnesota Statutes 2016, section 268.042, subdivision 1, is amended to read:

130.27 Subdivision 1. **Employer registration.** (a) Each employer must, upon or before the  
130.28 submission of its first wage detail report under section 268.044, register with the  
130.29 commissioner for a tax account or a reimbursable account, by electronic transmission in a  
130.30 format prescribed by the commissioner. The employer must provide all required information  
130.31 for registration, including the actual physical street and city address of the employer.

131.1 (b) Within 30 calendar days, each employer must notify the commissioner by electronic  
131.2 transmission, in a format prescribed, of a change in legal entity, of the transfer, sale, or  
131.3 acquisition of a business conducted in Minnesota, in whole or in part, if the transaction  
131.4 results in the creation of a new or different employer or affects the establishment of employer  
131.5 accounts, the assignment of tax rates, or the transfer of experience rating history.

131.6 (c) Except as provided in subdivision 3, any person that is or becomes an employer  
131.7 ~~subject to the Minnesota Unemployment Insurance Law~~ with covered employment within  
131.8 any calendar year is ~~considered to be~~ subject to this chapter the entire calendar year.

131.9 (d) Within 30 calendar days of the termination of business, an employer that has been  
131.10 assigned a tax account or reimbursable account must notify the commissioner by electronic  
131.11 transmission, in a format prescribed by the commissioner, if that employer does not intend  
131.12 or expect to pay wages to any employees in covered employment during the current or the  
131.13 next calendar year. Upon notification, the employer is no longer required to file wage detail  
131.14 reports under section 268.044, subdivision 1, paragraph (d), and the employer's account  
131.15 must be terminated.

131.16 (e) An employer that has its account terminated regains its previous tax account under  
131.17 section 268.045, with the experience rating history of that account, if the employer again  
131.18 commences business and again pays wages in covered employment if:

131.19 (1) less than 14 calendar quarters have elapsed in which no wages were paid for covered  
131.20 employment;

131.21 (2) the experience rating history regained contains taxable wages; and

131.22 (3) the experience rating history has not been transferred to a successor under section  
131.23 268.051, subdivision 4.

131.24 Sec. 6. Minnesota Statutes 2016, section 268.051, subdivision 1, is amended to read:

131.25 Subdivision 1. **Payments.** (a) Unemployment insurance taxes ~~and any special~~  
131.26 ~~assessments, fees, or surcharges~~ accrue and become payable by each employer for each  
131.27 calendar year on the taxable wages that the employer paid to employees in covered  
131.28 employment, except for:

131.29 (1) nonprofit organizations that elect to make reimbursements as provided in section  
131.30 268.053; and

131.31 (2) the state of Minnesota and political subdivisions that make reimbursements, unless  
131.32 they elect to pay taxes as provided in section 268.052.

132.1 Each employer must pay taxes quarterly, at the employer's assigned tax rate under  
132.2 subdivision 6, on the taxable wages paid to each employee. The commissioner must compute  
132.3 the tax due from the wage detail report required under section 268.044 and notify the  
132.4 employer of the tax due. The taxes ~~and any special assessments, fees, or surcharges~~ must  
132.5 be paid to the trust fund and must be received by the department on or before the last day  
132.6 of the month following the end of the calendar quarter.

132.7 (b) If for any reason the wages on the wage detail report under section 268.044 are  
132.8 adjusted for any quarter, the commissioner must recompute the taxes due for that quarter  
132.9 and assess the employer for any amount due or credit the employer as appropriate.

132.10 Sec. 7. Minnesota Statutes 2016, section 268.07, subdivision 2, is amended to read:

132.11 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish  
132.12 a benefit account an applicant must have ~~total~~ wage credits ~~in the applicant's four quarter~~  
132.13 ~~base period~~ of at least 5.3 percent of the state's average annual wage rounded down to the  
132.14 next lower \$100.

132.15 (b) To establish a new benefit account following the expiration of the benefit year on a  
132.16 prior benefit account, an applicant must have performed actual work in subsequent covered  
132.17 employment and have been paid wages in one or more completed calendar quarters that  
132.18 started after the effective date of the prior benefit account. The wages paid for that  
132.19 employment must be at least enough to meet the requirements of paragraph (a). A benefit  
132.20 account under this paragraph may not be established effective earlier than the Sunday  
132.21 following the end of the most recent completed calendar quarter in which the requirements  
132.22 of paragraph (a) were met. An applicant may not establish a second benefit account as a  
132.23 result of one loss of employment.

132.24 Sec. 8. Minnesota Statutes 2016, section 268.07, subdivision 3a, is amended to read:

132.25 Subd. 3a. **Right of appeal.** (a) A determination or amended determination of benefit  
132.26 account is final unless an applicant or base period employer within 20 calendar days after  
132.27 the sending of the determination or amended determination files an appeal. Every  
132.28 determination or amended determination of benefit account must contain a prominent  
132.29 statement indicating in clear language the consequences of not appealing. Proceedings on  
132.30 the appeal are conducted in accordance with section 268.105.

132.31 (b) Any applicant or base period employer may appeal from a determination or amended  
132.32 determination of benefit account on the issue of whether services performed constitute  
132.33 employment, whether the employment is ~~considered~~ covered employment, and whether

133.1 money paid constitutes wages. ~~Proceedings on the appeal are conducted in accordance with~~  
133.2 ~~section 268.105.~~

133.3 Sec. 9. Minnesota Statutes 2016, section 268.085, subdivision 6, is amended to read:

133.4 Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant within 24 months  
133.5 of the establishment of the benefit account with respect to any week must be deducted from  
133.6 unemployment benefits paid for that week, and the applicant is ~~considered to have been~~  
133.7 overpaid the unemployment benefits under section 268.18, subdivision 1.

133.8 If the back pay is not paid with respect to a specific period, the back pay must be applied  
133.9 to the period immediately following the last day of employment.

133.10 (b) If the back pay is reduced by the amount of unemployment benefits that have been  
133.11 paid, the amount of back pay withheld and not paid the applicant must be:

133.12 (1) paid by the taxpaying or reimbursing employer to the trust fund within 30 calendar  
133.13 days and is subject to the same collection procedures that apply to past due taxes and  
133.14 reimbursements; and

133.15 (2) when received by the trust fund:

133.16 (i) an overpayment of unemployment benefits must be created which, under section  
133.17 268.047, subdivision 2, clause (8), clears the employer's tax or reimbursable account of any  
133.18 effect; and

133.19 (ii) the back pay must then be applied to the unemployment benefit overpayment,  
133.20 eliminating any effect on the applicant.

133.21 (c) The following must result when applying paragraph (b):

133.22 (1) an employer neither overpays nor underpays the employer's proper portion of the  
133.23 unemployment benefit costs; and

133.24 (2) the applicant is placed in the same position as never having been paid the  
133.25 unemployment benefits.

133.26 (d) This subdivision applies to payments labeled front pay, settlement pay, and other  
133.27 terms describing or dealing with wage loss.

133.28 Sec. 10. Minnesota Statutes 2016, section 268.085, subdivision 7, is amended to read:

133.29 Subd. 7. **School employees; between terms denial.** (a) ~~No~~ Wage credits ~~in any amount~~  
133.30 ~~from any employment with any an~~ educational institution or institutions ~~earned in any~~

134.1 ~~capacity~~ may not be used for unemployment benefit purposes for any week during the period  
134.2 between two successive academic years or terms if:

134.3 (1) the applicant had employment for ~~any~~ an educational institution or institutions in the  
134.4 prior academic year or term; and

134.5 (2) there is a reasonable assurance that the applicant will have employment for ~~any~~ an  
134.6 educational institution or institutions in the following academic year or term, ~~unless that~~.

134.7 This paragraph applies to a vacation period or holiday recess if the applicant was  
134.8 employed immediately before the vacation period or holiday recess, and there is a reasonable  
134.9 assurance that the applicant will be employed immediately following the vacation period  
134.10 or holiday recess. This paragraph also applies to the period between two regular but not  
134.11 successive terms if there is an agreement for that schedule between the applicant and the  
134.12 educational institution.

134.13 This paragraph does not apply if the subsequent employment is substantially less  
134.14 favorable than the employment of the prior academic year or term, or the employment prior  
134.15 to the vacation period or holiday recess.

134.16 (b) Paragraph (a) does not apply to an applicant who, at the end of the prior academic  
134.17 year or term, had an agreement for a definite period of employment between academic years  
134.18 or terms in other than an instructional, research, or principal administrative capacity and  
134.19 the educational institution or institutions failed to provide that employment.

134.20 (c) If unemployment benefits are denied to any applicant under paragraph (a) who was  
134.21 employed in the prior academic year or term in other than an instructional, research, or  
134.22 principal administrative capacity and who was not offered an opportunity to perform the  
134.23 employment in the following academic year or term, the applicant is entitled to retroactive  
134.24 unemployment benefits for each week during the period between academic years or terms  
134.25 that the applicant filed a timely continued request for unemployment benefits, but  
134.26 unemployment benefits were denied solely because of paragraph (a).

134.27 ~~(d) An educational assistant is not considered to be in an instructional, research, or~~  
134.28 ~~principal administrative capacity.~~

134.29 ~~(e) Paragraph (a) applies to any vacation period or holiday recess if the applicant was~~  
134.30 ~~employed immediately before the vacation period or holiday recess, and there is a reasonable~~  
134.31 ~~assurance that the applicant will be employed immediately following the vacation period~~  
134.32 ~~or holiday recess.~~

135.1 ~~(f)~~ (d) This subdivision applies to employment with an educational service agency if the  
 135.2 applicant performed the services at an educational institution or institutions. "Educational  
 135.3 service agency" means a governmental ~~agency or~~ entity established and operated ~~exclusively~~  
 135.4 for the purpose of providing services to one or more educational institutions.

135.5 (e) This subdivision ~~also~~ applies to employment with Minnesota ~~or~~ a political  
 135.6 subdivision, or a nonprofit organization, if the services are provided to or on behalf of an  
 135.7 educational institution or institutions.

135.8 ~~(g) Paragraphs (a) and (e) apply~~ (f) Paragraph (a) applies beginning the Sunday of the  
 135.9 week that there is a reasonable assurance of employment.

135.10 ~~(h)~~ (g) Employment and a reasonable assurance with multiple education institutions  
 135.11 must be aggregated for purposes of application of this subdivision.

135.12 ~~(i)~~ (h) If all of the applicant's employment with any educational institution or institutions  
 135.13 during the prior academic year or term consisted of on-call employment, and the applicant  
 135.14 has a reasonable assurance of any on-call employment with any educational institution or  
 135.15 institutions for the following academic year or term, it is not considered substantially less  
 135.16 favorable employment.

135.17 ~~(j) Paragraph (a) also applies to the period between two regular but not successive terms.~~

135.18 ~~(k)~~ (i) A "reasonable assurance" may be written, oral, implied, or established by custom  
 135.19 or practice.

135.20 ~~(l)~~ (j) An "educational institution" is ~~an~~ a school, college, university, or other educational  
 135.21 entity operated by Minnesota ~~or~~, a political subdivision or ~~an~~ instrumentality thereof, or ~~an~~  
 135.22 ~~educational a nonprofit organization described in United States Code, title 26, section~~  
 135.23 ~~501(c)(3) of the federal Internal Revenue Code, and exempt from income tax under section~~  
 135.24 ~~501(a).~~

135.25 (k) An "instructional, research, or principal administrative capacity" does not include  
 135.26 an educational assistant.

135.27 Sec. 11. Minnesota Statutes 2016, section 268.085, subdivision 12, is amended to read:

135.28 Subd. 12. **Aliens.** (a) An alien is ineligible for unemployment benefits for any week the  
 135.29 alien is not authorized to work in the United States under federal law. Information from the  
 135.30 Bureau of Citizenship and Immigration Services is ~~considered~~ conclusive, absent specific  
 135.31 evidence that the information was erroneous. Under the existing agreement between the  
 135.32 United States and Canada, this paragraph does not apply to an applicant who is a Canadian

136.1 citizen and has returned to and is living in Canada each week unemployment benefits are  
136.2 requested.

136.3 (b) ~~Unemployment benefits must not be paid on the basis of~~ An alien's wage credits  
136.4 ~~earned by an alien~~ may not be used for unemployment benefit purposes unless the alien  
136.5 was:

136.6 (1) ~~was~~ lawfully admitted for permanent residence at the time of the employment;<sub>2</sub>

136.7 (2) ~~was~~ lawfully present for the purposes of the employment;<sub>2</sub> or

136.8 (3) ~~was~~ permanently residing in the United States under color of law at the time of the  
136.9 employment.

136.10 (c) ~~Any~~ Information required of applicants applying for unemployment benefits to  
136.11 determine eligibility because of their alien status must be required ~~from~~ of all applicants.

136.12 Sec. 12. Minnesota Statutes 2016, section 268.0865, subdivision 5, is amended to read:

136.13 Subd. 5. **Good cause defined.** (a) "Good cause" for purposes of this section is a  
136.14 ~~compelling substantial~~ reason that would have prevented a reasonable person acting with  
136.15 due diligence from filing a continued request for unemployment benefits within the time  
136.16 periods required.

136.17 (b) "Good cause" does not include forgetfulness, loss of the continued request form if  
136.18 filing by mail, having returned to work, having an appeal pending, or inability to file a  
136.19 continued request for unemployment benefits by the method designated if the applicant was  
136.20 aware of the inability and did not make diligent effort to have the method of filing a continued  
136.21 request changed by the commissioner. "Good cause" does not include having previously  
136.22 made an attempt to file a continued request for unemployment benefits but where the  
136.23 communication was not considered a continued request because the applicant failed to  
136.24 submit all required information.

136.25 Sec. 13. Minnesota Statutes 2016, section 268.095, subdivision 1, is amended to read:

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

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

136.30 (2) the applicant quit the employment to accept other covered employment that provided  
136.31 equal to or better terms and conditions of employment, but the applicant did not work long



137.1 enough at the second employment to have sufficient subsequent wages paid to satisfy the  
137.2 period of ineligibility that would otherwise be imposed under subdivision 10 for quitting  
137.3 the first employment;

137.4 (3) the applicant quit the employment within 30 calendar days of beginning the  
137.5 employment and the employment was unsuitable;

137.6 (4) the employment was unsuitable and the applicant quit to enter reemployment  
137.7 assistance training;

137.8 (5) the employment was part time and the applicant also had full-time employment in  
137.9 the base period, from which full-time employment the applicant separated because of reasons  
137.10 for which the applicant is would not be ineligible, and the wage credits from the full-time  
137.11 employment are sufficient to meet the minimum requirements to establish a benefit account  
137.12 under section 268.07;

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

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

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

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

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

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

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

138.6 For purposes of this subdivision:

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

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

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

138.11 (10) the applicant quit in order to relocate to accompany a spouse:

138.12 ~~(1)~~ (i) who is in the military; or

138.13 ~~(2)~~ (ii) whose job was transferred by the spouse's employer to a new location making it  
138.14 impractical for the applicant to commute.

138.15 Sec. 14. Minnesota Statutes 2016, section 268.095, subdivision 2, is amended to read:

138.16 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end  
138.17 the employment was, at the time the employment ended, the employee's.

138.18 (b) When determining if an applicant quit, the theory of a constructive quit does not  
138.19 apply.

138.20 (c) An employee who has been notified that the employee will be discharged in the  
138.21 future, who chooses to end the employment while employment in any capacity is still  
138.22 available, has quit the employment.

138.23 (d) A notice of quitting in the future does not constitute a quit at the time the notice is  
138.24 given. An employee who seeks to withdraw a previously submitted notice of quitting in the  
138.25 future has quit the employment, as of the intended date of quitting, if the employer does not  
138.26 agree that the notice may be withdrawn.

138.27 (e) An applicant has quit employment with a staffing service if, within five calendar  
138.28 days after completion of a suitable job assignment from a staffing service, the applicant:

138.29 (1) fails without good cause to affirmatively request an additional suitable job assignment;

138.30 (2) refuses without good cause an additional suitable job assignment offered; or

139.1 (3) accepts employment with the client of the staffing service. Accepting employment  
 139.2 with the client of the staffing service meets the requirements of the exception to ineligibility  
 139.3 under subdivision 1, clause (2).

139.4 This paragraph applies only if, at the time of beginning of employment with the staffing  
 139.5 service, the applicant signed and was provided a copy of a separate document written in  
 139.6 clear and concise language that informed the applicant of this paragraph and that  
 139.7 unemployment benefits may be affected.

139.8 For purposes of this paragraph, "good cause" is a reason that would compel an average,  
 139.9 reasonable worker, who would otherwise want an additional suitable job assignment with  
 139.10 the staffing service (1) to fail to contact the staffing service, or (2) to refuse an offered  
 139.11 assignment.

139.12 Sec. 15. Minnesota Statutes 2016, section 268.131, is amended to read:

139.13 **268.131 RECIPROCAL UNEMPLOYMENT BENEFIT COMBINED WAGE**  
 139.14 **ARRANGEMENTS FOR WORK IN MULTIPLE STATES.**

139.15 ~~Subdivision 1. Cooperation with other states on combining wages.~~ (a) In accordance  
 139.16 with the requirements of ~~United States Code, title 26, section 3304(a)(9)(B),~~ the Federal  
 139.17 Unemployment Tax Act, the commissioner must participate in reciprocal arrangements with  
 139.18 other states for the payment of unemployment benefits on the basis of combining an  
 139.19 applicant's wages from multiple states for the purposes of collecting unemployment benefits  
 139.20 from a single state. ~~The reciprocal agreement must include provisions for applying the base~~  
 139.21 ~~period of a single state law to a benefit account involving the combining of an applicant's~~  
 139.22 ~~wages and employment and avoiding the duplicate use of wages by reason of such combining.~~  
 139.23 The commissioner may ~~not enter into any reciprocal arrangement unless it contains provisions~~  
 139.24 ~~for~~ only pay unemployment benefits from the trust fund under this section if:

139.25 (1) there are reimbursements to the trust fund, by the other state, for unemployment  
 139.26 benefits paid from the trust fund to applicants based upon wages and employment covered  
 139.27 under the laws of the other state; and

139.28 ~~(b) The commissioner is authorized to pay unemployment benefits based upon an~~  
 139.29 ~~applicant's wages paid in covered employment in another state only if~~ (2) the applicant is  
 139.30 combining Minnesota wage credits with the wages paid in covered employment from another  
 139.31 state or states.

139.32 ~~(c) Section 268.23 does not apply to this subdivision.~~

140.1 ~~(d) On any reciprocal arrangement,~~ (b) Under this section, the wages paid an applicant  
140.2 from employment covered under an unemployment insurance program of another state are  
140.3 considered wages from covered employment for the purpose of determining the applicant's  
140.4 rights to unemployment benefits under the Minnesota Unemployment Insurance Law.

140.5 ~~Subd. 2. **Cooperation with foreign governments.** The commissioner is authorized to~~  
140.6 ~~enter into or cooperate in arrangements whereby facilities and services provided under the~~  
140.7 ~~Minnesota Unemployment Insurance Law and facilities and services provided under the~~  
140.8 ~~unemployment insurance program of any foreign government, may be used for the taking~~  
140.9 ~~of applications for unemployment benefits and continued requests and the payment of~~  
140.10 ~~unemployment benefits under this law or under a similar law of a foreign government.~~

140.11 Sec. 16. Minnesota Statutes 2016, section 268.18, subdivision 2, is amended to read:

140.12 Subd. 2. **Overpayment because of fraud misrepresentation.** (a) An applicant has  
140.13 committed ~~fraud~~ misrepresentation if the applicant is overpaid unemployment benefits by:  
140.14 ~~(1) knowingly misrepresenting, misstating, or failing to disclose any material fact; or~~  
140.15 ~~(2) making a false statement or representation without a good faith belief as to the~~  
140.16 correctness of the statement or representation.

140.17 After the discovery of facts indicating ~~fraud~~ misrepresentation, the commissioner must  
140.18 issue a determination of overpayment penalty assessing a penalty equal to 40 percent of the  
140.19 amount overpaid. This penalty is in addition to penalties under section 268.182.

140.20 (b) Unless the applicant files an appeal within 20 calendar days after the sending of a  
140.21 determination of overpayment penalty to the applicant by mail or electronic transmission,  
140.22 the determination is final. Proceedings on the appeal are conducted in accordance with  
140.23 section 268.105.

140.24 (c) A determination of overpayment penalty must state the methods of collection the  
140.25 commissioner may use to recover the overpayment, penalty, and interest assessed. Money  
140.26 received in repayment of overpaid unemployment benefits, penalties, and interest is first  
140.27 applied to the benefits overpaid, then to the penalty amount due, then to any interest due.  
140.28 62.5 percent of the payments made toward the penalty are credited to the contingent account  
140.29 and 37.5 percent credited to the trust fund.

140.30 (d) The department is authorized to issue a determination of overpayment penalty under  
140.31 this subdivision ~~may be issued~~ within 48 months of the establishment of the benefit account  
140.32 upon which the unemployment benefits were obtained through ~~fraud~~ misrepresentation.

141.1 Sec. 17. Minnesota Statutes 2016, section 268.18, subdivision 2b, is amended to read:

141.2 Subd. 2b. **Interest.** On any unemployment benefits ~~fraudulently~~ obtained by  
 141.3 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner  
 141.4 must assess interest at the rate of one percent per month on any amount that remains unpaid  
 141.5 beginning 30 calendar days after the date of a determination of overpayment penalty. A  
 141.6 determination of overpayment penalty must state that interest will be assessed. Interest is  
 141.7 assessed in the same manner as on employer debt under section 268.057, subdivision 5.  
 141.8 Interest payments collected under this subdivision are credited to the trust fund.

141.9 Sec. 18. Minnesota Statutes 2016, section 268.18, subdivision 5, is amended to read:

141.10 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of  
 141.11 unemployment benefits, including any penalties and interest, is not ~~considered~~ an election  
 141.12 of a method of recovery.

141.13 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter  
 141.14 under section 176.361 is not ~~considered~~ an election of a remedy and does not prevent the  
 141.15 commissioner from determining any an applicant ineligible for unemployment benefits  
 141.16 ~~overpaid under subdivision 1 or 2~~ or taking action under section 268.182.

141.17 Sec. 19. Minnesota Statutes 2016, section 268.182, is amended to read:

141.18 ~~**268.182 APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT OF**~~  
 141.19 ~~**FACTS FRAUD; CRIMINAL PENALTY.**~~

141.20 Subdivision 1. **Criminal penalties.** ~~Whoever~~ An individual has committed fraud and is  
 141.21 guilty of theft and must be sentenced under section 609.52 if the individual obtains, or  
 141.22 attempts to obtain, or aids or abets any other individual to obtain, by means of an intentional  
 141.23 false statement or representation, by intentional concealment of a material fact, or by  
 141.24 impersonation or other fraudulent means, unemployment benefits that the individual is not  
 141.25 entitled or unemployment benefits greater than the individual is entitled to under this chapter,  
 141.26 or under the federal law of any state or of the federal government, either personally or for  
 141.27 any other individual, is guilty of theft and must be sentenced under section 609.52.

141.28 Subd. 2. **Administrative penalties.** (a) Any applicant who ~~knowingly makes a false~~  
 141.29 ~~statement or representation, who knowingly fails to disclose a material fact, or who makes~~  
 141.30 a false statement or representation without a good faith belief as to the correctness of the  
 141.31 statement or representation, in order to obtain or in an attempt to obtain unemployment

142.1 benefits may be assessed, in addition to any other penalties, an administrative penalty of  
142.2 being ineligible for unemployment benefits for 13 to 104 weeks.

142.3 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must  
142.4 be sent to the applicant by mail or electronic transmission. The department is authorized to  
142.5 issue a determination of ineligibility under this subdivision ~~may be issued~~ within 48 months  
142.6 of the establishment of the benefit account upon which the unemployment benefits were  
142.7 obtained, or attempted to be obtained. Unless an appeal is filed within 20 calendar days of  
142.8 sending, the determination is final. Proceedings on the appeal are conducted in accordance  
142.9 with section 268.105.

142.10 Sec. 20. Minnesota Statutes 2016, section 268.184, is amended to read:

142.11 **268.184 EMPLOYER MISCONDUCT; PENALTY MISREPRESENTATION AND**  
142.12 **MISREPORTING; ADMINISTRATIVE PENALTIES.**

142.13 Subdivision 1. **Misrepresentation; administrative penalties.** (a) The commissioner  
142.14 must penalize an employer if that employer or any employee, officer, or agent of that  
142.15 employer, ~~is in collusion with any applicant for the purpose of assisting the applicant to~~  
142.16 ~~receive unemployment benefits fraudulently. The penalty is \$500 or the amount of~~  
142.17 ~~unemployment benefits determined to be overpaid, whichever is greater.~~

142.18 ~~(b) The commissioner must penalize an employer if that employer or any employee,~~  
142.19 ~~officer, or agent of that employer: (1) made a false statement or representation knowing it~~  
142.20 ~~to be false; (2) made a false statement or representation without a good faith belief as to~~  
142.21 ~~correctness of the statement or representation; (3) or knowingly failed to disclose a material~~  
142.22 ~~fact; or (4) made an offer of employment to an applicant when, in fact, the employer had~~  
142.23 ~~no employment available.~~ in order to:

142.24 (1) assist an applicant to receive unemployment benefits to which the applicant is not  
142.25 entitled;

142.26 (2) prevent or reduce the payment of unemployment benefits to an applicant; or

142.27 (3) avoid or reduce any payment required from an employer under this chapter or section  
142.28 116L.20.

142.29 The penalty is the greater of \$500 or 50 percent of the following resulting from the employer's  
142.30 action:

142.31 (i) the amount of any overpaid unemployment benefits to an applicant;

143.1 (ii) the amount of unemployment benefits not paid to an applicant that would otherwise  
143.2 have been paid; or

143.3 (iii) the amount of any payment required from the employer under this chapter or section  
143.4 116L.20 that was not paid.

143.5 ~~(e)~~ (b) The commissioner must penalize an employer if that employer failed or refused  
143.6 to honor a subpoena issued under section 268.188. The penalty is \$500 and any costs of  
143.7 enforcing the subpoena, including attorney fees.

143.8 ~~(d)~~ (c) Penalties under this subdivision and under section 268.047, subdivision 4,  
143.9 paragraph (b), are in addition to any other penalties and subject to the same collection  
143.10 procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of  
143.11 issuance of the determination of penalty and credited to the trust fund.

143.12 ~~(e)~~ (d) The determination of penalty is final unless the employer files an appeal within  
143.13 20 calendar days after the sending of the determination of penalty to the employer by mail  
143.14 or electronic transmission. Proceedings on the appeal are conducted in accordance with  
143.15 section 268.105.

143.16 Subd. 1a. **Notification and misreporting penalties.** (a) If the commissioner finds that  
143.17 any employer or agent of an employer failed to meet the notification requirements of section  
143.18 268.051, subdivision 4, the employer must be assessed a penalty of \$5,000 or two percent  
143.19 of the first full quarterly payroll acquired, whichever is higher. Payroll is wages paid as  
143.20 defined in section 268.035, subdivision 30. The penalty under this paragraph must be  
143.21 canceled if the commissioner determines that the failure occurred because of ignorance or  
143.22 inadvertence.

143.23 (b) If the commissioner finds that any individual advised an employer to violate the  
143.24 employer's notification requirements under section 268.051, subdivision 4, the individual,  
143.25 and that individual's employer, must each be assessed the penalty in paragraph (a).

143.26 (c) If the commissioner finds that any person or agent of a person violated the reporting  
143.27 requirements of section 268.046, the person must be assessed a penalty of \$5,000 or two  
143.28 percent of the quarterly payroll reported in violation of section 268.046, whichever is higher.  
143.29 Payroll is wages paid as defined in section 268.035, subdivision 30.

143.30 (d) Penalties under this subdivision are in addition to any other penalties and subject to  
143.31 the same collection procedures that apply to past due amounts from an employer. Penalties  
143.32 must be paid within 30 calendar days after sending of the determination of penalty and  
143.33 credited to the trust fund.

144.1 (e) The determination of penalty is final unless the person assessed files an appeal within  
 144.2 20 calendar days after sending of the determination of penalty by mail or electronic  
 144.3 transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

144.4 Subd. 2. **Criminal penalties.** Any employer or any officer or agent of an employer or  
 144.5 any other individual ~~who~~ has committed fraud and is guilty of a crime, if in order to avoid  
 144.6 or reduce any payment required from an employer under this chapter or section 116L.20,  
 144.7 or to prevent or reduce the payment of unemployment benefits to an applicant:

144.8 (1) makes a false statement or representation knowing it to be false;

144.9 (2) knowingly fails to disclose a material fact, including notification required under  
 144.10 section 268.051, subdivision 4; or

144.11 (3) knowingly advises or assists an employer in violating clause (1) or (2), ~~to avoid or~~  
 144.12 ~~reduce any payment required from an employer under this chapter or section 116L.20, or~~  
 144.13 ~~to prevent or reduce the payment of unemployment benefits to any applicant.~~

144.14 The individual is guilty of a gross misdemeanor unless if the underpayment exceeds is \$500,  
 144.15 in that case or less. The individual is guilty of a felony if the underpayment exceeds \$500.

144.16 Sec. 21. Minnesota Statutes 2016, section 268.194, subdivision 1, is amended to read:

144.17 Subdivision 1. **Establishment.** There is established as a special state trust fund, separate  
 144.18 and apart from all other public money or funds of this state, an unemployment insurance  
 144.19 trust fund, that is administered by the commissioner exclusively for the payment of  
 144.20 unemployment benefits. This trust fund consists of:

144.21 (1) all taxes collected;

144.22 (2) interest earned upon any money in the trust fund;

144.23 (3) reimbursements paid by nonprofit organizations, and the state and political  
 144.24 subdivisions;

144.25 (4) tax rate buydown payments under section 268.051, subdivision 7;

144.26 (5) ~~any~~ money received as a loan from the federal unemployment trust fund in accordance  
 144.27 with United States Code, title 42, section 1321, of the Social Security Act;

144.28 (6) ~~any other~~ money received under a ~~reciprocal unemployment benefit~~ combined wage  
 144.29 arrangement with the federal government or any other state;

144.30 (7) money received from the federal government for unemployment benefits paid under  
 144.31 a federal program;



145.1 ~~(7)~~ (8) money recovered on overpaid unemployment benefits;

145.2 ~~(8)~~ (9) all money credited to the account under this chapter;

145.3 ~~(9)~~ (10) all money credited to the account of Minnesota in the federal unemployment  
145.4 trust fund under United States Code, title 42, section 1103, of the Social Security Act, also  
145.5 known as the Reed Act; and

145.6 ~~(10)~~ (11) all money received for the trust fund from any other source.

145.7 Sec. 22. Minnesota Statutes 2016, section 268.194, subdivision 4, is amended to read:

145.8 Subd. 4. **Reimbursements.** The commissioner is authorized to make to other state or  
145.9 federal agencies and to receive from other state or federal agencies, reimbursements from  
145.10 or to the trust fund, in accordance with ~~reciprocal~~ combined wage arrangements entered  
145.11 into under section 268.131.

145.12 Money received under a ~~reciprocal agreement~~ combined wage arrangement must be  
145.13 placed directly in the unemployment benefit payment account of the trust fund.

145.14 Sec. 23. **REVISOR'S INSTRUCTION.**

145.15 In the following sections of Minnesota Statutes, the revisor of statutes shall delete the  
145.16 term "considered": Minnesota Statutes, sections 268.035, subdivisions 21c and 26; 268.07,  
145.17 subdivision 1; 268.085, subdivisions 4a, 13c, 15, and 16; 268.095, subdivision 3; 268.101,  
145.18 subdivision 6; and 268.105, subdivisions 3a and 7.

145.19 Sec. 24. **REVISOR'S INSTRUCTION.**

145.20 (a) In Minnesota Statutes, section 268.18, the revisor of statutes shall change the term  
145.21 "fraud" to "misrepresentation" and "nonfraud" to "nonmisrepresentation."

145.22 (b) The revisor of statutes shall renumber Minnesota Statutes, section 268.184,  
145.23 subdivision 2, as Minnesota Statutes, section 268.182, subdivision 1, paragraph (b).

145.24 (c) The revisor of statutes shall renumber Minnesota Statutes, section 268.182, subdivision  
145.25 2, as Minnesota Statutes, section 268.183.

145.26 (d) The revisor of statutes shall make cross-reference changes needed arising out of the  
145.27 renumbering in Minnesota Statutes, section 268.032, subdivision 20.

145.28 Sec. 25. **REPEALER.**

145.29 Laws 2005, chapter 112, article 1, section 14, is repealed.

146.1

**ARTICLE 8**

146.2

**COMMERCE POLICY**

146.3 Section 1. Minnesota Statutes 2016, section 45.013, is amended to read:

146.4 **45.013 POWER TO APPOINT STAFF.**

146.5 The commissioner of commerce may appoint ~~four~~ one deputy ~~commissioners~~  
146.6 commissioner, four assistant commissioners, and an assistant to the commissioner. Those  
146.7 positions, as well as that of a confidential secretary, are unclassified. The commissioner  
146.8 may appoint other employees necessary to carry out the duties and responsibilities entrusted  
146.9 to the commissioner.

146.10 Sec. 2. Minnesota Statutes 2016, section 45.0135, subdivision 6, is amended to read:

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

146.17 **EFFECTIVE DATE.** This section is effective July 1, 2018.

146.18 Sec. 3. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

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

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

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

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

- 147.1 (4) develop a plan of operation including:
- 147.2 (i) an assessment of the scope of the problem of automobile theft, including areas of the  
147.3 state where the problem is greatest;
- 147.4 (ii) an analysis of various methods of combating the problem of automobile theft;
- 147.5 (iii) a plan for providing financial support to combat automobile theft;
- 147.6 (iv) a plan for eliminating car hijacking; and
- 147.7 (v) an estimate of the funds required to implement the plan; and
- 147.8 (5) distribute money, in consultation with the commissioner of public safety, pursuant  
147.9 to subdivision 3 from the automobile theft prevention special revenue account for automobile  
147.10 theft prevention activities, including:
- 147.11 (i) paying the administrative costs of the program;
- 147.12 (ii) providing financial support to the State Patrol and local law enforcement agencies  
147.13 for automobile theft enforcement teams;
- 147.14 (iii) providing financial support to state or local law enforcement agencies for programs  
147.15 designed to reduce the incidence of automobile theft and for improved equipment and  
147.16 techniques for responding to automobile thefts;
- 147.17 (iv) providing financial support to local prosecutors for programs designed to reduce  
147.18 the incidence of automobile theft;
- 147.19 (v) providing financial support to judicial agencies for programs designed to reduce the  
147.20 incidence of automobile theft;
- 147.21 (vi) providing financial support for neighborhood or community organizations or business  
147.22 organizations for programs designed to reduce the incidence of automobile theft and to  
147.23 educate people about the common methods of automobile theft, the models of automobiles  
147.24 most likely to be stolen, and the times and places automobile theft is most likely to occur;  
147.25 and
- 147.26 (vii) providing financial support for automobile theft educational and training programs  
147.27 for state and local law enforcement officials, driver and vehicle services exam and inspections  
147.28 staff, and members of the judiciary.
- 147.29 (b) The commissioner may not spend in any fiscal year more than ten percent of the  
147.30 money in the fund for the program's administrative and operating costs. The commissioner  
147.31 is annually appropriated and must distribute the amount of the proceeds credited to the

148.1 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000  
148.2 each year to the ~~general fund~~ insurance fraud prevention account described in section 297I.11,  
148.3 subdivision 2.

148.4 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances  
148.5 in the auto theft prevention account to the insurance fraud prevention account under section  
148.6 45.0135, subdivision 6.

148.7 **EFFECTIVE DATE.** This section is effective July 1, 2018.

148.8 Sec. 4. **[239.7511] GAS TAX SIGN ON PETROLEUM DISPENSER.**

148.9 (a) The director must ensure that signs having 12-point font or greater are affixed on  
148.10 retail petroleum dispensers as follows:

148.11 (1) for regular or premium gasoline, a sign that reads: "The price for each gallon of  
148.12 gasoline includes the current state gasoline tax of 28.5 cents per gallon and federal gasoline  
148.13 tax of 18.4 cents per gallon. Revenue from the state fuel tax may be used only for roads and  
148.14 bridges, according to the Minnesota Constitution."; and

148.15 (2) for diesel fuel, a sign that reads: "The price for each gallon of diesel fuel includes  
148.16 the current state gasoline tax of 28.5 cents per gallon and federal gasoline tax of 24.4 cents  
148.17 per gallon. Revenue from the state fuel tax may be used only for roads and bridges, according  
148.18 to the Minnesota Constitution."

148.19 (b) The director must distribute the signs under this section to the owner or operator of  
148.20 retail petroleum dispensers. To the extent possible, the director must coordinate the  
148.21 distribution of signs with other duties the director may have involving retail petroleum  
148.22 dispensers.

148.23 (c) If the amount of the gasoline tax described in paragraph (a), clauses (1) and (2),  
148.24 changes, the director must distribute revised signs to reflect the updated gasoline tax amounts  
148.25 within 12 calendar months of the change.

148.26 (d) The director is prohibited from assessing any penalty, fine, or fee on the owner or  
148.27 operator of a retail petroleum dispenser that has a missing, destroyed, defaced, or otherwise  
148.28 damaged gas tax sign.

148.29 Sec. 5. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

148.30 Subd. 2. **Automobile theft prevention account.** A special revenue account in the state  
148.31 treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1.

149.1 Of the revenue in the account, \$1,300,000 each year must be transferred to the ~~general fund~~  
149.2 insurance fraud prevention account under section 45.0135, subdivision 6. Revenues in excess  
149.3 of \$1,300,000 each year may be used only for the automobile theft prevention program  
149.4 described in section 65B.84.

149.5 **EFFECTIVE DATE.** This section is effective July 1, 2018.

149.6 Sec. 6. Minnesota Statutes 2016, section 325J.06, is amended to read:

149.7 **325J.06 EFFECT OF NONREDEMPTION.**

149.8 (a) A pledgor shall have no obligation to redeem pledged goods or make any payment  
149.9 on a pawn transaction. Pledged goods not redeemed within at least 60 days of the date of  
149.10 the pawn transaction, ~~renewal, or extension~~ shall automatically be forfeited to the  
149.11 pawnbroker, and qualified right, title, and interest in and to the goods shall automatically  
149.12 vest in the pawnbroker.

149.13 (b) The pawnbroker's right, title, and interest in the pledged goods under paragraph (a)  
149.14 is qualified only by the pledgor's right, while the pledged goods remain in possession of the  
149.15 pawnbroker and not sold to a third party, to redeem the goods by paying the loan plus fees  
149.16 and/or interest accrued up to the date of redemption.

149.17 (c) A pawn transaction that involves holding only the title to property is subject to chapter  
149.18 168A or 336.

149.19 Sec. 7. Minnesota Statutes 2016, section 345.42, subdivision 1, is amended to read:

149.20 Subdivision 1. **Commissioner's duty.** Within the calendar year next following the year  
149.21 in which abandoned property has been paid or delivered to the commissioner, the  
149.22 commissioner shall provide public notice of the abandoned property in the manner described  
149.23 in subdivision 1a and frequency otherwise as the commissioner determines to be most  
149.24 effective and efficient in communicating to the persons appearing to be owners of this  
149.25 property. ~~Public notice may include the use of print, broadcast, or electronic media.~~ The  
149.26 commissioner shall, at a minimum, expend 15 percent of the funds allocated by the legislature  
149.27 to the operations of the unclaimed property division, to comply with the public notice  
149.28 requirements of this subdivision section and shall report to the legislature annually on how  
149.29 those funds are expended. Public notice must include public outreach efforts including the  
149.30 use of newspapers and other mass media, but must not include costs incurred by the  
149.31 commissioner to develop, maintain, or improve the Department of Commerce Web site.

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

150.1 Sec. 8. Minnesota Statutes 2016, section 345.42, is amended by adding a subdivision to  
150.2 read:

150.3 Subd. 1a. **Public notice.** (a) Public notice provided by the commissioner shall include  
150.4 the following:

150.5 (1) posting on the Department of Commerce Web site a list of all persons appearing to  
150.6 be owners of abandoned property. The list shall be arranged in alphabetical order by the  
150.7 last name of the person and further organized by county. The list of persons must be updated  
150.8 at least three times per year and must remain on the Department of Commerce Web site at  
150.9 all times;

150.10 (2) publication in a qualified newspaper of a list of persons appearing to be owners of  
150.11 abandoned property having a value of \$500 or more. The list must be published in a qualified  
150.12 newspaper of general circulation in each county, and must include the names of all persons  
150.13 whose last known address is within the county. The list must be published at least once per  
150.14 year. The commissioner may stagger publication of the entire list of owners by publishing  
150.15 a partial list at least twice, but no more than three times per year. Each qualified newspaper  
150.16 that publishes the list shall, at no additional charge to the commissioner, also post the list  
150.17 on its Web site or on a central Web site that can be accessed directly from the qualified  
150.18 newspaper's Web site. The list must be accessible on the Web site for not less than 180 days  
150.19 and at no cost to the public. The qualified newspaper must include in its publication of the  
150.20 list a reference to its Web site or a central Web site; and

150.21 (3) dissemination of information to persons appearing to be owners of abandoned property  
150.22 through other means and media, including broadcast media, the Internet, and social media.

150.23 (b) Beginning July 1, 2017, and annually thereafter, the commissioner shall provide to  
150.24 each member of the legislature a list of all persons appearing to be owners of abandoned  
150.25 property whose last known address is located in the legislator's respective legislative district.

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

150.27 Sec. 9. Minnesota Statutes 2016, section 345.49, is amended to read:

150.28 **345.49 CLAIM FOR ABANDONED PROPERTY PAID OR DELIVERED.**

150.29 Subdivision 1. **Filing.** (a) Any person claiming an interest in any property delivered to  
150.30 the state under sections 345.31 to 345.60 may file a claim thereto or to the proceeds from  
150.31 the sale thereof on the form prescribed by the commissioner.

151.1 (b) Any person claiming an interest in property evidenced by a will or trust document,  
151.2 or court order, may submit to the commissioner only such portions of the document or order  
151.3 necessary to establish a claim.

151.4 Subd. 2. **Appropriation.** There is hereby appropriated to the persons entitled to a refund,  
151.5 from the fund in the state treasury to which the money was credited, an amount sufficient  
151.6 to make the refund and payment.

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

151.8 Sec. 10. **[471.9998] MERCHANT BAGS.**

151.9 Subdivision 1. **Merchant option.** All merchants, itinerant vendors, and peddlers doing  
151.10 business in this state shall have the option to provide customers a paper, plastic, or reusable  
151.11 bag for the packaging of any item or good purchased, provided such purchase is of a size  
151.12 and manner commensurate with the use of paper, plastic, or reusable bags.

151.13 Subd. 2. **Prohibition; bag ban.** Notwithstanding any other provision of law, no political  
151.14 subdivision shall impose any ban upon the use of paper, plastic, or reusable bags for  
151.15 packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

151.16 **EFFECTIVE DATE.** This section is effective May 31, 2017. Ordinances existing on  
151.17 the effective date of this section that would be prohibited under this section are invalid as  
151.18 of the effective date of this section.

151.19 Sec. 11. **EXISTING DEPUTY COMMISSIONERS MAY SERVE UNTIL JANUARY**  
151.20 **1, 2019.**

151.21 All existing deputy commissioners under Minnesota Statutes, section 45.013, may serve  
151.22 until January 1, 2019. Vacancies that occur in these positions before January 1, 2019, must  
151.23 not be filled.

151.24 Sec. 12. **REPORT ON UNCLAIMED PROPERTY DIVISION.**

151.25 The commissioner shall report by February 15, 2018, to the chairs and ranking minority  
151.26 members of the standing committees of the house of representatives and senate having  
151.27 jurisdiction over commerce regarding the process owners of abandoned property must  
151.28 comply with in order to file an allowed claim under Minnesota Statutes, chapter 345. The  
151.29 report shall include information regarding the documentation and identification necessary  
151.30 for owners of each type of abandoned property under Minnesota Statutes, chapter 345, to  
151.31 file an allowed claim.

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

152.2 **ARTICLE 9**

152.3 **TELECOMMUNICATIONS POLICY**

152.4 Section 1. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision  
152.5 to read:

152.6 Subd. 10. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol service"  
152.7 or "VoIP service" means any service that (1) enables real-time two-way voice  
152.8 communications that originate from or terminate at the user's location in Internet protocol  
152.9 or any successor protocol, and (2) permits users generally to receive calls that originate on  
152.10 the public switched telephone network and terminate calls to the public switched telephone  
152.11 network.

152.12 Sec. 2. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to  
152.13 read:

152.14 Subd. 11. **Internet protocol-enabled service.** "Internet protocol-enabled service" or  
152.15 "IP-enabled service" means any service, capability, functionality, or application provided  
152.16 using Internet protocol, or any successor protocol, that enables an end user to send or receive  
152.17 a communication in Internet protocol format or any successor format, regardless of whether  
152.18 that communication is voice, data, or video.

152.19 Sec. 3. **[237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND**  
152.20 **INTERNET PROTOCOL-ENABLED SERVICE.**

152.21 Subdivision 1. **Regulation prohibited.** Except as provided in this section, no state  
152.22 agency, including the commission and the Department of Commerce, or political subdivision  
152.23 of this state shall by rule, order, or other means directly or indirectly regulate the entry,  
152.24 rates, terms, quality of service, availability, classification, or any other aspect of VoIP service  
152.25 or IP-enabled service.

152.26 Subd. 2. **VoIP regulation.** (a) To the extent permitted by federal law, VoIP service is  
152.27 subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard to  
152.28 the collection and remittance of the surcharges governed by those sections.

152.29 (b) A provider of VoIP service must comply with the requirements of chapter 403  
152.30 applicable to the provision of access to 911 service by service providers, except to the extent  
152.31 those requirements conflict with federal requirements for the provision of 911 service by



153.1 VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP provider is  
153.2 entitled to the benefit of the limitation of liability provisions of section 403.07, subdivision  
153.3 5. Beginning June 1, 2017, and continuing each June 1 thereafter, each VoIP provider shall  
153.4 file a plan with the commission describing how it will comply with the requirements of this  
153.5 paragraph. After its initial filing under this paragraph, a VoIP provider shall file with the  
153.6 commission either an update of the plan or a statement certifying that the plan and personnel  
153.7 contact information previously filed is still current.

153.8 Subd. 3. **Relation to other law.** Nothing in this section restricts, creates, expands, or  
153.9 otherwise affects or modifies:

153.10 (1) the commission's authority under the Federal Communications Act of 1934, United  
153.11 States Code, title 47, sections 251 and 252;

153.12 (2) any applicable wholesale tariff or any commission authority related to wholesale  
153.13 services;

153.14 (3) any commission jurisdiction over (i) intrastate switched access rates, terms, and  
153.15 conditions, including the implementation of federal law with respect to intercarrier  
153.16 compensation, or (ii) existing commission authority to address or affect the resolution of  
153.17 disputes regarding intercarrier compensation;

153.18 (4) the rights of any entity, or the authority of the commission and local government  
153.19 authorities, with respect to the use and regulation of public rights-of-way under sections  
153.20 237.162 and 237.163;

153.21 (5) the establishment or enforcement of standards, requirements or procedures in  
153.22 procurement policies, internal operational policies, or work rules of any state agency or  
153.23 political subdivision of the state relating to the protection of intellectual property; or

153.24 (6) the authority of the attorney general to apply and enforce chapters 325C to 325G,  
153.25 325K to 325M, and other laws of general applicability governing consumer protection and  
153.26 trade practices.

153.27 Subd. 4. **Exemption.** The following services delivered by IP-enabled service are not  
153.28 regulated under this chapter:

153.29 (1) video services provided by a cable communications system, as defined in section  
153.30 238.02, subdivision 3;

153.31 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

153.32 (3) any other IP-enabled video service.

154.1 Subd. 5. Preservation of existing landline telephone service. Nothing in this section  
 154.2 restricts, creates, expands, or otherwise affects or modifies the obligations of a telephone  
 154.3 company under this chapter to offer landline telephone service that is not Voice-over-Internet  
 154.4 protocol service.

154.5 Sec. 4. [237.417] PERSONAL INFORMATION; PROHIBITION.

154.6 No telecommunications or Internet service provider that has entered into a franchise  
 154.7 agreement, right-of-way agreement, or other contract with the state of Minnesota or a  
 154.8 political subdivision, or that uses facilities that are subject to such agreements, even if it is  
 154.9 not a party to the agreement, may collect personal information from a customer resulting  
 154.10 from the customer's use of the telecommunications or Internet service provider without  
 154.11 express written approval from the customer.

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

## 154.13 ARTICLE 10

### 154.14 ENERGY POLICY

154.15 Section 1. Minnesota Statutes 2016, section 3.8851, subdivision 1, is amended to read:

154.16 Subdivision 1. **Establishment.** (a) There is established a Legislative Energy Commission  
 154.17 to study and to make recommendations for legislation concerning issues related to its duties  
 154.18 under subdivision 3.

154.19 (b) The commission consists of:

154.20 (1) ~~ten~~ five members of the house of representatives, three of whom are appointed by  
 154.21 the speaker of the house, ~~four~~ and two of whom ~~must be from~~ are appointed by the leader  
 154.22 of the minority caucus, and including the chair of the committee with primary jurisdiction  
 154.23 over energy policy; the chair or another member of each of the committees with primary  
 154.24 jurisdiction over environmental policy, agricultural policy, and transportation policy; and

154.25 (2) ~~ten~~ five members of the senate ~~to be~~, three of whom are appointed by the  
 154.26 ~~Subcommittee on Committees~~ leader of the majority caucus, ~~four~~ and two of whom ~~must~~  
 154.27 be from are appointed by the leader of the minority caucus, ~~and including the chair of the~~  
 154.28 ~~committee with primary jurisdiction over energy policy; and the chair or another member~~  
 154.29 ~~of each of the committees with primary jurisdiction over environmental policy, agricultural~~  
 154.30 ~~policy, and transportation policy.~~

154.31 (c) The commission may employ full-time and part-time staff, contract for consulting  
 154.32 services, and may reimburse the expenses of persons requested to assist it in its duties. The

155.1 director of the Legislative Coordinating Commission shall assist the commission in  
155.2 administrative matters. The commission shall elect cochairs, one member of the house of  
155.3 representatives and one member of the senate from among the committee and subcommittee  
155.4 chairs named to the commission. The commission members from the house of representatives  
155.5 shall elect the house of representatives cochair, and the commission members from the  
155.6 senate shall elect the senate cochair.

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

155.8 Sec. 2. Minnesota Statutes 2016, section 16B.323, is amended to read:

155.9 **16B.323 SOLAR ENERGY IN STATE BUILDINGS.**

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

155.12 ~~(b) "Made in Minnesota" means the manufacture in this state of:~~

155.13 ~~(1) components of a solar thermal system certified by the Solar Rating and Certification~~  
155.14 ~~Corporation; or~~

155.15 ~~(2) solar photovoltaic modules that:~~

155.16 ~~(i) are manufactured at a manufacturing facility in Minnesota that is registered and~~  
155.17 ~~authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory,~~  
155.18 ~~CSA International, Intertek, or an equivalent independent testing agency;~~

155.19 ~~(ii) bear certification marks from Underwriters Laboratory, CSA International, Intertek,~~  
155.20 ~~or an equivalent independent testing agency; and~~

155.21 ~~(iii) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses~~  
155.22 ~~(1), (5), and (6).~~

155.23 ~~For the purposes of clause (2), "manufactured" has the meaning given in section~~  
155.24 ~~116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~

155.25 ~~(e)~~ (b) "Major renovation" means a substantial addition to an existing building, or a  
155.26 substantial change to the interior configuration or the energy system of an existing building.

155.27 ~~(d)~~ (c) "Solar energy system" means solar photovoltaic ~~modules~~ devices alone or installed  
155.28 in conjunction with a solar thermal system.

155.29 ~~(e) "Solar Photovoltaic module~~ (d) "Photovoltaic device" has the meaning given in  
155.30 ~~section 116C.7791, subdivision 1, paragraph (e)~~ 216C.06, subdivision 16.

156.1 ~~(f)~~ (e) "Solar thermal system" has the meaning given "qualifying solar thermal project"  
156.2 in section 216B.2411, subdivision 2, paragraph (e).

156.3 ~~(g)~~ (f) "State building" means a building whose construction or renovation is paid wholly  
156.4 or in part by the state from the bond proceeds fund.

156.5 Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for  
156.6 the construction or major renovation of a state building, after the completion of a cost-benefit  
156.7 analysis, may include installation of "~~Made in Minnesota~~" solar energy systems of up to 40  
156.8 kilowatts capacity on, adjacent, or in proximity to the state building.

156.9 (b) The capacity of a solar energy system must be less than 40 kilowatts to the extent  
156.10 necessary to match the electrical load of the building or to the extent necessary to keep the  
156.11 costs for the installation below the five percent maximum set by paragraph (c).

156.12 (c) The cost of the solar energy system must not exceed five percent of the appropriations  
156.13 from the bond proceeds fund for the construction or renovation of the state building. Purchase  
156.14 and installation of a solar thermal system may account for no more than 25 percent of the  
156.15 cost of a solar energy system installation.

156.16 (d) A project subject to this section is ineligible to receive a rebate for the installation  
156.17 of a solar energy system under section 116C.7791 or from any utility.

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

156.19 Sec. 3. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to  
156.20 read:

156.21 **Subd. 7. Clean Air Act settlement money.** "Clean Air Act settlement money" means  
156.22 money required to be paid to the state as a result of litigation or settlements of alleged  
156.23 violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq.,  
156.24 or rules adopted thereunder, by an automobile manufacturer. Clean Air Act settlement  
156.25 money may not be spent until it is specifically appropriated by law.

156.26 Sec. 4. Minnesota Statutes 2016, section 116C.779, subdivision 1, is amended to read:

156.27 Subdivision 1. ~~Renewable development~~ **Energy fund account.** (a) The energy fund  
156.28 account is established as a separate account in the special revenue fund in the state treasury.  
156.29 Appropriations and transfers to the account are credited to the account. Earnings, such as  
156.30 interest, dividends, and any other earnings arising from assets of the account, are credited  
156.31 to the account. Funds remaining in the account at the end of a fiscal year do not cancel to  
156.32 the general fund, but remain in the account until expended.

157.1 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
157.2 plant must transfer all funds in the renewable development account previously established  
157.3 under this subdivision and managed by the public utility to the energy fund account  
157.4 established in paragraph (a). Funds awarded to grantees in previous grant cycles that have  
157.5 not yet been expended and unencumbered funds required to be paid in calendar year 2017  
157.6 under sections 116C.7791, 116C.7792, and 216C.41 are not subject to transfer under this  
157.7 paragraph.

157.8 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
157.9 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
157.10 plant must transfer to a renewable development ~~the energy fund~~ account \$500,000 each  
157.11 year for each dry cask containing spent fuel that is located at the Prairie Island power plant  
157.12 for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation  
157.13 if ordered by the commission pursuant to paragraph ~~(e)~~ (f). The fund transfer must be made  
157.14 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie  
157.15 Island for any part of a year.

157.16 ~~(b)~~ (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
157.17 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
157.18 plant must transfer to the renewable development ~~energy fund~~ account \$350,000 each year  
157.19 for each dry cask containing spent fuel that is located at the Monticello nuclear power plant  
157.20 for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation  
157.21 if ordered by the commission pursuant to paragraph ~~(e)~~ (f). The fund transfer must be made  
157.22 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at  
157.23 Monticello for any part of a year.

157.24 (e) Each year, the public utility must withhold from the funds transferred to the energy  
157.25 fund account under paragraphs (c) and (d) the amount necessary to pay its obligations under  
157.26 sections 116C.7791, 116C.7792, and 216C.41 for that calendar year.

157.27 ~~(e)~~ (f) After discontinuation of operation of the Prairie Island nuclear plant or the  
157.28 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
157.29 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
157.30 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
157.31 facility for any year in which the commission finds, by the preponderance of the evidence,  
157.32 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored  
157.33 at the facility to a permanent or interim storage site out of the state. This determination shall  
157.34 be made at least every two years.

158.1 (g) Funds in the account may only be expended to support projects that:

158.2 (1) result in lower rates for Xcel's Minnesota retail electricity customers;

158.3 (2) result in reduced air emissions from Xcel's Minnesota electric generating facilities;

158.4 and

158.5 (3) provide incentives for the development of new energy technologies that meet the

158.6 conditions of clause (1) or (2).

158.7 Except as provided in section 116C.7793, subdivision 7, expenditures from the fund must

158.8 only benefit Minnesota ratepayers receiving electric service from the utility that owns a

158.9 nuclear-powered electric generating plant in this state or the Prairie Island Indian community

158.10 or its members.

158.11 ~~(d) Funds in the account may be expended only for any of the following purposes:~~

158.12 ~~(1) to increase the market penetration within the state of renewable electric energy~~

158.13 ~~resources at reasonable costs;~~

158.14 ~~(2) to promote the start-up, expansion, and attraction of renewable electric energy projects~~

158.15 ~~and companies within the state;~~

158.16 ~~(3) to stimulate research and development within the state into renewable electric energy~~

158.17 ~~technologies; and~~

158.18 ~~(4) to develop near-commercial and demonstration-scale renewable electric projects or~~

158.19 ~~near-commercial and demonstration-scale electric infrastructure delivery projects if those~~

158.20 ~~delivery projects enhance the delivery of renewable electric energy.~~

158.21 ~~The utility that owns a nuclear generating plant is eligible to apply for renewable development~~

158.22 ~~account grants.~~

158.23 ~~(e) Expenditures authorized by this subdivision from the account may be made only~~

158.24 ~~after approval by order of the Public Utilities Commission upon a petition by the public~~

158.25 ~~utility. The commission may approve proposed expenditures, may disapprove proposed~~

158.26 ~~expenditures that it finds to be not in compliance with this subdivision or otherwise not in~~

158.27 ~~the public interest, and may, if agreed to by the public utility, modify proposed expenditures.~~

158.28 ~~The commission may approve reasonable and necessary expenditures for administering the~~

158.29 ~~account in an amount not to exceed five percent of expenditures. Commission approval is~~

158.30 ~~not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or~~

158.31 ~~other law.~~

159.1 ~~(f) The account shall be managed by the public utility but the public utility must consult~~  
159.2 ~~about account expenditures with an advisory group that includes, among others,~~  
159.3 ~~representatives of its ratepayers. The commission may require that other interests be~~  
159.4 ~~represented on the advisory group. The advisory group must be consulted with respect to~~  
159.5 ~~the general scope of expenditures in designing a request for proposal and in evaluating~~  
159.6 ~~projects submitted in response to a request for proposals. In addition to consulting with the~~  
159.7 ~~advisory group, the public utility must utilize an independent third-party expert to evaluate~~  
159.8 ~~proposals submitted in response to a request for proposal, including all proposals made by~~  
159.9 ~~the public utility. A request for proposal for research and development under paragraph (d),~~  
159.10 ~~clause (3), may be limited to or include a request to higher education institutions located in~~  
159.11 ~~Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for~~  
159.12 ~~multiple projects may include a provision that exempts the projects from the third-party~~  
159.13 ~~expert review and instead provides for project evaluation and selection by a merit peer~~  
159.14 ~~review grant system. The utility should attempt to reach agreement with the advisory group~~  
159.15 ~~after consulting with it but the utility has full and sole authority to determine which~~  
159.16 ~~expenditures shall be submitted to the commission for commission approval. In the process~~  
159.17 ~~of determining request for proposal scope and subject and in evaluating responses to request~~  
159.18 ~~for proposals, the public utility must strongly consider, where reasonable, potential benefit~~  
159.19 ~~to Minnesota citizens and businesses and the utility's ratepayers.~~

159.20 ~~(g) Funds in the account may not be directly appropriated by the legislature by a law~~  
159.21 ~~enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date~~  
159.22 ~~may be expended only pursuant to an order of the commission according to this subdivision.~~

159.23 ~~(h) A request for proposal for renewable energy generation projects must, when feasible~~  
159.24 ~~and reasonable, give preference to projects that are most cost-effective for a particular energy~~  
159.25 ~~source.~~

159.26 ~~(i) The public utility must annually, by February 15, report to the chairs and ranking~~  
159.27 ~~minority members of the legislative committees with jurisdiction over energy policy on~~  
159.28 ~~projects funded by the account for the prior year and all previous years. The report must,~~  
159.29 ~~to the extent possible and reasonable, itemize the actual and projected financial benefit to~~  
159.30 ~~the public utility's ratepayers of each project.~~

159.31 ~~(j) A project receiving funds from the account must produce a written final report that~~  
159.32 ~~includes sufficient detail for technical readers and a clearly written summary for nontechnical~~  
159.33 ~~readers. The report must include an evaluation of the project's financial, environmental, and~~  
159.34 ~~other benefits to the state and the public utility's ratepayers.~~

160.1 ~~(k) Final reports, any mid-project status reports, and renewable development account~~  
160.2 ~~financial reports must be posted online on a public Web site designated by the commission.~~

160.3 ~~(l) All final reports must acknowledge that the project was made possible in whole or~~  
160.4 ~~part by the Minnesota renewable development fund, noting that the fund is financed by the~~  
160.5 ~~public utility's ratepayers.~~

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

160.7 Sec. 5. Minnesota Statutes 2016, section 116C.779, is amended by adding a subdivision  
160.8 to read:

160.9 **Subd. 1a. Payment termination.** (a) The commissioner shall track the cumulative  
160.10 transfers made to the account and its predecessor, the renewable development account, each  
160.11 year since 1999 for each dry cask containing spent fuel that is stored at an independent  
160.12 spent-fuel storage facility at Prairie Island or Monticello. During the time when state law  
160.13 required the public utility to transfer a specific amount of funds to the account for all the  
160.14 casks stored, the per-cask allocation shall be calculated by dividing the total amount  
160.15 transferred by the number of casks stored that year.

160.16 (b) When the commissioner determines that the cumulative transfers calculated under  
160.17 paragraph (a) for a specific cask reach \$10,000,000, the commissioner shall notify the public  
160.18 utility that no additional transfers to the account for that cask shall be made.

160.19 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (c) or  
160.20 (d), with respect to transfers to the account made after a plant has ceased operation.

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

160.22 Sec. 6. Minnesota Statutes 2016, section 116C.7792, is amended to read:

160.23 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

160.24 The utility subject to section 116C.779 shall operate a program to provide solar energy  
160.25 production incentives for solar energy systems of no more than a total nameplate capacity  
160.26 of 20 kilowatts direct current. The program shall be operated for five consecutive calendar  
160.27 years commencing in 2014. \$5,000,000 shall be allocated for each of the five years from  
160.28 the ~~renewable development~~ energy fund account established in section 116C.779 to a separate  
160.29 account for the purpose of the solar production incentive program. The solar system must  
160.30 be sized to less than 120 percent of the customer's on-site annual energy consumption. The  
160.31 production incentive must be paid for ten years commencing with the commissioning of



161.1 the system. The utility must file a plan to operate the program with the commissioner of  
161.2 commerce. The utility may not operate the program until it is approved by the commissioner.

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

161.4 Sec. 7. **[116C.7793] LEGISLATIVE RENEWABLE ENERGY COUNCIL.**

161.5 Subdivision 1. **Establishment.** (a) The Legislative Renewable Energy Council of 11  
161.6 members is established in the legislative branch, consisting of:

161.7 (1) five members of the house of representatives appointed by the speaker of the house,  
161.8 three of whom are from the majority caucus and two of whom are from the minority caucus;  
161.9 and

161.10 (2) five members of the senate appointed by the Subcommittee on Committees of the  
161.11 Committee on Rules and Administration, three of whom are from the majority caucus and  
161.12 two of whom are from the minority caucus; and

161.13 (3) one representative of the Prairie Island Indian Community appointed by that  
161.14 community's tribal council.

161.15 (b) Eight legislative members appointed to the council must represent legislative districts  
161.16 in which at least 60 percent of residents receive electric service from the utility that owns  
161.17 a nuclear powered electric generating plant in this state. No member may be appointed to  
161.18 the council from a legislative district that does not contain any electric retail customers of  
161.19 the utility that owns a nuclear powered electric generating plant in this state. Council  
161.20 members must be geographically balanced to represent the entire electric service area of  
161.21 that utility.

161.22 (c) Council members shall elect a chair, a vice-chair, and other officers as determined  
161.23 by the council. The chair may convene meetings as necessary to conduct the duties prescribed  
161.24 by this section.

161.25 (d) The Legislative Coordinating Commission may appoint nonpartisan staff and contract  
161.26 with consultants as necessary to support the functions of the council. The council has final  
161.27 approval authority to hire an executive director. Up to one-half of one percent of the money  
161.28 appropriated from the fund may be used to pay for the council's administrative expenses.

161.29 Subd. 2. **Council recommendations.** (a) The council must make recommendations to  
161.30 the legislature on appropriations from the energy fund account established under section  
161.31 116C.779 that are consistent with that section and state law. The council's recommendations  
161.32 must be submitted no later than December 15 each year. The council must present its

162.1 recommendations to the senate and house of representatives committees with jurisdiction  
162.2 over energy policy and finance by February 15 in odd-numbered years, and within the first  
162.3 four weeks of the legislative session in even-numbered years.

162.4 (b) Recommendations of the council, including approval of recommendations for  
162.5 expenditures from the energy fund account, require an affirmative vote of at least eight  
162.6 members of the council.

162.7 (c) The council must develop and implement a decision-making process that ensures  
162.8 citizens and potential recipients of funds are included at each stage of the process. The  
162.9 process must include a fair, equitable, and thorough method to review funding requests,  
162.10 and a clear and easily understood process to rank projects.

162.11 Subd. 3. **Conflict of interest.** (a) A council member may not be an advocate for or  
162.12 against a council action or vote on any action that may be a conflict of interest. A conflict  
162.13 of interest must be disclosed as soon as it is discovered. The council must follow the policies  
162.14 and requirements related to conflicts of interest developed by the Office of Grants  
162.15 Management under section 16B.98.

162.16 (b) For the purposes of this section, a conflict of interest exists when a person has an  
162.17 organizational conflict of interest or a direct financial conflict of interest, and the conflict  
162.18 of interest presents the appearance that it will be difficult for the person to impartially fulfill  
162.19 the person's duties as a member of the council. An organizational conflict of interest exists  
162.20 when a person has an affiliation with an organization subject to council activities that presents  
162.21 the appearance of a conflict between organizational interests and the council member's  
162.22 duties under this section. An organizational conflict of interest does not exist if the person's  
162.23 only affiliation with an organization is being a member of the organization.

162.24 Subd. 4. **Audit.** The legislative auditor must audit energy fund account expenditures  
162.25 recommended by the council, including administrative and staffing expenditures, to ensure  
162.26 the money is spent in compliance with all applicable laws.

162.27 Subd. 5. **Recipient requirements.** (a) A recipient of a direct appropriation from the  
162.28 energy fund account recommended by the council must compile and submit all information  
162.29 for funded projects or programs, including proposed measurable outcomes required by the  
162.30 council.

162.31 (b) A recipient's future eligibility to receive funds from the energy fund account is  
162.32 contingent upon the recipient satisfying all applicable requirements under this section, as  
162.33 well as any additional requirements contained in applicable law. If the Office of the  
162.34 Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient

163.1 of funds from the energy fund account has not complied with the laws, rules, or regulations  
163.2 under this section or other laws applicable to the recipient, the recipient is not eligible for  
163.3 future funding from the energy fund account until the recipient demonstrates compliance  
163.4 to the legislative auditor.

163.5 (c) A recipient of a direct appropriation from the energy fund account pursuant to a  
163.6 recommendation by the council may not receive funds from another direct appropriation  
163.7 from the council until four years after completion of the project funded by the prior direct  
163.8 appropriation.

163.9 Subd. 6. **Accomplishment plans.** As a condition of accepting funds appropriated from  
163.10 the energy fund account on the council's recommendation, a recipient must agree to submit  
163.11 an accomplishment plan and periodic accomplishment reports to the council in the form  
163.12 determined by the council. The accomplishment plan must identify the project manager  
163.13 responsible for expending the appropriation and the final product. The accomplishment plan  
163.14 must account for the use of the appropriation, identify outcomes of the expenditure, and  
163.15 include an evaluation of results.

163.16 Subd. 7. **Expenditures.** (a) The council's recommendations regarding expenditures from  
163.17 the energy fund account may include but are not limited to research and development  
163.18 projects, demonstration projects, and statewide programs and financial incentives.

163.19 (b) If general fund money is transferred to the energy fund account, the council may  
163.20 recommend the expenditure of, and the legislature may appropriate, funds from the account  
163.21 up to the amount of general fund money present in the account for purposes that do not  
163.22 exclusively benefit Minnesota ratepayers receiving electric service from the utility that owns  
163.23 a nuclear powered generating plant in this state.

163.24 Subd. 8. **Administration.** The council shall develop administrative procedures for the  
163.25 submission and review of proposals seeking funding from the council.

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

163.27 Sec. 8. Minnesota Statutes 2016, section 216A.03, subdivision 1, is amended to read:

163.28 Subdivision 1. **Members.** (a) The Public Utilities Commission shall consist of five  
163.29 members. The terms of members shall be six years and until their successors have been  
163.30 appointed and qualified. ~~Each commissioner shall be appointed by the governor by and with~~  
163.31 ~~the advice and consent of the senate.~~ Not more than three commissioners shall belong to  
163.32 the same political party. At least one commissioner must have been domiciled at the time  
163.33 of appointment outside the seven-county metropolitan area. If the membership of the

164.1 commission ~~after July 31, 1986~~, does not consist of at least one member domiciled at the  
164.2 time of appointment outside the seven-county metropolitan area, the membership shall  
164.3 conform to this requirement following normal attrition of the present commissioners. ~~The~~  
164.4 ~~governor~~ When selecting commissioners, the appropriating authorities under paragraph (c)  
164.5 shall give consideration to persons learned in the law or persons who have engaged in the  
164.6 profession of engineering, public accounting, property and utility valuation, finance, physical  
164.7 or natural sciences, production agriculture, or natural resources as well as being representative  
164.8 of the general public.

164.9 (b) For purposes of this subdivision, "seven-county metropolitan area" means Anoka,  
164.10 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

164.11 (c) The legislature and the governor shall appoint members of the commission as follows:

164.12 (1) the speaker of the house of representatives shall appoint one member;

164.13 (2) the leader of the majority caucus in the senate shall appoint one member;

164.14 (3) the leader of the minority caucus in the house of representatives shall appoint one  
164.15 member;

164.16 (4) the leader of the minority caucus in the senate shall appoint one member; and

164.17 (5) the governor shall appoint one member.

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

164.19 Sec. 9. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to  
164.20 read:

164.21 Subd. 1b. **Transition.** (a) This subdivision governs the membership of the commission  
164.22 between July 1, 2017, and July 1, 2019.

164.23 (b) On or before July 1, 2017, the leaders of the senate majority and minority caucuses  
164.24 shall each appoint one commissioner to serve a term ending July 1, 2023, to replace  
164.25 commissioners whose terms expire in 2022 and 2023.

164.26 (c) On or before February 1, 2019, the governor shall appoint a commissioner to serve  
164.27 a term ending July 1, 2025, to replace a commissioner whose term ends in 2021.

164.28 (d) On or before July 1, 2019, the leaders of the house majority and minority caucuses  
164.29 shall each appoint one commissioner to serve a term ending July 1, 2025, to replace  
164.30 commissioners whose terms expire in 2019 and 2020.

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

165.1 Sec. 10. Minnesota Statutes 2016, section 216B.03, is amended to read:

165.2 **216B.03 REASONABLE RATE.**

165.3 Every rate made, demanded, or received by any public utility, or by any two or more  
165.4 public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably  
165.5 preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable,  
165.6 and consistent in application to a class of consumers. To the maximum reasonable extent,  
165.7 the commission shall set rates to encourage economic growth, job retention, energy  
165.8 conservation and, renewable energy use, and to further the goals of sections 216B.164,  
165.9 216B.1696, 216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in  
165.10 favor of the consumer. For rate-making purposes a public utility may treat two or more  
165.11 municipalities served by it as a single class wherever the populations are comparable in size  
165.12 or the conditions of service are similar.

165.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
165.14 applies immediately to all proceedings pending before the commission.

165.15 Sec. 11. Minnesota Statutes 2016, section 216B.16, subdivision 1a, is amended to read:

165.16 Subd. 1a. **Settlement.** (a) When a public utility submits a general rate filing, the Office  
165.17 of Administrative Hearings, before conducting a contested case hearing, shall convene a  
165.18 settlement conference including all of the parties for the purpose of encouraging settlement  
165.19 of any or all of the issues in the contested case. If a stipulated settlement is not reached  
165.20 before the contested case hearing, the Office of Administrative Hearings may reconvene  
165.21 the settlement conference during or after completion of the contested case hearing at its  
165.22 discretion or a party's request. The Office of Administrative Hearings or the commission  
165.23 may, upon the request of any party and the public utility, extend the procedural schedule  
165.24 of the contested case in order to permit the parties to engage in settlement discussions. An  
165.25 extension must be for a definite period of time not to exceed 60 days.

165.26 (b) If the applicant and all intervening parties agree to a stipulated settlement of the case  
165.27 or parts of the case, the settlement must be submitted to the commission. The commission  
165.28 shall accept or reject the settlement in its entirety and, at any time until its final order is  
165.29 issued in the case, may require the Office of Administrative Hearings to conduct a contested  
165.30 case hearing. The commission may accept the settlement on finding that ~~to do so the~~ the  
165.31 settlement is supported by substantial evidence and approving the settlement is in the public  
165.32 interest and is supported by substantial evidence. The analysis must consider the impact of  
165.33 the proposed settlement on the economy, job growth, and job retention. If the commission  
165.34 does not accept the settlement, it may issue an order modifying the settlement subject to

166.1 the approval of the parties. Each party shall have ten days in which to reject the proposed  
166.2 modification. If no party rejects the proposed modification, the commission's order becomes  
166.3 final. If the commission rejects the settlement, or a party rejects the commission's proposed  
166.4 modification, a contested case hearing must be completed.

166.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
166.6 applies immediately to all proceedings pending before the commission.

166.7 Sec. 12. Minnesota Statutes 2016, section 216B.16, subdivision 6, is amended to read:

166.8 Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers  
166.9 under this chapter to determine just and reasonable rates for public utilities, shall give due  
166.10 consideration to the public need for adequate, efficient, and reasonable service, as well as  
166.11 the need for competitive electric rates, job preservation, and economic growth, and to the  
166.12 need of the public utility for revenue sufficient to enable it to meet the cost of furnishing  
166.13 the service, including adequate provision for depreciation of its utility property used and  
166.14 useful in rendering service to the public, and to earn a fair and reasonable return upon the  
166.15 investment in such property. In determining the rate base upon which the utility is to be  
166.16 allowed to earn a fair rate of return, the commission shall give due consideration to evidence  
166.17 of the cost of the property when first devoted to public use, to prudent acquisition cost to  
166.18 the public utility less appropriate depreciation on each, to construction work in progress, to  
166.19 offsets in the nature of capital provided by sources other than the investors, and to other  
166.20 expenses of a capital nature. For purposes of determining rate base, the commission shall  
166.21 consider the original cost of utility property included in the base and shall make no allowance  
166.22 for its estimated current replacement value. If the commission orders a generating facility  
166.23 to terminate its operations before the end of the facility's physical life in order to comply  
166.24 with a specific state or federal energy statute or policy, the commission may allow the public  
166.25 utility to recover any positive net book value of the facility as determined by the commission.

166.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
166.27 applies immediately to all proceedings pending before the commission.

166.28 Sec. 13. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

167.23 ~~(e)~~ (g) A public utility may not use energy used to satisfy the solar energy standard under  
167.24 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may  
167.25 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the  
167.26 solar standard under this subdivision.

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

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

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

168.5 Sec. 14. **[216B.1697] STATE-MANDATED ENERGY PURCHASES; PUBLIC**  
168.6 **INFORMATION.**

168.7 A utility serving Minnesota customers at retail must, within 30 days of entering into an  
168.8 agreement to purchase energy that is used to meet a requirement under state law to purchase  
168.9 or generate certain amounts and types of energy, including, but not limited to, requirements  
168.10 in sections 216B.1691, 216B.2423, and 216B.2424, post the following information contained  
168.11 in the agreement on the utility's Web site:

168.12 (1) the wholesale price per unit of energy over the term of the agreement, including any  
168.13 escalator clauses or inflation factors; and

168.14 (2) the amount of energy to be purchased each year by the utility over the term of the  
168.15 agreement.

168.16 **EFFECTIVE DATE.** This section is effective immediately and applies to all power  
168.17 purchase agreements entered into on or after July 1, 2017.

168.18 Sec. 15. Minnesota Statutes 2016, section 216B.241, subdivision 1b, is amended to read:

168.19 Subd. 1b. **Conservation improvement by cooperative association or municipality.**

168.20 (a) This subdivision applies to:

168.21 (1) a cooperative electric association that provides retail service to ~~its~~ more than 5,000  
168.22 members;

168.23 (2) a municipality that provides electric service to more than 1,000 retail customers; and

168.24 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales  
168.25 to natural gas ~~to~~ retail customers.

168.26 (b) Each cooperative electric association and municipality subject to this subdivision  
168.27 shall spend and invest for energy conservation improvements under this subdivision the  
168.28 following amounts:

168.29 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas  
168.30 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross



169.1 operating revenues from electric and gas service provided in the state to large electric  
169.2 customer facilities; and

169.3 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues  
169.4 from service provided in the state, excluding gross operating revenues from service provided  
169.5 in the state to large electric customer facilities indirectly through a distribution cooperative  
169.6 electric association.

169.7 (c) Each municipality and cooperative electric association subject to this subdivision  
169.8 shall identify and implement energy conservation improvement spending and investments  
169.9 that are appropriate for the municipality or association, except that a municipality or  
169.10 association may not spend or invest for energy conservation improvements that directly  
169.11 benefit a large energy facility or a large electric customer facility for which the commissioner  
169.12 has issued an exemption under subdivision 1a, paragraph (b).

169.13 (d) Each municipality and cooperative electric association subject to this subdivision  
169.14 may spend and invest annually up to ten percent of the total amount required to be spent  
169.15 and invested on energy conservation improvements under this subdivision on research and  
169.16 development projects that meet the definition of energy conservation improvement in  
169.17 subdivision 1 and that are funded directly by the municipality or cooperative electric  
169.18 association.

169.19 (e) Load-management activities may be used to meet 50 percent of the conservation  
169.20 investment and spending requirements of this subdivision.

169.21 (f) A generation and transmission cooperative electric association that provides energy  
169.22 services to cooperative electric associations that provide electric service at retail to consumers  
169.23 may invest in energy conservation improvements on behalf of the associations it serves and  
169.24 may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate  
169.25 basis. A municipal power agency or other not-for-profit entity that provides energy service  
169.26 to municipal utilities that provide electric service at retail may invest in energy conservation  
169.27 improvements on behalf of the municipal utilities it serves and may fulfill the conservation,  
169.28 spending, reporting, and energy-savings goals on an aggregate basis, under an agreement  
169.29 between the municipal power agency or not-for-profit entity and each municipal utility for  
169.30 funding the investments.

169.31 (g) Each municipality or cooperative shall file energy conservation improvement plans  
169.32 by June 1 on a schedule determined by order of the commissioner, but at least every three  
169.33 years. Plans received by June 1 must be approved or approved as modified by the  
169.34 commissioner by December 1 of the same year. The municipality or cooperative shall

170.1 provide an evaluation to the commissioner detailing its energy conservation improvement  
170.2 spending and investments for the previous period. The evaluation must briefly describe  
170.3 each conservation program and must specify the energy savings or increased efficiency in  
170.4 the use of energy within the service territory of the utility or association that is the result of  
170.5 the spending and investments. The evaluation must analyze the cost-effectiveness of the  
170.6 utility's or association's conservation programs, using a list of baseline energy and capacity  
170.7 savings assumptions developed in consultation with the department. The commissioner  
170.8 shall review each evaluation and make recommendations, where appropriate, to the  
170.9 municipality or association to increase the effectiveness of conservation improvement  
170.10 activities.

170.11 ~~(h) MS 2010 [Expired, 1Sp2003 c 11 art 3 s 4; 2007 c 136 art 2 s 5]~~

170.12 ~~(h)~~ (h) The commissioner shall consider and may require a utility, association, or other  
170.13 entity providing energy efficiency and conservation services under this section to undertake  
170.14 a program suggested by an outside source, including a political subdivision, nonprofit  
170.15 corporation, or community organization.

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

170.17 Sec. 16. Minnesota Statutes 2016, section 216B.241, subdivision 1c, is amended to read:

170.18 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving  
170.19 goals for energy conservation improvement expenditures and shall evaluate an energy  
170.20 conservation improvement program on how well it meets the goals set.

170.21 (b) Each individual utility and association shall have an annual energy-savings goal  
170.22 equivalent to 1.5 percent of gross annual retail energy sales unless modified by the  
170.23 commissioner under paragraph (d). The savings goals must be calculated based on the most  
170.24 recent three-year weather-normalized average. A utility or association may elect to carry  
170.25 forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar  
170.26 years, except that savings from electric utility infrastructure projects allowed under paragraph  
170.27 (d) may be carried forward for five years. A particular energy savings can be used only for  
170.28 one year's goal.

170.29 (c) The commissioner must adopt a filing schedule that is designed to have all utilities  
170.30 and associations operating under an energy-savings plan by calendar year 2010.

170.31 (d) In its energy conservation improvement plan filing, a utility or association may  
170.32 request the commissioner to adjust its annual energy-savings percentage goal based on its  
170.33 historical conservation investment experience, customer class makeup, load growth, a

171.1 conservation potential study, or other factors the commissioner determines warrants an  
171.2 adjustment. The commissioner may not approve a plan of a public utility that provides for  
171.3 an annual energy-savings goal of less than one percent of gross annual retail energy sales  
171.4 from energy conservation improvements.

171.5 A utility or association may include in its energy conservation plan energy savings from  
171.6 electric utility infrastructure projects approved by the commission under section 216B.1636  
171.7 or waste heat recovery converted into electricity projects that may count as energy savings  
171.8 in addition to a minimum energy-savings goal of at least one percent for energy conservation  
171.9 improvements. Energy savings from electric utility infrastructure projects, as defined in  
171.10 section 216B.1636, may be included in the energy conservation plan of a municipal utility  
171.11 or cooperative electric association. Electric utility infrastructure projects must result in  
171.12 increased energy efficiency greater than that which would have occurred through normal  
171.13 maintenance activity.

171.14 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure  
171.15 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the  
171.16 energy-savings goal established in this subdivision.

171.17 (f) An association or utility is not required to make energy conservation investments to  
171.18 attain the energy-savings goals of this subdivision that are not cost-effective even if the  
171.19 investment is necessary to attain the energy-savings goals. For the purpose of this paragraph,  
171.20 in determining cost-effectiveness, the commissioner shall consider the costs and benefits  
171.21 to ratepayers, the utility, participants, and society. In addition, the commissioner shall  
171.22 consider the rate at which an association or municipal utility is increasing its energy savings  
171.23 and its expenditures on energy conservation.

171.24 (g) On an annual basis, the commissioner shall produce and make publicly available a  
171.25 report on the annual energy savings and estimated carbon dioxide reductions achieved by  
171.26 the energy conservation improvement programs for the two most recent years for which  
171.27 data is available. The commissioner shall report on program performance both in the  
171.28 aggregate and for each entity filing an energy conservation improvement plan for approval  
171.29 or review by the commissioner.

171.30 (h) By January 15, 2010, the commissioner shall report to the legislature whether the  
171.31 spending requirements under subdivisions 1a and 1b are necessary to achieve the  
171.32 energy-savings goals established in this subdivision.

171.33 (i) This subdivision does not apply to:

171.34 (1) a cooperative electric association with fewer than 5,000 members;

172.1 (2) a municipal utility with fewer than 1,000 retail electric customers; or

172.2 (3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales  
172.3 to retail natural gas customers.

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

172.5 Sec. 17. Minnesota Statutes 2016, section 216B.241, subdivision 2, is amended to read:

172.6 Subd. 2. **Programs.** (a) The commissioner may require public utilities to make  
172.7 investments and expenditures in energy conservation improvements, explicitly setting forth  
172.8 the interest rates, prices, and terms under which the improvements must be offered to the  
172.9 customers. The required programs must cover no more than a three-year period. Public  
172.10 utilities shall file conservation improvement plans by June 1, on a schedule determined by  
172.11 order of the commissioner, but at least every three years. Plans received by a public utility  
172.12 by June 1 must be approved or approved as modified by the commissioner by December 1  
172.13 of that same year. The commissioner shall evaluate the program on the basis of  
172.14 cost-effectiveness and the reliability of technologies employed. The commissioner's order  
172.15 must provide to the extent practicable for a free choice, by consumers participating in the  
172.16 program, of the device, method, material, or project constituting the energy conservation  
172.17 improvement and for a free choice of the seller, installer, or contractor of the energy  
172.18 conservation improvement, provided that the device, method, material, or project seller,  
172.19 installer, or contractor is duly licensed, certified, approved, or qualified, including under  
172.20 the residential conservation services program, where applicable.

172.21 (b) The commissioner may require a utility subject to subdivision 1c to make an energy  
172.22 conservation improvement investment or expenditure whenever the commissioner finds  
172.23 that the improvement will result in energy savings at a total cost to the utility less than the  
172.24 cost to the utility to produce or purchase an equivalent amount of new supply of energy.  
172.25 The commissioner shall nevertheless ensure that every public utility operate one or more  
172.26 programs under periodic review by the department.

172.27 (c) Each public utility subject to subdivision 1a may spend and invest annually up to ten  
172.28 percent of the total amount required to be spent and invested on energy conservation  
172.29 improvements under this section by the utility on research and development projects that  
172.30 meet the definition of energy conservation improvement in subdivision 1 and that are funded  
172.31 directly by the public utility.

172.32 (d) A public utility may not spend for or invest in energy conservation improvements  
172.33 that directly benefit a large energy facility or a large electric customer facility for which the

173.1 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The  
173.2 commissioner shall consider and may require a utility to undertake a program suggested by  
173.3 an outside source, including a political subdivision, a nonprofit corporation, or community  
173.4 organization.

173.5 (e) A utility, a political subdivision, or a nonprofit or community organization that has  
173.6 suggested a program, the attorney general acting on behalf of consumers and small business  
173.7 interests, or a utility customer that has suggested a program and is not represented by the  
173.8 attorney general under section 8.33 may petition the commission to modify or revoke a  
173.9 department decision under this section, and the commission may do so if it determines that  
173.10 the program is not cost-effective, does not adequately address the residential conservation  
173.11 improvement needs of low-income persons, has a long-range negative effect on one or more  
173.12 classes of customers, or is otherwise not in the public interest. The commission shall reject  
173.13 a petition that, on its face, fails to make a reasonable argument that a program is not in the  
173.14 public interest.

173.15 (f) The commissioner may order a public utility to include, with the filing of the utility's  
173.16 annual status report, the results of an independent audit of the utility's conservation  
173.17 improvement programs and expenditures performed by the department or an auditor with  
173.18 experience in the provision of energy conservation and energy efficiency services approved  
173.19 by the commissioner and chosen by the utility. The audit must specify the energy savings  
173.20 or increased efficiency in the use of energy within the service territory of the utility that is  
173.21 the result of the spending and investments. The audit must evaluate the cost-effectiveness  
173.22 of the utility's conservation programs.

173.23 (g) A gas utility may not spend for or invest in energy conservation improvements that  
173.24 directly benefit a large customer facility or commercial gas customer facility for which the  
173.25 commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or  
173.26 (e). The commissioner shall consider and may require a utility to undertake a program  
173.27 suggested by an outside source, including a political subdivision, a nonprofit corporation,  
173.28 or a community organization.

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

173.30 Sec. 18. Minnesota Statutes 2016, section 216B.241, subdivision 5, is amended to read:

173.31 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric  
173.32 association, and municipal utility that provides electric service to retail customers and is  
173.33 subject to subdivision 1c shall include as part of its conservation improvement activities a  
173.34 program to strongly encourage the use of fluorescent and high-intensity discharge lamps.

174.1 The program must include at least a public information campaign to encourage use of the  
174.2 lamps and proper management of spent lamps by all customer classifications.

174.3 (b) A public utility that provides electric service at retail to 200,000 or more customers  
174.4 shall establish, either directly or through contracts with other persons, including lamp  
174.5 manufacturers, distributors, wholesalers, and retailers and local government units, a system  
174.6 to collect for delivery to a reclamation or recycling facility spent fluorescent and  
174.7 high-intensity discharge lamps from households and from small businesses as defined in  
174.8 section 645.445 that generate an average of fewer than ten spent lamps per year.

174.9 (c) A collection system must include establishing reasonably convenient locations for  
174.10 collecting spent lamps from households and financial incentives sufficient to encourage  
174.11 spent lamp generators to take the lamps to the collection locations. Financial incentives may  
174.12 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash  
174.13 back system, or any other financial incentive or group of incentives designed to collect the  
174.14 maximum number of spent lamps from households and small businesses that is reasonably  
174.15 feasible.

174.16 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,  
174.17 a cooperative electric association, or a municipal utility that provides electric service at  
174.18 retail to customers may establish a collection system under paragraphs (b) and (c) as part  
174.19 of conservation improvement activities required under this section.

174.20 (e) The commissioner of the Pollution Control Agency may not, unless clearly required  
174.21 by federal law, require a public utility, cooperative electric association, or municipality that  
174.22 establishes a household fluorescent and high-intensity discharge lamp collection system  
174.23 under this section to manage the lamps as hazardous waste as long as the lamps are managed  
174.24 to avoid breakage and are delivered to a recycling or reclamation facility that removes  
174.25 mercury and other toxic materials contained in the lamps prior to placement of the lamps  
174.26 in solid waste.

174.27 (f) If a public utility, cooperative electric association, or municipal utility contracts with  
174.28 a local government unit to provide a collection system under this subdivision, the contract  
174.29 must provide for payment to the local government unit of all the unit's incremental costs of  
174.30 collecting and managing spent lamps.

174.31 (g) All the costs incurred by a public utility, cooperative electric association, or municipal  
174.32 utility for promotion and collection of fluorescent and high-intensity discharge lamps under  
174.33 this subdivision are conservation improvement spending under this section.

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

175.1 Sec. 19. Minnesota Statutes 2016, section 216B.241, subdivision 5d, is amended to read:

175.2 Subd. 5d. **On-bill repayment programs.** (a) For the purposes of this subdivision:

175.3 (1) "utility" means a public utility, municipal utility, or cooperative electric association  
175.4 subject to subdivision 1c that provides electric or natural gas service to retail customers;  
175.5 and

175.6 (2) "on-bill repayment program" means a program in which a utility collects on a  
175.7 customer's bill repayment of a loan to the customer by an eligible lender to finance the  
175.8 customer's investment in eligible energy conservation or renewable energy projects, and  
175.9 remits loan repayments to the lender.

175.10 (b) A utility may include as part of its conservation improvement plan an on-bill  
175.11 repayment program to enable a customer to finance eligible projects with installment loans  
175.12 originated by an eligible lender. An eligible project is one that is either an energy conservation  
175.13 improvement, or a project installed on the customer's site that uses an eligible renewable  
175.14 energy source as that term is defined in section 216B.2411, subdivision 2, paragraph (b),  
175.15 but does not include mixed municipal solid waste or refuse-derived fuel from mixed  
175.16 municipal solid waste. An eligible renewable energy source also includes solar thermal  
175.17 technology that collects the sun's radiant energy and uses that energy to heat or cool air or  
175.18 water, and meets the requirements of section 216C.25. To be an eligible lender, a lender  
175.19 must:

175.20 (1) have a federal or state charter and be eligible for federal deposit insurance;

175.21 (2) be a government entity, including an entity established under chapter 469, that has  
175.22 authority to provide financial assistance for energy efficiency and renewable energy projects;

175.23 (3) be a joint venture by utilities established under section 452.25; or

175.24 (4) be licensed, certified, or otherwise have its lending activities overseen by a state or  
175.25 federal government agency.

175.26 The commissioner must allow a utility broad discretion in designing and implementing an  
175.27 on-bill repayment program, provided that the program complies with this subdivision.

175.28 (c) A utility may establish an on-bill repayment program for all customer classes or for  
175.29 a specific customer class.

175.30 (d) A public utility that implements an on-bill repayment program under this subdivision  
175.31 must enter into a contract with one or more eligible lenders that complies with the  
175.32 requirements of this subdivision and contains provisions addressing capital commitments,

176.1 loan origination, transfer of loans to the public utility for on-bill repayment, and acceptance  
176.2 of loans returned due to delinquency or default.

176.3 (e) A public utility's contract with a lender must require the lender to comply with all  
176.4 applicable federal and state laws, rules, and regulations related to lending practices and  
176.5 consumer protection; to conform to reasonable and prudent lending standards; and to provide  
176.6 businesses that sell, maintain, and install eligible projects the ability to participate in an  
176.7 on-bill repayment program under this subdivision on a nondiscriminatory basis.

176.8 (f) A public utility's contract with a lender may provide:

176.9 (1) for the public utility to purchase loans from the lender with a condition that the lender  
176.10 must purchase back loans in delinquency or default; or

176.11 (2) for the lender to retain ownership of loans with the public utility servicing the loans  
176.12 through on-bill repayment as long as payments are current.

176.13 The risk of default must remain with the lender. The lender shall not have recourse against  
176.14 the public utility except in the event of negligence or breach of contract by the utility.

176.15 (g) If a public utility customer makes a partial payment on a utility bill that includes a  
176.16 loan installment, the partial payment must be credited first to the amount owed for utility  
176.17 service, including taxes and fees. A public utility may not suspend or terminate a customer's  
176.18 utility service for delinquency or default on a loan that is being serviced through the public  
176.19 utility's on-bill repayment program.

176.20 (h) An outstanding balance on a loan being repaid under this subdivision is a financial  
176.21 obligation only of the customer who is signatory to the loan, and not to any subsequent  
176.22 customer occupying the property associated with the loan. If the public utility purchases  
176.23 loans from the lender as authorized under paragraph (f), clause (1), the public utility must  
176.24 return to the lender a loan not repaid when a customer borrower no longer occupies the  
176.25 property.

176.26 (i) Costs incurred by a public utility under this subdivision are recoverable as provided  
176.27 in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs  
176.28 for billing system modifications necessary to implement and operate an on-bill repayment  
176.29 program and for ongoing costs to operate the program. Costs in a plan approved by the  
176.30 commissioner may be counted toward a utility's conservation spending requirements under  
176.31 subdivisions 1a and 1b. Energy savings from energy conservation improvements resulting  
176.32 from this section may be counted toward satisfying a utility's energy-savings goals under  
176.33 subdivision 1c.



177.1 (j) This subdivision does not require a utility to terminate or modify an existing financing  
177.2 program and does not prohibit a utility from establishing an on-bill financing program in  
177.3 which the utility provides the financing capital.

177.4 (k) A municipal utility or cooperative electric association that implements an on-bill  
177.5 repayment program shall design the program to address the issues identified in paragraphs  
177.6 (d) through (h) as determined by the governing board of the utility or association.

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

177.8 Sec. 20. Minnesota Statutes 2016, section 216B.241, subdivision 7, is amended to read:

177.9 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility  
177.10 and association subject to subdivision 1c provides low-income programs. When approving  
177.11 spending and energy-savings goals for low-income programs, the commissioner shall  
177.12 consider historic spending and participation levels, energy savings for low-income programs,  
177.13 and the number of low-income persons residing in the utility's service territory. A municipal  
177.14 utility that furnishes gas service must spend at least 0.2 percent, and a public utility furnishing  
177.15 gas service must spend at least 0.4 percent, of its most recent three-year average gross  
177.16 operating revenue from residential customers in the state on low-income programs. A utility  
177.17 or association that furnishes electric service must spend at least 0.1 percent of its gross  
177.18 operating revenue from residential customers in the state on low-income programs. For a  
177.19 generation and transmission cooperative association, this requirement shall apply to each  
177.20 association's members' aggregate gross operating revenue from sale of electricity to residential  
177.21 customers in the state. Beginning in 2010, a utility or association that furnishes electric  
177.22 service must spend 0.2 percent of its gross operating revenue from residential customers in  
177.23 the state on low-income programs.

177.24 (b) To meet the requirements of paragraph (a), a utility or association may contribute  
177.25 money to the energy and conservation account. An energy conservation improvement plan  
177.26 must state the amount, if any, of low-income energy conservation improvement funds the  
177.27 utility or association will contribute to the energy and conservation account. Contributions  
177.28 must be remitted to the commissioner by February 1 of each year.

177.29 (c) The commissioner shall establish low-income programs to utilize money contributed  
177.30 to the energy and conservation account under paragraph (b). In establishing low-income  
177.31 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and  
177.32 community organizations, especially organizations engaged in providing energy and  
177.33 weatherization assistance to low-income persons. Money contributed to the energy and  
177.34 conservation account under paragraph (b) must provide programs for low-income persons,

178.1 including low-income renters, in the service territory of the utility or association providing  
178.2 the money. The commissioner shall record and report expenditures and energy savings  
178.3 achieved as a result of low-income programs funded through the energy and conservation  
178.4 account in the report required under subdivision 1c, paragraph (g). The commissioner may  
178.5 contract with a political subdivision, nonprofit or community organization, public utility,  
178.6 municipality, or cooperative electric association to implement low-income programs funded  
178.7 through the energy and conservation account.

178.8 (d) A utility or association may petition the commissioner to modify its required spending  
178.9 under paragraph (a) if the utility or association and the commissioner have been unable to  
178.10 expend the amount required under paragraph (a) for three consecutive years.

178.11 (e) The costs and benefits associated with any approved low-income gas or electric  
178.12 conservation improvement program that is not cost-effective when considering the costs  
178.13 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation  
178.14 of net economic benefits for purposes of calculating the financial incentive to the utility.  
178.15 The energy and demand savings may, at the discretion of the utility, be applied toward the  
178.16 calculation of overall portfolio energy and demand savings for purposes of determining  
178.17 progress toward annual goals and in the financial incentive mechanism.

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

178.19 Sec. 21. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

178.20 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with  
178.21 the commission periodically in accordance with rules adopted by the commission. The  
178.22 commission shall approve, reject, or modify the plan of a public utility, as defined in section  
178.23 216B.02, subdivision 4, consistent with the public interest. The analysis must consider the  
178.24 economy, job growth, and job retention.

178.25 (b) In the resource plan proceedings of all other utilities, the commission's order shall  
178.26 be advisory and the order's findings and conclusions shall constitute prima facie evidence  
178.27 which may be rebutted by substantial evidence in all other proceedings. With respect to  
178.28 utilities other than those defined in section 216B.02, subdivision 4, the commission shall  
178.29 consider the filing requirements and decisions in any comparable proceedings in another  
178.30 jurisdiction.

178.31 (c) As a part of its resource plan filing, a utility shall include the least cost plan for  
178.32 meeting 50 and 75 percent of all energy needs from both new and refurbished capacity

179.1 needs generating facilities through a combination of conservation and renewable energy  
179.2 resources.

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

179.4 Paragraphs (a) and (b) apply immediately to all proceedings pending before the commission.

179.5 Paragraph (c) applies to resource plans filed with the commission on or after July 1, 2017.

179.6 Sec. 22. Minnesota Statutes 2016, section 216B.2422, subdivision 3, is amended to read:

179.7 Subd. 3. **Environmental costs.** (a) The commission shall, to the extent practicable,  
179.8 quantify and establish a range of environmental costs associated with each method of  
179.9 electricity generation. A utility shall use the values established by the commission in  
179.10 conjunction with other external factors, including socioeconomic costs, when evaluating  
179.11 and selecting resource options in all proceedings before the commission, including resource  
179.12 plan and certificate of need proceedings. As part of the resource options and socioeconomic  
179.13 cost analysis under this section, the utility must calculate the impact of resource options on  
179.14 customers' bills and utility rates. Any doubt regarding the various resource options before  
179.15 the commission must be resolved in favor of supporting the economy, job growth, and job  
179.16 retention.

179.17 (b) The commission shall establish interim environmental cost values associated with  
179.18 each method of electricity generation by March 1, 1994. These values expire on the date  
179.19 the commission establishes environmental cost values under paragraph (a).

179.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
179.21 applies immediately to all proceedings pending before the commission.

179.22 Sec. 23. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

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

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

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

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

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

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

180.8 Sec. 24. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

180.9 Subd. 8. **Exemptions.** (a) This section does not apply to:

180.10 (1) cogeneration or small power production facilities as defined in the Federal Power  
180.11 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and  
180.12 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less  
180.13 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or  
180.14 any case where the commission has determined after being advised by the attorney general  
180.15 that its application has been preempted by federal law;

180.16 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve  
180.17 the demand of a single customer at a single location, unless the applicant opts to request  
180.18 that the commission determine need under this section or section 216B.2425;

180.19 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand  
180.20 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to  
180.21 request that the commission determine need under this section or section 216B.2425;

180.22 (4) a high-voltage transmission line of one mile or less required to connect a new or  
180.23 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

180.24 (5) conversion of the fuel source of an existing electric generating plant to using natural  
180.25 gas;

180.26 (6) the modification of an existing electric generating plant to increase efficiency, as  
180.27 long as the capacity of the plant is not increased more than ten percent or more than 100  
180.28 megawatts, whichever is greater;

180.29 (7) a wind energy conversion system or solar electric generation facility if the system  
180.30 or facility is owned and operated by an independent power producer and the electric output  
180.31 of the system or facility is not sold to an entity that provides retail service in Minnesota or

181.1 wholesale electric service to another entity in Minnesota other than an entity that is a federally  
 181.2 recognized regional transmission organization or independent system operator; or

181.3 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision  
 181.4 2, or a solar energy generating large energy facility, as defined in section ~~216B.2421,~~  
 181.5 ~~subdivision 2~~ 216E.01, subdivision 9a, engaging in a repowering project that:

181.6 (i) will not result in the facility exceeding the nameplate capacity under its most recent  
 181.7 interconnection agreement; or

181.8 (ii) will result in the facility exceeding the nameplate capacity under its most recent  
 181.9 interconnection agreement, provided that the Midcontinent Independent System Operator  
 181.10 has provided a signed generator interconnection agreement that reflects the expected net  
 181.11 power increase;

181.12 (9) a large wind energy conversion system, as defined in section 216F.01, subdivision  
 181.13 2;

181.14 (10) a solar energy generating system, as defined in section 216E.01, subdivision 9a,  
 181.15 with a capacity of five megawatts or more;

181.16 (11) a pipeline transporting crude oil or refined petroleum products;

181.17 (12) a pipeline transporting natural gas or propane; or

181.18 (13) a replacement pipeline.

181.19 (b) For the purpose of this subdivision, the following terms have the meanings given:

181.20 (1) "repowering project" means:

181.21 ~~(1)~~ (i) modifying a large wind energy conversion system or a solar energy generating  
 181.22 large energy facility to increase its efficiency without increasing its nameplate capacity;

181.23 ~~(2)~~ (ii) replacing turbines in a large wind energy conversion system without increasing  
 181.24 the nameplate capacity of the system; or

181.25 ~~(3)~~ (iii) increasing the nameplate capacity of a large wind energy conversion system;  
 181.26 and

181.27 (2) "replacement pipeline" means a pipeline constructed in a new or existing right-of-way  
 181.28 that replaces service provided by an existing pipeline that will be permanently removed  
 181.29 from service within 180 days of the date of initial service of the replacement pipeline.

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

182.1 Sec. 25. Minnesota Statutes 2016, section 216C.05, subdivision 2, is amended to read:

182.2 Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

182.3 (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of  
182.4 electricity and natural gas be achieved through cost-effective energy efficiency;

182.5 (2) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the  
182.6 year 2015, through increased reliance on energy efficiency and renewable energy alternatives;  
182.7 ~~and~~

182.8 (3) 25 percent of the total energy used in the state be derived from renewable energy  
182.9 resources by the year 2025-; and

182.10 (4) retail electricity rates be at least ten percent below the national average for commercial  
182.11 customers and at least five percent below the national average for all other customer classes.

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

182.13 Sec. 26. Minnesota Statutes 2016, section 216C.41, subdivision 2, is amended to read:

182.14 Subd. 2. **Incentive payment; appropriation.** (a) Incentive payments must be made  
182.15 according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner  
182.16 or operator of a qualified hydropower facility or qualified wind energy conversion facility  
182.17 for electric energy generated and sold by the facility, (3) a publicly owned hydropower  
182.18 facility for electric energy that is generated by the facility and used by the owner of the  
182.19 facility outside the facility, or (4) the owner of a publicly owned dam that is in need of  
182.20 substantial repair, for electric energy that is generated by a hydropower facility at the dam  
182.21 and the annual incentive payments will be used to fund the structural repairs and replacement  
182.22 of structural components of the dam, or to retire debt incurred to fund those repairs.

182.23 (b) Payment may only be made upon receipt by the commissioner of commerce of an  
182.24 incentive payment application that establishes that the applicant is eligible to receive an  
182.25 incentive payment and that satisfies other requirements the commissioner deems necessary.  
182.26 The application must be in a form and submitted at a time the commissioner establishes.

182.27 (c) There is annually appropriated from the ~~renewable development~~ energy fund account  
182.28 established under section 116C.779 to the commissioner of commerce sums sufficient to  
182.29 make the payments required under this section, in addition to the amounts funded by the  
182.30 ~~renewable development~~ energy fund account as specified in subdivision 5a.

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

183.1 Sec. 27. Minnesota Statutes 2016, section 216C.41, subdivision 5a, is amended to read:

183.2 Subd. 5a. ~~Renewable development account~~ **Payment authorization.** The Department  
183.3 of Commerce shall authorize payment of the renewable energy production incentive to wind  
183.4 energy conversion systems that are eligible under this section or Laws 2005, chapter 40, to  
183.5 on-farm biogas recovery facilities, and to hydroelectric facilities. Payment of the incentive  
183.6 shall be made from the ~~renewable energy development fund~~ account as provided under  
183.7 section 116C.779, subdivision 2.

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

183.9 Sec. 28. **[216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA"**  
183.10 **SOLAR ENERGY PRODUCTION INCENTIVES.**

183.11 **Subdivision 1. General provisions.** Payment of a "Made in Minnesota" solar energy  
183.12 production incentive to an owner whose application was approved by the commissioner of  
183.13 commerce under section 216C.415 prior to the effective date of this section must be  
183.14 administered under the provisions of Minnesota Statutes 2016, sections 216C.411; 216C.413;  
183.15 216C.414, subdivisions 1 to 3 and 5; and 216C.415. No incentive payments may be made  
183.16 under this section to an owner whose application was approved by the commissioner after  
183.17 the effective date of this section.

183.18 **Subd. 2. Appropriation.** (a) Unspent money remaining in the account established under  
183.19 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the  
183.20 energy fund account in the special revenue fund established under section 116C.779,  
183.21 subdivision 1.

183.22 (b) There is annually appropriated from the energy fund account in the special revenue  
183.23 fund established in section 116C.779 to the commissioner of commerce money sufficient  
183.24 to make the incentive payments required under Minnesota Statutes 2016, section 216C.415.

183.25 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of  
183.26 this appropriation may be used for administrative costs.

183.27 **Subd. 3. Eligibility window; payment duration.** (a) Payments may be made under this  
183.28 subdivision only for solar photovoltaic module installations that meet the requirements of  
183.29 subdivision 1 and that first begin generating electricity between January 1, 2014, and  
183.30 December 31, 2017.

183.31 (b) The payment eligibility window of the incentive begins and runs consecutively from  
183.32 the date the solar photovoltaic module first begins generating electricity.

184.1 (c) An owner of solar photovoltaic modules may receive payments under this section  
184.2 for a particular module for a period of ten years, provided that sufficient funds are available  
184.3 in the account.

184.4 (d) No payment may be made under this section for electricity generated after December  
184.5 31, 2027.

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

184.7 Sec. 29. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision  
184.8 to read:

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

184.12 Sec. 30. Minnesota Statutes 2016, section 216E.03, subdivision 3, is amended to read:

184.13 **Subd. 3. Application.** Any person seeking to construct a large electric power generating  
184.14 plant or a high-voltage transmission line must apply to the commission for a site or route  
184.15 permit. The application shall contain such information as the commission may require. The  
184.16 applicant ~~shall~~ may propose at least two sites for a large electric power generating plant and  
184.17 two routes for a high-voltage transmission line. Neither of the two proposed routes may be  
184.18 designated as a preferred route and all proposed routes must be numbered and designated  
184.19 as alternatives. The commission shall determine whether an application is complete and  
184.20 advise the applicant of any deficiencies within ten days of receipt. An application is not  
184.21 incomplete if information not in the application can be obtained from the applicant during  
184.22 the first phase of the process and that information is not essential for notice and initial public  
184.23 meetings.

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

184.25 Sec. 31. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

184.26 **Subd. 9. Timing.** The commission shall make a final decision on an application within  
184.27 60 days after receipt of the report of the administrative law judge. A final decision on the  
184.28 request for a site permit or route permit shall be made within one year after the commission's  
184.29 determination that an application is complete. The commission may extend this time limit  
184.30 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

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



185.1 Sec. 32. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

185.2 Subd. 7. **Timing.** The commission shall make a final decision on an application within  
185.3 60 days after completion of the public hearing. A final decision on the request for a site  
185.4 permit or route permit under this section shall be made within six months after the  
185.5 commission's determination that an application is complete. The commission may extend  
185.6 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the  
185.7 applicant.

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

185.9 Sec. 33. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

185.10 Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy  
185.11 conversion system" or "LWECS" means any combination of WECS with a combined  
185.12 nameplate capacity of 5,000 kilowatts or more and transmission lines directly associated  
185.13 with the LWECS that are necessary to interconnect the LWECS to the transmission system.

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

185.15 Sec. 34. Minnesota Statutes 2016, section 216F.011, is amended to read:

185.16 **216F.011 SIZE DETERMINATION.**

185.17 (a) The total size of a combination of wind energy conversion systems for the purpose  
185.18 of determining what jurisdiction has siting authority under this chapter must be determined  
185.19 according to this section. The nameplate capacity of one wind energy conversion system  
185.20 must be combined with the nameplate capacity of any other wind energy conversion system  
185.21 that:

185.22 (1) is located within five miles of the wind energy conversion system;

185.23 (2) is constructed within the same 12-month period as the wind energy conversion  
185.24 system; and

185.25 (3) exhibits characteristics of being a single development, including, but not limited to,  
185.26 ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing  
185.27 arrangements, and common debt or equity financing.

185.28 (b) The commissioner shall provide forms and assistance for project developers to make  
185.29 a request for a size determination. Upon written request of a project developer, the  
185.30 commissioner of commerce shall provide a written size determination within 30 days of  
185.31 receipt of the request and of any information needed to complete the size determination that

186.1 has been requested by the commissioner. In the case of a dispute, the chair of the Public  
186.2 Utilities Commission shall make the final size determination.

186.3 (c) An application to a county for a permit under this chapter for a wind energy conversion  
186.4 system is not complete without a size determination made under this section.

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

186.6 Sec. 35. Minnesota Statutes 2016, section 216F.04, is amended to read:

186.7 **216F.04 SITE PERMIT.**

186.8 (a) No person may construct an LWECs without a site permit issued by the Public  
186.9 Utilities Commission.

186.10 (b) Any person seeking to construct an LWECs shall submit an application to the  
186.11 commission for a site permit in accordance with this chapter and any rules adopted by the  
186.12 commission. The permitted site need not be contiguous land.

186.13 (c) The commission shall make a final decision on an application for a site permit for  
186.14 an LWECs within 180 days after acceptance of a complete application by the commission.  
186.15 The commission may extend this deadline ~~for cause~~ if the proposer agrees to an extension  
186.16 in writing.

186.17 (d) The commission may place conditions in a permit and may deny, modify, suspend,  
186.18 or revoke a permit.

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

186.20 Sec. 36. **[216G.025] ALTERNATIVE PIPELINE ROUTES; RESTRICTION.**

186.21 Notwithstanding section 116D.04, subdivisions 2a and 6, and any other law or rule, no  
186.22 environmental analysis of alternative routes for a pipeline seeking a routing permit may  
186.23 include an alternative route that does not connect the pipeline's termini as proposed by the  
186.24 applicant.

186.25 Sec. 37. Minnesota Statutes 2016, section 216H.03, subdivision 3, is amended to read:

186.26 Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless  
186.27 preempted by federal law, until a comprehensive and enforceable state law or rule pertaining  
186.28 to greenhouse gases that directly limits and substantially reduces, over time, statewide power  
186.29 sector carbon dioxide emissions is enacted and in effect, and except as allowed in  
186.30 subdivisions 4 to 7, on and after August 1, 2009, no person shall:

187.1 ~~(1) construct within the state a new large energy facility that would contribute to statewide~~  
187.2 ~~power sector carbon dioxide emissions;~~

187.3 ~~(2) import or commit to import from outside the state power from a new large energy~~  
187.4 ~~facility that would contribute to statewide power sector carbon dioxide emissions; or~~

187.5 ~~(3) enter into a new long-term power purchase agreement that would increase statewide~~  
187.6 ~~power sector carbon dioxide emissions. For purposes of this section, a long-term power~~  
187.7 ~~purchase agreement means an agreement to purchase 50 megawatts of capacity or more for~~  
187.8 ~~a term exceeding five years.~~

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

187.10 Sec. 38. Minnesota Statutes 2016, section 216H.03, subdivision 4, is amended to read:

187.11 Subd. 4. **Exception for facilities that offset emissions.** (a) The ~~prohibitions in~~ prohibition  
187.12 under subdivision 3 ~~do~~ does not apply if the project proponent demonstrates to the Public  
187.13 Utilities Commission's satisfaction that it will offset the new contribution to statewide power  
187.14 sector carbon dioxide emissions with a carbon dioxide reduction project identified in  
187.15 paragraph (b) and in compliance with paragraph (c).

187.16 (b) A project proponent may offset in an amount equal to or greater than the proposed  
187.17 new contribution to statewide power sector carbon dioxide emissions in either, or a  
187.18 combination of both, of the following ways:

187.19 (1) by reducing an existing facility's contribution to statewide power sector carbon  
187.20 dioxide emissions; or

187.21 (2) by purchasing carbon dioxide allowances from a state or group of states that has a  
187.22 carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

187.23 (c) The Public Utilities Commission shall not find that a proposed carbon dioxide  
187.24 reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide  
187.25 power sector carbon dioxide emissions unless the proposed offsets are permanent,  
187.26 quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section  
187.27 does not exempt emissions that have been offset under this subdivision and emissions  
187.28 exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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

188.1 Sec. 39. Minnesota Statutes 2016, section 216H.03, subdivision 7, is amended to read:

188.2 Subd. 7. **Other exemptions.** The ~~prohibitions in~~ prohibition under subdivision 3 ~~do~~ does  
188.3 not apply to:

188.4 (1) a new large energy facility under consideration by the Public Utilities Commission  
188.5 pursuant to proposals or applications filed with the Public Utilities Commission before April  
188.6 1, 2007, or to any power purchase agreement related to a facility described in this clause.

188.7 The exclusion of pending proposals and applications from the prohibitions in subdivision  
188.8 3 does not limit the applicability of any other law and is not an expression of legislative  
188.9 intent regarding whether any pending proposal or application should be approved or denied;

188.10 (2) a contract not subject to commission approval that was entered into prior to April 1,  
188.11 2007, to purchase power from a new large energy facility that was approved by a comparable  
188.12 authority in another state prior to that date, for which municipal or public power district  
188.13 bonds have been issued, and on which construction has begun;

188.14 (3) a new large energy facility ~~or a power purchase agreement between a Minnesota~~  
188.15 ~~utility and a new large energy facility~~ located ~~outside~~ within Minnesota that the Public  
188.16 Utilities Commission has determined is essential to ensure the long-term reliability of  
188.17 Minnesota's electric system, to allow electric service for increased industrial demand, or to  
188.18 avoid placing a substantial financial burden on Minnesota ratepayers. An order of the  
188.19 commission granting an exemption under this clause is stayed until the June 1 following  
188.20 the next regular or annual session of the legislature that begins after the date of the  
188.21 commission's final order; or

188.22 (4) a new large energy facility with a combined electric generating capacity of less than  
188.23 100 megawatts, which did not require a Minnesota certificate of need, which received an  
188.24 air pollution control permit to construct from an adjoining state before January 1, 2008, and  
188.25 on which construction began before July 1, 2008, or to any power purchase agreement  
188.26 related to a facility described in this clause.

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

188.28 Sec. 40. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK**  
188.29 **FORCE PROGRAMS.**

188.30 Subdivision 1. **Establishment.** The Residential PACE Consumer Protection Legislation  
188.31 Task Force shall develop recommendations for consumer protection legislation for any  
188.32 energy improvements financing program implemented under Minnesota Statutes, sections  
188.33 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section,

189.1 "residential PACE" or "PACE" means energy improvement financing programs for  
189.2 single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435  
189.3 to 216C.436.

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

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

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

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

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

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

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

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

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

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

189.14 (10) one member appointed by AARP Minnesota;

189.15 (11) one member appointed by Fresh Energy;

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

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

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

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

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

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

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

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

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

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

- 190.1 (i) all costs and fees of a residential PACE loan; and
- 190.2 (ii) the risks, such as foreclosure and higher costs, that may be associated with residential
- 190.3 PACE loans relative to other financing mechanisms;
- 190.4 (4) ensure that the ability to repay standard uses commonly accepted underwriting
- 190.5 principles;
- 190.6 (5) ensure that consumer provisions required of and protections that apply to conventional
- 190.7 loans and other financing options, including but not limited to the Truth in Lending Act and
- 190.8 the Real Estate Settlement Procedures Act, are required of and apply to PACE financing;
- 190.9 (6) address any unique protections necessary for elderly, low-income homeowners and
- 190.10 other financially vulnerable homeowners;
- 190.11 (7) establish criteria to ensure the cost-effectiveness of PACE-enabled clean energy
- 190.12 improvements; and
- 190.13 (8) address any other issues the task force identifies that are necessary to protect
- 190.14 consumers.
- 190.15 Subd. 4. **Administrative support.** The commissioner of commerce shall provide
- 190.16 administrative support and meeting space for the task force.
- 190.17 Subd. 5. **Compensation.** Members serve without compensation and shall not be
- 190.18 reimbursed for expenses.
- 190.19 Subd. 6. **Chair.** The commissioner of commerce or the commissioner's designee shall
- 190.20 serve as chair.
- 190.21 Subd. 7. **Meetings.** The task force shall meet regularly, at the call of the chair. Meetings
- 190.22 of the task force are subject to Minnesota Statutes, chapter 13D.
- 190.23 Subd. 8. **Appointments; first meeting.** Appointments must be made by June 1, 2017.
- 190.24 The commissioner of commerce must convene the first meeting by July 15, 2017.
- 190.25 Subd. 9. **Report to legislature.** By January 15, 2018, the commissioner shall submit a
- 190.26 report detailing the task force's findings and recommendations to the chairs and ranking
- 190.27 minority members of the senate and house of representatives committees with jurisdiction
- 190.28 over energy and consumer protection policy and finance. The report must include any draft
- 190.29 legislation necessary to implement the recommendations of the task force.
- 190.30 Subd. 10. **Suspension of residential PACE.** Until legislation is enacted establishing
- 190.31 consumer protections that address, but are not limited to, the concerns identified in
- 190.32 subdivision 3, no programs for the financing of energy improvements on a single-family

191.1 residential property dwelling under Minnesota Statutes, sections 216C.435 to 216C.436,  
191.2 may be operated after the effective date of this section.

191.3 Subd. 11. **Expiration.** The task force expires January 15, 2018, or after submitting the  
191.4 report required in this section, whichever is earlier.

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

191.6 Sec. 41. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**  
191.7 **THERMAL REBATES.**

191.8 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner  
191.9 of a solar thermal system whose application was approved by the commissioner of commerce  
191.10 after the effective date of this section.

191.11 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,  
191.12 section 216C.416, as of July 2, 2017, must be transferred to the energy fund account  
191.13 established under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

191.15 Sec. 42. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**  
191.16 **UNEXPENDED GRANT FUNDS.**

191.17 (a) No later than 30 days after the effective date of this section, the utility subject to  
191.18 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person  
191.19 who received a grant funded from the renewable development account previously established  
191.20 under that subdivision:

191.21 (1) after January 1, 2012; and

191.22 (2) before January 1, 2012, if the funded project remains incomplete as of the effective  
191.23 date of this section.

191.24 The notice must contain the provisions of this section and instructions directing grant  
191.25 recipients how unexpended funds can be transferred to the energy fund account.

191.26 (b) A recipient of a grant from the renewable development account previously established  
191.27 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after  
191.28 receiving the notice required under paragraph (a), transfer any grant funds that remain  
191.29 unexpended as of the effective date of this section to the energy fund account if, by that  
191.30 effective date, all of the following conditions are met:

191.31 (1) the grant was awarded more than five years before the effective date of this section;

192.1 (2) the grant recipient has failed to obtain control of the site on which the project is to  
192.2 be constructed;

192.3 (3) the grant recipient has failed to secure all necessary permits or approvals from any  
192.4 unit of government with respect to the project; and

192.5 (4) construction of the project has not begun.

192.6 (c) A recipient of a grant from the renewable development account previously established  
192.7 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds  
192.8 that remain unexpended five years after the grant funds are received by the grant recipient  
192.9 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant  
192.10 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary  
192.11 of the receipt of the grant funds.

192.12 (d) A person who transfers funds to the energy fund account under this section is eligible  
192.13 to apply for funding from the Legislative Renewable Energy Council under Minnesota  
192.14 Statutes, section 116C.7793.

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

192.16 Sec. 43. **REPEALER.**

192.17 (a) Laws 2013, chapter 85, article 6, section 11, is repealed.

192.18 (b) Minnesota Statutes 2016, sections 216B.8109; 216B.811; 216B.812; 216B.813; and  
192.19 216B.815, are repealed.

192.20 (c) Minnesota Statutes 2016, sections 3.8852; 116C.779, subdivision 3; and 216C.29,  
192.21 are repealed.

192.22 (d) Minnesota Statutes 2016, sections 174.187; 216C.411; 216C.412; 216C.413;  
192.23 216C.414; 216C.415; and 216C.416, are repealed.

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

## 192.25 **ARTICLE 11**

### 192.26 **MISCELLANEOUS**

192.27 Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**  
192.28 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

192.29 Subdivision 1. **Definition.** As used in this section, "residential construction" means the  
192.30 new construction or remodeling of any building subject to the Minnesota Residential Code.



193.1 Subd. 2. **Impact on housing cost; agency determination.** An agency must determine  
193.2 if implementation of a proposed rule, or any portion of a proposed rule, will, on average,  
193.3 increase the cost of residential construction or remodeling by \$1,000 or more per unit. The  
193.4 agency must make this determination before the close of the hearing record, or before the  
193.5 agency submits the record to the administrative law judge if there is no hearing. The  
193.6 administrative law judge must review and approve or disapprove an agency's determination  
193.7 under this subdivision.

193.8 Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that  
193.9 the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision  
193.10 2, or if the administrative law judge disapproves the agency's determination that the impact  
193.11 does not meet or exceed that threshold, the agency must notify, in writing, the chairs and  
193.12 ranking minority members of the policy committees of the house of representatives and the  
193.13 senate with jurisdiction over the subject matter of the proposed rule within ten days of the  
193.14 determination or disapproval.

193.15 (b) If a committee of either the house of representatives or senate with jurisdiction over  
193.16 the subject matter of the proposed rule votes to advise an agency that the rule should not  
193.17 be adopted as proposed, the agency may not adopt the rule unless the rule is approved by  
193.18 a law enacted after the vote of the committee. Section 14.126, subdivision 2, applies to a  
193.19 vote of a committee under this subdivision.

193.20 Subd. 4. **Severability.** If the agency or an administrative law judge determines that part  
193.21 of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a  
193.22 severable portion of the proposed rule does not meet or exceed that threshold, the agency  
193.23 may proceed to adopt the severable portions of the proposed rule regardless of whether a  
193.24 legislative committee vote is conducted under subdivision 3.

193.25 **EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to  
193.26 administrative rules proposed on or after that date.

193.27 Sec. 2. Minnesota Statutes 2016, section 462.355, subdivision 4, is amended to read:

193.28 Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has authorized  
193.29 a study to be conducted or has held or has scheduled a hearing for the purpose of considering  
193.30 adoption or amendment of a comprehensive plan or official controls as defined in section  
193.31 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted  
193.32 is annexed to a municipality, the governing body of the municipality may adopt an interim  
193.33 ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning  
193.34 process and the health, safety and welfare of its citizens. The interim ordinance may regulate,

194.1 restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion  
194.2 thereof for a period not to exceed one year from the date it is effective.

194.3 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities  
194.4 relating to livestock production, a public hearing must be held following a ten-day notice  
194.5 given by publication in a newspaper of general circulation in the municipality before the  
194.6 interim ordinance takes effect.

194.7 (c)(1) A statutory or home rule charter city may adopt an interim ordinance that regulates,  
194.8 restricts, or prohibits a housing proposal only if the ordinance is approved by at least  
194.9 two-thirds of city council members present.

194.10 (2) Before adopting the interim ordinance, the city council must hold a public hearing  
194.11 after providing written notice to any person who has submitted a housing proposal, has a  
194.12 pending housing proposal, or has provided a written request to be notified of interim  
194.13 ordinances related to housing proposals. The written notice must be provided at least three  
194.14 business days before the public hearing. Notice also must be posted on the city's official  
194.15 Web site, if the city has an official Web site.

194.16 (3) The date of the public hearing shall be the earlier of the next regularly scheduled  
194.17 city council meeting after the notice period or within ten days of the notice.

194.18 (4) The activities proposed to be restricted by the proposed interim ordinance may not  
194.19 be undertaken before the public hearing.

194.20 (5) For the purposes of this paragraph, "housing proposal" means a written request for  
194.21 city approval of a project intended primarily to provide residential dwellings, either single  
194.22 family or multi-family, and involves the subdivision or development of land or the  
194.23 demolition, construction, reconstruction, alteration, repair, or occupancy of residential  
194.24 dwellings.

194.25 ~~(e)~~ (d) The period of an interim ordinance applicable to an area that is affected by a city's  
194.26 master plan for a municipal airport may be extended for such additional periods as the  
194.27 municipality may deem appropriate, not exceeding a total additional period of 18 months.  
194.28 In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has  
194.29 been given preliminary approval, nor may any interim ordinance extend the time deadline  
194.30 for agency action set forth in section 15.99 with respect to any application filed prior to the  
194.31 effective date of the interim ordinance. The governing body of the municipality may extend  
194.32 the interim ordinance after a public hearing and written findings have been adopted based  
194.33 upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be  
194.34 held at least 15 days but not more than 30 days before the expiration of the interim ordinance,

195.1 and notice of the hearing must be published at least ten days before the hearing. The interim  
195.2 ordinance may be extended for the following conditions and durations, but, except as  
195.3 provided in clause (3), an interim ordinance may not be extended more than an additional  
195.4 18 months:

195.5 (1) up to an additional 120 days following the receipt of the final approval or review by  
195.6 a federal, state, or metropolitan agency when the approval is required by law and the review  
195.7 or approval has not been completed and received by the municipality at least 30 days before  
195.8 the expiration of the interim ordinance;

195.9 (2) up to an additional 120 days following the completion of any other process required  
195.10 by a state statute, federal law, or court order, when the process is not completed at least 30  
195.11 days before the expiration of the interim ordinance; or

195.12 (3) up to an additional one year if the municipality has not adopted a comprehensive  
195.13 plan under this section at the time the interim ordinance is enacted.

195.14 **EFFECTIVE DATE.** This section is effective for interim ordinances proposed on or  
195.15 after August 1, 2017.

195.16 Sec. 3. Minnesota Statutes 2016, section 462A.201, subdivision 2, is amended to read:

195.17 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust  
195.18 fund account to provide loans or grants for:

195.19 (1) projects for the development, construction, acquisition, preservation, and rehabilitation  
195.20 of low-income rental and limited equity cooperative housing units, including temporary  
195.21 and transitional housing;

195.22 (2) the costs of operating rental housing, as determined by the agency, that are unique  
195.23 to the operation of low-income rental housing or supportive housing; ~~and~~

195.24 (3) rental assistance, either project-based or tenant-based; and

195.25 (4) rental assistance to secure stable housing for families with children, or unaccompanied  
195.26 homeless youth, eligible for enrollment in a prekindergarten through grade 12 academic  
195.27 program.

195.28 For purposes of this section, "transitional housing" has the meaning given by the United  
195.29 States Department of Housing and Urban Development. Loans or grants for residential  
195.30 housing for migrant farmworkers may be made under this section.

195.31 (b) The housing trust fund account must be used for the benefit of persons and families  
195.32 whose income, at the time of initial occupancy, does not exceed 60 percent of median income

196.1 as determined by the United States Department of Housing and Urban Development for the  
196.2 metropolitan area. At least 75 percent of the funds in the housing trust fund account must  
196.3 be used for the benefit of persons and families whose income, at the time of initial occupancy,  
196.4 does not exceed 30 percent of the median family income for the metropolitan area as defined  
196.5 in section 473.121, subdivision 2. For purposes of this section, a household with a housing  
196.6 assistance voucher under Section 8 of the United States Housing Act of 1937, as amended,  
196.7 is deemed to meet the income requirements of this section.

196.8 The median family income may be adjusted for families of five or more.

196.9 (c) Rental assistance under this section must be provided by governmental units which  
196.10 administer housing assistance supplements or by for-profit or nonprofit organizations  
196.11 experienced in housing management. Rental assistance shall be limited to households whose  
196.12 income at the time of initial receipt of rental assistance does not exceed 60 percent of median  
196.13 income, as determined by the United States Department of Housing and Urban Development  
196.14 for the metropolitan area. Priority among comparable applications for tenant-based rental  
196.15 assistance will be given to proposals that will serve households whose income at the time  
196.16 of initial application for rental assistance does not exceed 30 percent of median income, as  
196.17 determined by the United States Department of Housing and Urban Development for the  
196.18 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent  
196.19 of a household's monthly income for four consecutive months equals or exceeds the market  
196.20 rent for the unit in which the household resides plus utilities for which the tenant is  
196.21 responsible. Rental assistance may only be used for rental housing units that meet the housing  
196.22 maintenance code of the local unit of government in which the unit is located, if such a code  
196.23 has been adopted, or the housing quality standards adopted by the United States Department  
196.24 of Housing and Urban Development, if no local housing maintenance code has been adopted.

196.25 (d) In making the loans or grants, the agency shall determine the terms and conditions  
196.26 of repayment and the appropriate security, if any, should repayment be required. To promote  
196.27 the geographic distribution of grants and loans, the agency may designate a portion of the  
196.28 grant or loan awards to be set aside for projects located in specified congressional districts  
196.29 or other geographical regions specified by the agency. The agency may adopt rules for  
196.30 awarding grants and loans under this subdivision.

196.31 Sec. 4. Minnesota Statutes 2016, section 462A.204, subdivision 8, is amended to read:

196.32 Subd. 8. **School stability.** (a) The agency in consultation with the Interagency ~~Task~~  
196.33 ~~Force~~ Council on Homelessness may establish a school stability project under the family  
196.34 homeless prevention and assistance program. The purpose of the project is to secure stable

197.1 housing for families with school-age children who have moved frequently and for  
197.2 unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors  
197.3 who are leaving foster care or juvenile correctional facilities, or minors who meet the  
197.4 definition of a child in need of services or protection under section 260C.007, subdivision  
197.5 6, but for whom no court finding has been made pursuant to that statute.

197.6 (b) The agency shall make grants to family homeless prevention and assistance projects  
197.7 in communities with a school or schools that have a significant degree of student mobility.

197.8 (c) Each project must be designed to reduce school absenteeism; stabilize children in  
197.9 one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each  
197.10 project must include plans for the following:

197.11 (1) targeting of families with children ~~under age 12 who, in the last 12 months have~~  
197.12 ~~either: changed schools or homes at least once or been absent from school at least 15 percent~~  
197.13 ~~of the school year and who have either been evicted from their housing;~~ who are eligible  
197.14 for a prekindergarten through grade 12 academic program and are living in overcrowded  
197.15 conditions in their current housing; or ~~or~~ who are paying more than 50 percent of their income  
197.16 for rent; or who lack a fixed, regular, and adequate nighttime residence;

197.17 (2) targeting of unaccompanied youth in need of an alternative residential setting;

197.18 (3) connecting families with the social services necessary to maintain the families'  
197.19 stability in their home; and

197.20 (4) one or more of the following:

197.21 (i) provision of rental assistance for a specified period of time, which may exceed 24  
197.22 months; or

197.23 (ii) ~~development of permanent supportive housing or transitional housing~~ provision of  
197.24 support and case management services to improve housing stability, including but not limited  
197.25 to housing navigation and family outreach.

197.26 (d) ~~Notwithstanding subdivision 2, grants under this section may be used to acquire,~~  
197.27 ~~rehabilitate, or construct transitional or permanent housing~~ In selecting projects for funding  
197.28 under this subdivision, preference shall be given to organizations granted funding under  
197.29 section 462A.201, subdivision 2, paragraph (a), clause (4), and groups working in  
197.30 collaboration with such organizations.

197.31 (e) ~~Each grantee under the project must include representatives of the local school district~~  
197.32 ~~or targeted schools, or both, and of the local community correction agencies on its advisory~~

198.1 ~~committee~~ No grantee under this subdivision is required to have an advisory committee as  
198.2 described in subdivision 6.

198.3 **Sec. 5. [462A.39] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

198.4 **Subdivision 1. Establishment.** The commissioner of Minnesota housing finance shall  
198.5 establish a workforce housing development program to award grants or deferred loans to  
198.6 eligible project areas to be used for qualified expenditures.

198.7 **Subd. 2. Definitions.** (a) For purposes of this section, the following terms have the  
198.8 meanings given.

198.9 (b) "Eligible project area" means a home rule charter or statutory city located outside  
198.10 of the metropolitan area as defined in section 473.121, subdivision 2, with a population  
198.11 exceeding 500; a community that has a combined population of 1,500 residents located  
198.12 within 15 miles of a home rule charter or statutory city located outside the metropolitan  
198.13 area as defined in section 473.121, subdivision 2; or an area served by a joint county-city  
198.14 economic development authority.

198.15 (c) "Joint county-city economic development authority" means an economic development  
198.16 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between  
198.17 a city and county and excluding those established by the county only.

198.18 (d) "Market rate residential rental properties" means properties that are rented at market  
198.19 value, including new modular homes, new manufactured homes, and new manufactured  
198.20 homes on leased land or in a manufactured home park, and excludes:

198.21 (1) properties constructed with financial assistance requiring the property to be occupied  
198.22 by residents that meet income limits under federal or state law of initial occupancy; and

198.23 (2) properties constructed with federal, state, or local flood recovery assistance, regardless  
198.24 of whether that assistance imposed income limits as a condition of receiving assistance.

198.25 (e) "Qualified expenditure" means expenditures for market rate residential rental  
198.26 properties including acquisition of property; construction of improvements; and provisions  
198.27 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing  
198.28 costs.

198.29 **Subd. 3. Application.** The commissioner shall develop forms and procedures for soliciting  
198.30 and reviewing application for grants or deferred loans under this section. At a minimum, a  
198.31 city must include in its application a resolution of its governing body certifying that the  
198.32 matching amount as required under this section is available and committed.

199.1 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or  
199.2 deferred loans to an eligible project area under this section until the following determinations  
199.3 are made:

199.4 (1) the average vacancy rate for rental housing located in the eligible project area, and  
199.5 in any other city located within 15 miles or less of the boundaries of the area, has been five  
199.6 percent or less for at least the prior two-year period;

199.7 (2) one or more businesses located in the eligible project area, or within 25 miles of the  
199.8 area, that employs a minimum of 20 full-time equivalent employees in aggregate have  
199.9 provided a written statement to the eligible project area indicating that the lack of available  
199.10 rental housing has impeded their ability to recruit and hire employees; and

199.11 (3) the eligible project area has certified that the grants or deferred loans will be used  
199.12 for qualified expenditures for the development of rental housing to serve employees of  
199.13 businesses located in the eligible project area or surrounding area.

199.14 (b) Preference for grants or deferred loans awarded under this section shall be given to  
199.15 eligible project areas with less than 18,000 people.

199.16 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent  
199.17 of the rental housing development project cost. The commissioner shall not award a grant  
199.18 or deferred loans to a city without certification by the city that the amount of the grant or  
199.19 deferred loans shall be matched by a local unit of government, business, or nonprofit  
199.20 organization with \$1 for every \$2 provided in grant or deferred loans funds.

199.21 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit  
199.22 a report to the chairs and ranking minority members of the senate and house of representatives  
199.23 committees having jurisdiction over taxes and workforce development specifying the projects  
199.24 that received grants or deferred loans under this section and the specific purposes for which  
199.25 the grant funds were used.

199.26 Sec. 6. **[462C.16] HOUSING TRUST FUNDS FOR LOCAL HOUSING**  
199.27 **DEVELOPMENT.**

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

199.30 (b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

199.31 (c) "Fund" means a local housing trust fund or a regional housing trust fund.

199.32 (d) "Local government" means any statutory or home rule charter city or a county.

200.1 (e) "Local housing trust fund" means a fund established by a local government with one  
200.2 or more dedicated sources of public revenue for housing.

200.3 (f) "Regional housing trust fund" means a fund established and administered under a  
200.4 joint powers agreement entered into by two or more local governments with one or more  
200.5 dedicated sources of public revenue for housing.

200.6 Subd. 2. **Creation and administration.** (a) A local government may establish a local  
200.7 housing trust fund by ordinance or participate in a joint powers agreement to establish a  
200.8 regional housing trust fund.

200.9 (b) A local or regional housing trust fund may be, but is not required to be, administered  
200.10 through a nonprofit organization. If administered through a nonprofit organization, that  
200.11 organization shall encourage private charitable donations to the fund.

200.12 Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may  
200.13 be used only to:

200.14 (1) pay for administrative expenses, but not more than ten percent of the balance of the  
200.15 fund may be spent on administration;

200.16 (2) make grants, loans, and loan guarantees for the development, rehabilitation, or  
200.17 financing of housing;

200.18 (3) match other funds from federal, state, or private resources for housing projects; or

200.19 (4) provide down payment assistance, rental assistance, and homebuyer counseling  
200.20 services.

200.21 Subd. 4. **Funding.** (a) A local government may finance its local or regional housing  
200.22 trust fund with any money available to the local government, unless expressly prohibited  
200.23 by state law. Sources of these funds include, but are not limited to:

200.24 (1) donations;

200.25 (2) bond proceeds;

200.26 (3) grants and loans from a state, federal, or private source;

200.27 (4) appropriations by a local government to the fund;

200.28 (5) investment earnings of the fund; and

200.29 (6) housing and redevelopment authority levies.



201.1 (b) The local government may alter a source of funding for the local or regional housing  
201.2 trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts  
201.3 or expenditures authorized by the fund in its budget.

201.4 Subd. 5. **Reports.** A local or regional housing trust fund established under this section  
201.5 must report annually to the local government that created the fund. The local government  
201.6 or governments must post this report on its public Web site.

201.7 Subd. 6. **Effect of legislation on existing local or regional housing trust funds.** A  
201.8 local or regional housing trust fund existing on the effective date of this section is not  
201.9 required to alter the existing terms of its governing documents or take any additional  
201.10 authorizing actions required by subdivision 2.

201.11 Sec. 7. Minnesota Statutes 2016, section 473.145, is amended to read:

201.12 **473.145 DEVELOPMENT GUIDE.**

201.13 The Metropolitan Council shall prepare and adopt, after appropriate study and such  
201.14 public hearings as may be necessary, a comprehensive development guide for the  
201.15 metropolitan area. It shall consist of a compilation of policy statements, goals, standards,  
201.16 programs, and maps prescribing guides for the orderly and economical development, public  
201.17 and private, of the metropolitan area. The comprehensive development guide shall recognize  
201.18 and encompass physical, social, or economic needs of the metropolitan area and those future  
201.19 developments which will have an impact on the entire area including but not limited to such  
201.20 matters as land use, parks and open space land needs, the necessity for and location of  
201.21 airports, highways, transit facilities, public hospitals, libraries, schools, and other public  
201.22 buildings. Notwithstanding any council action to adopt it, a plan or plan element relating  
201.23 to housing does not take effect until a law is enacted approving the plan.

201.24 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
201.25 final enactment and applies to plans adopted before, on, or after that date. This section  
201.26 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

201.27 Sec. 8. Minnesota Statutes 2016, section 473.254, subdivision 2, is amended to read:

201.28 **Subd. 2. Affordable, life-cycle goals.** The council shall negotiate with each municipality  
201.29 to establish affordable and life-cycle housing goals for that municipality that are consistent  
201.30 with and promote the policies of the Metropolitan Council as provided in the adopted  
201.31 Metropolitan Development Guide. The council shall adopt, by resolution after a public  
201.32 hearing, the negotiated affordable and life-cycle housing goals for each municipality by

202.1 January 15, 1996, and by January 15 in each succeeding year for each municipality newly  
202.2 electing to participate in the program or for each municipality with which new housing  
202.3 goals have been negotiated. By June 30, 1996, and by June 30 in each succeeding year for  
202.4 each municipality newly electing to participate in the program or for each municipality with  
202.5 which new housing goals have been negotiated, each municipality shall identify to the  
202.6 council the actions it plans to take to meet the established housing goals.

202.7 Beginning in 2018, the negotiated affordable and life-cycle housing goals for each  
202.8 municipality must be submitted by January 15 each year to the chairs and ranking minority  
202.9 members of the legislative committees with jurisdiction over the Metropolitan Council and  
202.10 housing policy and finance, and may be adopted by the council only after a law is enacted  
202.11 approving them or the legislature has adjourned its regular session for that calendar year  
202.12 without taking any action on the matter.

202.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
202.14 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
202.15 Scott, and Washington.

202.16 Sec. 9. Minnesota Statutes 2016, section 473.254, subdivision 3a, is amended to read:

202.17 Subd. 3a. **Affordable, life-cycle housing opportunities amount.** (a) Each municipality's  
202.18 "affordable and life-cycle housing opportunities amount" for that year must be determined  
202.19 annually by the council using the method in this subdivision. The affordable and life-cycle  
202.20 housing opportunities amount must be determined for each calendar year for all municipalities  
202.21 in the metropolitan area.

202.22 (b) The council must allocate to each municipality its portion of the \$1,000,000 of the  
202.23 revenue generated by the levy authorized in section 473.249 which is credited to the local  
202.24 housing incentives account pursuant to subdivision 5, paragraph (b). The allocation must  
202.25 be made by determining the amount levied for and payable in each municipality in the  
202.26 previous calendar year pursuant to the council levy in section 473.249 divided by the total  
202.27 amount levied for and payable in the metropolitan area in the previous calendar year pursuant  
202.28 to such levy and multiplying that result by \$1,000,000.

202.29 (c) The council must also determine the amount levied for and payable in each  
202.30 municipality in the previous calendar year pursuant to the council levy in section 473.253,  
202.31 subdivision 1.

202.32 (d) A municipality's affordable and life-cycle housing opportunities amount for the  
202.33 calendar year is the sum of the amounts determined under paragraphs (b) and (c).

203.1 (e) The council must report to the chairs and ranking minority members of the legislative  
203.2 committees with jurisdiction over the Metropolitan Council and housing policy and finance  
203.3 by March 15 each year the council's estimated amount under paragraph (d). The legislature  
203.4 may approve, modify, or reject the amounts the council will use in paragraph (f). If no law  
203.5 is enacted to approve, modify, or reject the amounts during the regular legislative session  
203.6 for that calendar year, the council may proceed with its proposed amounts.

203.7 ~~(e)~~ (f) By August 1 of each year, the council must notify each municipality of its  
203.8 affordable and life-cycle housing opportunities amount for the following calendar year  
203.9 determined by the method in this subdivision.

203.10 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
203.11 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
203.12 Scott, and Washington.

203.13 Sec. 10. **[474A.22] WORKFORCE HOUSING, TAX-EXEMPT BONDING**  
203.14 **ALLOCATION.**

203.15 Subdivision 1. **Definitions.** In addition to the definitions in section 474A.02, for the  
203.16 purposes of this section, the following terms have the meanings given them:

203.17 (1) "aggregate bond limitation" means 55 percent of the reasonably expected aggregate  
203.18 basis of the project and the land on which the project is located;

203.19 (2) "AMI" means the area median income as published by the Department of Housing  
203.20 and Urban Development, adjusted for household size; and

203.21 (3) "workforce housing" means a multifamily housing project in which, for a period of  
203.22 at least 15 years following completion, at least 80 percent of rental units are occupied or  
203.23 held for occupancy by persons or families whose adjusted income does not exceed 60 percent  
203.24 of AMI and at least 80 percent of rental units in the project are rent restricted in an amount  
203.25 of 30 percent to 60 percent of AMI.

203.26 Subd. 2. **No single-family set aside for two years.** Notwithstanding section 474A.03,  
203.27 subdivision 1, clause (2), the commissioner of management and budget shall not set aside  
203.28 any of the housing pool for single-family housing programs prior to December 31, 2019.

203.29 Subd. 3. **Additional application requirements.** In addition to any other application  
203.30 requirements for an allocation under sections 474A.061, subdivision 1, and 474A.091,  
203.31 subdivision 2, for a residential rental project, an applicant must provide a statement as to:

204.1 (1) whether the project owner intends to apply for and receive low-income housing tax  
204.2 credits for the project under section 42 of the Internal Revenue Code of 1986, as amended,  
204.3 from the applicable allocating agency;

204.4 (2) whether the proposed residential rental project meets the definition of workforce  
204.5 housing; and

204.6 (3) whether the aggregate of the amount of tax-exempt bonds previously allocated to a  
204.7 project under section 474A.061 or 474A.091, if any, and the amount of bonds requested in  
204.8 the application for that same project exceeds the aggregate bond limitation.

204.9 Subd. 4. **Re-prioritized housing pool allocations.** Notwithstanding section 474A.061,  
204.10 subdivision 2a, paragraph (a), commencing on the second Tuesday in January and continuing  
204.11 on each Monday through July 15, the commissioner shall allocate available bonding authority  
204.12 from the housing pool to applications received on or before the Monday of the preceding  
204.13 week for residential rental projects that meet the eligibility criteria under section 474A.047,  
204.14 and after the second Tuesday in January through July 15, for single-family housing programs.  
204.15 Allocations of available bonding authority from the housing pool for eligible uses shall be  
204.16 awarded in the following order of priority:

204.17 (1) residential rental projects that preserve existing federally subsidized housing and the  
204.18 aggregate amount of bonds requested in the application and any previous allocation of bonds  
204.19 do not exceed the aggregate bond limitation;

204.20 (2) residential rental projects that:

204.21 (i) intend to apply for and receive low-income housing tax credits under section 42 of  
204.22 the Internal Revenue Code and meet the definition of workforce housing; and

204.23 (ii) the aggregate amount of bonds requested in the application and any previous allocation  
204.24 of bonds to the project do not exceed the aggregate bond limitation;

204.25 (3) other residential rental projects that intend to apply for and receive low-income  
204.26 housing tax credits under section 42 of the Internal Revenue Code;

204.27 (4) single-family housing programs described in section 474A.061, subdivision 2a,  
204.28 paragraph (b); and

204.29 (5) other residential rental projects.

204.30 If there are two or more applications for residential rental projects from the housing pool  
204.31 with equal priority and there is insufficient bonding authority to provide allocations for all  
204.32 residential rental projects in any one allocation period, the available bonding authority shall

205.1 be awarded by lot including a partial allocation until all remaining bonding authority is  
205.2 allocated unless otherwise agreed to by the respective issuers. If a residential rental project  
205.3 receives some, but less than the requested amount of allocation contained in its application,  
205.4 and the project applies in the future to the housing pool for additional allocation of bonds,  
205.5 the project shall be fully funded up to its original application request for bonding authority  
205.6 before any new project, applying in the same allocation period, that has an equal priority  
205.7 shall receive bonding authority. If an issuer that receives an allocation under this paragraph  
205.8 does not issue obligations equal to all or a portion of the allocation received within 120 days  
205.9 of the allocation or returns the allocation to the commissioner, the amount of the allocation  
205.10 is canceled and returned for reallocation through the housing pool or to the unified pool  
205.11 after July 15.

205.12 (b) Subject to paragraph (a), the commissioner shall otherwise follow the provisions of  
205.13 section 474A.061.

205.14 Subd. 5. **Re-prioritized unified pool allocation.** (a) Notwithstanding section 474A.091,  
205.15 subdivision 3, paragraph (f), if there are two or more applications for residential rental  
205.16 projects from the unified pool and there is insufficient bonding authority to provide  
205.17 allocations for all residential rental projects in any one allocation period, the available  
205.18 bonding authority shall be awarded in the following order of priority:

205.19 (1) residential rental projects that preserve existing federally subsidized housing and the  
205.20 aggregate amount of bonds requested in the application and any previous allocation of bonds  
205.21 do not exceed the aggregate bond limitation;

205.22 (2) residential rental projects that:

205.23 (i) intend to apply for and receive low-income housing tax credits under section 42 of  
205.24 the Internal Revenue Code and meet the definition of workforce housing; and

205.25 (ii) the aggregate amount of bonds requested in the application and any previous allocation  
205.26 of bonds to that same project do not exceed the aggregate bond limitation;

205.27 (3) other residential rental projects that intend to apply for and receive low-income  
205.28 housing tax credits under section 42 of the Internal Revenue Code; and

205.29 (4) other residential rental projects.

205.30 If there are two or more applications for residential rental projects from the unified pool  
205.31 with equal priority and there is insufficient bonding authority to provide allocations for all  
205.32 residential rental projects in any one allocation period, the available bonding authority shall  
205.33 be awarded by lot including a partial allocation until all remaining bonding authority is

206.1 allocated unless otherwise agreed to by the respective issuers. If a residential rental project  
206.2 receives some, but less than the requested amount of allocation contained in its application,  
206.3 and the project applies in the future to the unified pool for additional allocation of bonds,  
206.4 the project shall be fully funded up to its original application request for bonding authority  
206.5 before any new residential project, applying in the same allocation period, that has an equal  
206.6 priority shall receive bonding authority.

206.7 (b) Notwithstanding section 474A.091, subdivision 3, paragraph (g), the reservation  
206.8 within the unified pool for small issue bonds is from the first Monday in August through  
206.9 the last Monday in October.

206.10 Subd. 6. **Mortgage bonds.** Notwithstanding section 474A.091, subdivision 3a, paragraph  
206.11 (a), bonding authority remaining in the unified pool on October 1 is available for  
206.12 single-family housing programs only for cities that applied in January and received an  
206.13 allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota  
206.14 Housing Finance Agency shall receive an allocation for mortgage bonds pursuant to this  
206.15 section, minus any amounts for a city or consortium that intends to issue bonds on its own  
206.16 behalf under paragraph (c).

206.17 Subd. 7. **Unified pool allocation plan.** (a) By January 15 of each year, the commissioner  
206.18 of the Minnesota Housing Finance Agency shall annually prepare a tax-exempt bond  
206.19 allocation plan that identifies:

206.20 (1) the amount of tax-exempt bonds allocated to the Minnesota Housing Finance Agency  
206.21 during the previous calendar year;

206.22 (2) whether or not the Minnesota Housing Finance Agency intends to carry forward  
206.23 such bonds not otherwise allocated in the previous year as qualified residential rental bonds  
206.24 or qualified mortgage bonds or mortgage credit certificates consistent with the requirements  
206.25 of Internal Revenue Service Form 8328; and

206.26 (3) the carryforward balance of any tax-exempt bonds allocated to the Minnesota Housing  
206.27 Finance Agency including those bonds carried forward as qualified residential rental bonds  
206.28 and qualified mortgage bonds or mortgage credit certificates.

206.29 (b) Prior to January 15 of each year, the Minnesota Housing Finance Agency must post  
206.30 on its official Web site the plan under paragraph (a) and invite public comment until February  
206.31 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue Service Form  
206.32 8328 until the public comment period has closed on February 1 unless otherwise required  
206.33 by federal law.

207.1 **EFFECTIVE DATE.** This section is effective July 1, 2017, and subdivision 2 expires  
207.2 December 31, 2019.

207.3 Sec. 11. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special  
207.4 Session chapter 1, article 7, section 1, and Laws 2016, chapter 189, article 7, section 42, is  
207.5 amended to read:

207.6 Sec. 13. **EFFECTIVE DATE.**

207.7 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2017~~ 2036. Sections 4, 5, and 12 are  
207.8 effective July 1, 2014.

207.9 Sec. 12. **AGENCY ACTIVITY AND EXPENDITURE REPORTS.**

207.10 (a) The commissioners of employment and economic development, housing finance,  
207.11 labor and industry, and commerce, as well as the Public Utilities Commission, must each  
207.12 submit a report, as described in paragraph (b), to the chairs and ranking minority members  
207.13 of the house of representatives and senate committees and divisions with jurisdiction over  
207.14 their budget appropriations by October 15, 2018.

207.15 (b) The reports must include:

207.16 (1) the number of employees in each operational division and descriptions of the work  
207.17 of each employee;

207.18 (2) a description of the responsibilities that fall under each operational division;

207.19 (3) a detailed list of the source of all revenue, including any fees, taxes, or other revenues  
207.20 collected, as well as details of base budgets, including all prior appropriation riders;

207.21 (4) how much of each budgetary division appropriation passes through as grants, as well  
207.22 as the costs related to each grant program;

207.23 (5) a detailed description of the costs related to each budgetary division, as well as the  
207.24 statutory authority under which those costs are allocated; and

207.25 (6) the statutory authority for all expenditures.

207.26 Sec. 13. **HOUSING FINANCE AGENCY ADMINISTRATIVE COSTS.**

207.27 The cost of administering programs operated by the Housing Finance Agency that are  
207.28 funded by the general fund or other resources, including bonds and federal funding, must  
207.29 not be higher than the amount expended for direct or indirect administrative costs in fiscal  
207.30 year 2017. The Housing Finance Agency must not have more full-time equivalent positions

- 208.1 than the number of full-time equivalent positions at the Housing Finance Agency on June
- 208.2 30, 2017.
- 208.3 **EFFECTIVE DATE.** This section is effective from July 1, 2017, to July 1, 2021.



APPENDIX  
Article locations in UES1937-1

ARTICLE 1	APPROPRIATIONS .....	Page.Ln 2.19
ARTICLE 2	DEPARTMENT OF LABOR AND INDUSTRY POLICY .....	Page.Ln 49.2
ARTICLE 3	EMPLOYMENT, ECONOMIC DEVELOPMENT, AND WORKFORCE DEVELOPMENT POLICY .....	Page.Ln 64.28
ARTICLE 4	IRON RANGE RESOURCES AND REHABILITATION POLICY ....	Page.Ln 75.28
ARTICLE 5	UNEMPLOYMENT INSURANCE ADVISORY COUNCILPOLICY	Page.Ln 116.22
ARTICLE 6	UNEMPLOYMENT INSURANCE ADVISORY COUNCILHOUSEKEEPING .....	Page.Ln 120.12
ARTICLE 7	UNEMPLOYMENT INSURANCE ADVISORY COUNCILTECHNICAL .....	Page.Ln 128.22
ARTICLE 8	COMMERCE POLICY .....	Page.Ln 146.1
ARTICLE 9	TELECOMMUNICATIONS POLICY .....	Page.Ln 152.2
ARTICLE 10	ENERGY POLICY .....	Page.Ln 154.13
ARTICLE 11	MISCELLANEOUS .....	Page.Ln 192.25

**3.8852 PLANNING STRATEGY FOR SUSTAINABLE ENERGY FUTURE.**

(a) The Legislative Energy Commission, in consultation with the commissioner of commerce and other state agencies, shall develop a framework for the state of Minnesota to transition to a renewable energy economy that ends Minnesota's contribution to greenhouse gases from burning fossil fuels within the next few decades. The framework and strategy should aim to make Minnesota the first state in the nation to use only renewable energy.

(b) In developing the framework for this transition, the commission must consult with stakeholders, including, but not limited to, representatives from cooperative, municipal, and investor-owned utilities, natural resources and environmental advocacy groups, labor and industry, and technical and scientific experts to examine the challenges and opportunities involved to develop a strategy and timeline to protect the environment and create jobs. The timeline must establish goals and strategies to reach the state's renewable energy standards and prepare for the steps beyond reaching those standards. The Department of Commerce, Division of Energy Resources shall provide technical support.

(c) The commission and its stakeholders must consider the following in creating the framework:

- (1) the economic and environmental costs of continued reliance on fossil fuels;
- (2) the creation of jobs and industry in the state that result from moving ahead of other states in transitioning to a sustainable energy economy;
- (3) the appropriate energy efficiency and renewable energy investments in Minnesota to reduce the economic losses to the Minnesota economy from importation of fossil fuels; and
- (4) the new technologies for energy efficiency, storage, transmission, and renewable generation needed to reliably meet the demand for energy.

(d) The framework shall be modified as needed to take advantage of new technological developments to facilitate ending fossil fuel use in power generation, heating and cooling, industry, and transportation.

(e) The commission shall report to the legislative committees and divisions with jurisdiction over energy policy by January 15, 2014, and annually thereafter, on progress toward achieving the framework goals.

**116C.779 FUNDING FOR RENEWABLE DEVELOPMENT.**

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Beginning July 1, 2009, and each July 1 through 2011, \$5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

- (1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;
- (2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;
- (3) development of energy conservation and efficient energy utilization technologies;
- (4) energy storage technologies; and
- (5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) For the purposes of this subdivision:

- (1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and
- (2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees

APPENDIX

Repealed Minnesota Statutes: UES1937-1

with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision.

**116J.549 WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish a workforce housing development program to award grants to eligible project areas to be used for qualified expenditures.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible project area" means a home rule charter or statutory city located outside of the metropolitan area as defined in section 473.121, subdivision 2, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and excludes:

(1) properties constructed with financial assistance requiring the property to be occupied by residents that meet income limits under federal or state law of initial occupancy; and

(2) properties constructed with federal, state, or local flood recovery assistance, regardless of whether that assistance imposed income limits as a condition of receiving assistance.

(e) "Qualified expenditure" means expenditures for market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing application for grants under this section. At a minimum, a city must include in its application a resolution of its governing body certifying that the matching amount as required under this section is available and committed.

Subd. 4. **Program requirements.** (a) The commissioner must not award a grant to an eligible project area under this section until the following determinations are made:

(1) the average vacancy rate for rental housing located in the eligible project area, and in any other city located within 15 miles or less of the boundaries of the area, has been five percent or less for at least the prior two-year period;

(2) one or more businesses located in the eligible project area, or within 25 miles of the area, that employs a minimum of 20 full-time equivalent employees in aggregate have provided a written statement to the eligible project area indicating that the lack of available rental housing has impeded their ability to recruit and hire employees; and

(3) the eligible project area has certified that the grants will be used for qualified expenditures for the development of rental housing to serve employees of businesses located in the eligible project area or surrounding area.

(b) Preference for grants awarded under this section shall be given to eligible project areas with less than 18,000 people.

Subd. 5. **Allocation.** The amount of a grant may not exceed 25 percent of the rental housing development project cost. The commissioner shall not award a grant to a city without certification by the city that the amount of the grant shall be matched by a local unit of government, business, or nonprofit organization with \$1 for every \$2 provided in grant funds.

Subd. 6. **Report.** Beginning January 15, 2016, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over taxes and workforce development specifying the projects that received grants under this section and the specific purposes for which the grant funds were used.

**174.187 MADE IN MINNESOTA SOLAR INSTALLATIONS.**

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

(b) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

(3) that are manufactured in Minnesota:

(i) via manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

(c) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

**Subd. 2. Made in Minnesota solar energy system requirement.** Notwithstanding any other law to the contrary, if the commissioner engages in any project for the construction, improvement, maintenance, or repair of any building, highway, road, bridge, or land owned or controlled by the department and the construction, improvement, maintenance, or repair involves installation of one or more solar photovoltaic modules, the commissioner must ensure that the solar photovoltaic modules purchased and installed are "Made in Minnesota" as defined in subdivision 1, paragraph (b).

**Subd. 3. Application.** Subdivision 2 does not apply if:

(1) as a condition of the receipt of federal financial assistance for a specific project, the commissioner is required to use a procurement method that might result in the award of a contract to a manufacturer that does not meet the "Made in Minnesota" criteria established in subdivision 1, paragraph (b); or

(2) no solar photovoltaic modules are available that meet the "Made in Minnesota" criteria and fulfill the function required by the project.

### **216B.8109 HYDROGEN ENERGY ECONOMY GOAL.**

It is a goal of this state that Minnesota move to hydrogen as an increasing source of energy for its electrical power, heating, and transportation needs.

### **216B.811 DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 216B.811 to 216B.815, the terms defined in this section have the meanings given them.

Subd. 2. **Fuel cell.** "Fuel cell" means an electrochemical device that produces useful electricity, heat, and water vapor, and operates as long as it is provided fuel.

Subd. 3. **Hydrogen.** "Hydrogen" means hydrogen produced using renewable energy sources.

Subd. 4. **Related technologies.** "Related technologies" means balance of plant components necessary to make hydrogen and fuel cell systems function; turbines, reciprocating, and other combustion engines capable of operating on hydrogen; and electrolyzers, reformers, and other equipment and processes necessary to produce, purify, store, distribute, and use hydrogen for energy.

### **216B.812 FOSTERING USE OF HYDROGEN ENERGY.**

Subdivision 1. **State purchase and use of renewable hydrogen technologies.** (a) The Department of Commerce, in coordination with the Department of Administration and the Pollution Control Agency, shall identify opportunities for deploying renewable hydrogen, fuel cells, and related technologies within state-owned facilities, vehicle fleets, and operations in ways that demonstrate their commercial performance and economics.

(b) The Department of Commerce shall recommend to the Department of Administration the purchase and deployment of hydrogen, fuel cells, and related technologies, when feasible, in ways that strategically contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109, and which contribute to the following nonexclusive list of objectives:

(1) provide needed performance data to the marketplace;

(2) identify code and regulatory issues to be resolved;

(3) foster economic development and job creation in the state;

(4) raise public awareness of renewable hydrogen, fuel cells, and related technologies; or

(5) reduce emissions of carbon dioxide and other pollutants.

## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

(c) The Department of Commerce and the Pollution Control Agency shall also recommend to the Department of Administration changes to the state's procurement guidelines and contracts in order to facilitate the purchase and deployment of cost-effective renewable hydrogen, fuel cells, and related technologies by all levels of government.

Subd. 2. **Pilot projects.** (a) In consultation with appropriate representatives from state agencies, local governments, universities, businesses, and other interested parties, the Department of Commerce shall report back to the legislature by November 1, 2005, and every two years thereafter, with a slate of proposed pilot projects that contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109. The Department of Commerce must consider the following nonexclusive list of priorities in developing the proposed slate of pilot projects:

(1) deploy "bridge" technologies such as hybrid-electric, off-road, and fleet vehicles running on hydrogen or fuels blended with hydrogen;

(2) lead to cost-competitive, on-site renewable hydrogen production technologies;

(3) demonstrate nonvehicle applications for hydrogen;

(4) improve the cost and efficiency of hydrogen from renewable energy sources; and

(5) improve the cost and efficiency of hydrogen production using direct solar energy without electricity generation as an intermediate step.

(b) For deployment projects that do not involve a demonstration component, individual system components of the technology should, if feasible, meet commercial performance standards and systems modeling must be completed to predict commercial performance, risk, and synergies. In addition, the proposed pilots should meet as many of the following criteria as possible:

(1) advance energy security;

(2) capitalize on the state's native resources;

(3) result in economically competitive infrastructure being put in place;

(4) be located where it will link well with existing and related projects and be accessible to the public, now or in the future;

(5) demonstrate multiple, integrated aspects of renewable hydrogen infrastructure;

(6) include an explicit public education and awareness component;

(7) be scalable to respond to changing circumstances and market demands;

(8) draw on firms and expertise within the state where possible;

(9) include an assessment of its economic, environmental, and social impact; and

(10) serve other needs beyond hydrogen development.

Subd. 3. **Establishing multifuel hydrogen fueling stations.** The commissioner of commerce may accept federal funds, expend funds, and participate in projects to design, site, and construct multifuel hydrogen fueling stations that eventually link urban centers along key trade corridors across the jurisdictions of Manitoba, the Dakotas, Minnesota, Iowa, and Wisconsin.

These energy stations must serve the priorities listed in subdivision 2 and, as transition infrastructure, should accommodate a wide variety of vehicle technologies and fueling platforms, including hybrid, flexible-fuel, and fuel cell vehicles. They may offer, but not be limited to, gasoline, diesel, ethanol (E-85), biodiesel, and hydrogen, and may simultaneously test the integration of on-site combined heat and power technologies with the existing energy infrastructure.

The hydrogen portion of the stations may initially serve local, dedicated on- or off-road vehicles, but should eventually support long-haul transport.

### **216B.813 MINNESOTA RENEWABLE HYDROGEN INITIATIVE.**

Subdivision 1. **Road map.** The Department of Commerce shall coordinate and administer directly or by contract the Minnesota renewable hydrogen initiative. If the department decides to contract for its duties under this section, it must contract with a nonpartisan, nonprofit organization within the state to develop the road map. The initiative may be run as a public-private partnership representing business, academic, governmental, and nongovernmental organizations. The initiative must oversee the development and implementation of a renewable hydrogen road map, including appropriate technology deployments, that achieve the hydrogen goal of section 216B.8109. The road map should be compatible with the United States Department of Energy's National Hydrogen Energy Roadmap and be based on an assessment of marketplace economics and the state's opportunities in hydrogen, fuel cells, and related technologies, so as to capitalize on strengths. The road map should establish a vision, goals, general timeline, strategies for working with industry, and measurable milestones for achieving the state's renewable hydrogen goal. The road map should describe how renewable hydrogen and fuel cells fit in Minnesota's overall energy system, and should help foster a consistent, predictable, and prudent investment environment.

## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

The department must report to the legislature on the progress in implementing the road map by November 1 of each odd-numbered year.

Subd. 2. **Grants.** (a) The commissioner of commerce shall operate a competitive grant program for projects to assist the state in attaining its renewable hydrogen energy goals.

(b) The commissioner shall give preference to project concepts included in the department's most recent biennial report: Strategic Demonstration Projects to Accelerate the Commercialization of Renewable Hydrogen and Related Technologies in Minnesota. Projects eligible for funding must combine one or more of the hydrogen production options listed in the department's report with an end use that has significant commercial potential, preferably high visibility, and relies on fuel cells or related technologies. Each funded technology deployment must include an explicit education and awareness-raising component, be compatible with the renewable hydrogen deployment criteria defined in section 216B.812, and receive 50 percent of its total cost from nonstate sources. The 50 percent requirement does not apply for recipients that are public institutions.

#### **216B.815 REGIONAL ENERGY RESEARCH AND EDUCATION PARTNERSHIP.**

(a) The state's public research and higher education institutions should work with one another and with similar institutions in the region to establish Minnesota and the Upper Midwest as a center of research, education, outreach, and technology transfer for the production of renewable energy and products, including hydrogen, fuel cells, and related technologies. The partnership should be designed to create a critical mass of research and education capability that can compete effectively for federal and private investment in these areas.

(b) Initiatives undertaken by the partnership may include:

(1) collaborative and interdisciplinary research, demonstration projects, and commercialization of market-ready technologies;

(2) creation of undergraduate and graduate course offerings and eventually degreed and vocational programs with reciprocity;

(3) establishment of fellows programs at the region's institutes of higher learning that provide financial incentives for relevant study, research, and exchange; and

(4) development and field-testing of relevant curricula, teacher kits for all educational levels, and widespread teacher training, in collaboration with state energy offices, teachers, nonprofits, businesses, the United States Department of Energy, and other interested parties.

#### **216C.29 SUBPOENA POWER.**

The commissioner shall have the power, for the purposes of sections 216C.05 to 216C.30, to issue subpoenas for production of books, records, correspondence and other information and to require attendance of witnesses. The subpoenas may be served anywhere in the state by any person authorized to serve processes of courts of record. If a person does not comply with a subpoena, the commissioner may apply to the District Court of Ramsey County and the court shall compel obedience to the subpoena by a proper order. A person failing to obey the order is punishable by the court as for contempt.

#### **216C.411 DEFINITIONS.**

For the purposes of sections 216C.411 to 216C.415, the following terms have the meanings given.

(a) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

(3) that are manufactured in Minnesota:

(i) by manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

A solar photovoltaic module that is manufactured by attaching microinverters, direct current optimizers, or other power electronics to a laminate or solar photovoltaic module that has received UL 1703 certification marks outside Minnesota from UL,

## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

CSA International, Intertek, or an equivalent UL-approved independent certification agency is not "Made in Minnesota" under this paragraph.

(b) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

#### **216C.412 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE ACCOUNT.**

Subdivision 1. **Account established; account management.** A "Made in Minnesota" solar energy production incentive account is established as a separate account in the special revenue fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds remaining in the account at the end of a fiscal year do not cancel to the general fund but remain in the account. There is annually appropriated from the account to the commissioner of commerce money sufficient to make the incentive payments under section 216C.415, the transfers under section 216C.416, and to administer sections 216C.412 to 216C.415.

Subd. 2. **Payments from public utilities.** (a) Beginning January 1, 2014, and each January 1 thereafter, through 2023, for a total of ten years, each electric public utility subject to section 216B.241 must annually pay to the commissioner of commerce five percent of the minimum amount it is required to spend on energy conservation improvements under section 216B.241, subdivision 1a. Payments under this subdivision must be included in the calculation of whether a utility's other spending on generation exceeds the limits authorized for spending on generation under section 216B.2411, subdivision 1, for investments proposed for commissioner of commerce approval after July 1, 2013. The limits on spending in section 216B.2411 do not limit or apply to payments required by this subdivision. Payments made under this paragraph count toward satisfying expenditure obligations of a public utility under section 216B.241, subdivision 1a. The commissioner shall, upon receipt of the funds, deposit them in the account established in subdivision 1. A public utility subject to this paragraph must be credited energy savings for the purpose of satisfying its energy savings requirement under section 216B.241, subdivision 1c, based on its payment to the commissioner.

(b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), beginning January 1, 2014, and continuing through January 1, 2023, for a total of ten years, the public utility that manages the account under section 116C.779 must annually pay from that account to the commissioner an amount that, when added to the total amount paid to the commissioner of commerce under paragraph (a), totals \$15,000,000 annually. The commissioner shall, upon receipt of the payment, deposit it in the account established in subdivision 1.

#### **216C.413 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; QUALIFICATION.**

Subdivision 1. **Application.** A manufacturer of solar photovoltaic modules seeking to qualify those modules as eligible to receive the "Made in Minnesota" solar energy production incentive must submit an application to the commissioner of commerce on a form prescribed by the commissioner. The application must contain:

(1) a technical description of the solar photovoltaic module and the processes used to manufacture it, excluding proprietary details;

(2) documentation that the solar photovoltaic module meets all the required applicable parts of the "Made in Minnesota" definition in section 216C.411, including evidence of the UL 1703 right to mark for all solar photovoltaic modules seeking to qualify as "Made in Minnesota";

(3) any additional nonproprietary information requested by the commissioner of commerce; and

(4) certification signed by the chief executive officer of the manufacturing company attesting to the truthfulness of the contents of the application and supporting materials under penalty of perjury.

Subd. 2. **Certification.** If the commissioner determines that a manufacturer's solar photovoltaic module meets the definition of "Made in Minnesota" in section 216C.411, the commissioner shall issue the manufacturer a "Made in Minnesota" certificate containing the name and model numbers of the certified solar photovoltaic modules and the date of certification. The commissioner must issue or deny the issuance of a certificate within 90 days of receipt of a completed application. A copy of the certificate must be provided to each purchaser of the solar photovoltaic module.

APPENDIX

Repealed Minnesota Statutes: UES1937-1

Subd. 3. **Revocation of certification.** The commissioner may revoke a certification of a module as "Made in Minnesota" if the commissioner finds that the module no longer meets the requirements to be certified. The revocation does not affect incentive payments awarded prior to the revocation.

**216C.414 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE.**

Subdivision 1. **Setting incentive.** Within 90 days of a module being certified as "Made in Minnesota" the commissioner of commerce shall set a solar energy production incentive amount for that solar photovoltaic module for the purpose of the incentive payment under section 216C.415. The incentive is a performance-based financial incentive expressed as a per kilowatt-hour amount. The amount shall be used for incentive applications approved in the year to which the incentive amount is applicable for the ten-year duration of the incentive payments. An incentive amount must be calculated for each module for each calendar year through 2023.

Subd. 2. **Criteria for determining incentive amount.** (a) The commissioner shall set the incentive payment amount by determining the average amount of incentive payment required to allow an average owner of installed solar photovoltaic modules a reasonable return on their investment. In setting the incentive amount the commissioner shall consider:

(1) an estimate of the installed cost per kilowatt-direct current, based on the cost data supplied by the manufacturer in the application submitted under section 216C.413, and an estimate of the average installation cost based on a representative sample of Minnesota solar photovoltaic installed projects;

(2) the average insolation rate in Minnesota;

(3) an estimate of the decline in the generation efficiency of the solar photovoltaic modules over time;

(4) the rate paid by public utilities to owners of solar photovoltaic modules under section 216B.164 or other law;

(5) applicable federal tax incentives for installing solar photovoltaic modules; and

(6) the estimated levelized cost per kilowatt-hour generated.

(b) The commissioner shall annually, for incentive applications received in a year, revise each incentive amount based on the factors in paragraph (a), clauses (1) to (6), general market conditions, and the availability of other incentives. In no case shall the "Made in Minnesota" incentive amount result in the "Made in Minnesota" incentives paid exceeding 40 percent, net of average applicable taxes on the ten-year incentive payments, of the average historic installation cost per kilowatt. The commissioner may exceed the 40 percent cap if the commissioner determines it is necessary to fully expend funds available for incentive payments in a particular year.

Subd. 3. **Metering of production.** A public utility must, at the expense of a customer, provide a meter to measure the production of a solar photovoltaic module system that is approved to receive incentive payments. The public utility must furnish the commissioner with information sufficient for the commissioner to determine the incentive payment. The information must be provided on a calendar year basis by no later than March 1. The commissioner shall provide a public utility with forms to use to provide the production information. A customer must attest to the accuracy of the production information.

Subd. 4. **Payment due date.** Payments must be made no later than July 1 following the year of production.

Subd. 5. **Renewable energy credits.** Renewable energy credits associated with energy provided to a public utility for which an incentive payment is made belong to the utility.

**216C.415 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; PAYMENT.**

Subdivision 1. **Incentive payment.** Incentive payments may be made under this section only to an owner of grid-connected solar photovoltaic modules with a total nameplate capacity below 40 kilowatts direct current who:

(1) has submitted to the commissioner, on a form established by the commissioner, an application to receive the incentive that has been approved by the commissioner;

(2) has received a "Made in Minnesota" certificate under section 216C.413 for the module; and

(3) has installed on residential or commercial property solar photovoltaic modules that are generating electricity and has received a "Made in Minnesota" certificate under section 216C.413.



## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

Subd. 2. **Application process.** Applications for an incentive payment must be received by the commissioner between January 1 and February 28. The commissioner shall by a random method approve the number of applications the commissioner reasonably determines will exhaust the funds available for payment for the ten-year period of incentive payments. Applications for residential and commercial installations shall be separately randomly approved.

Subd. 3. **Commissioner approval of incentive application.** The commissioner must approve an application for an incentive for an owner to be eligible for incentive payments. The commissioner must not approve an application in a calendar year if the commissioner determines there will not be sufficient funding available to pay an incentive to the applicant for any portion of the ten-year duration of payment. The commissioner shall annually establish a cap on the cumulative capacity for a program year based on funds available and historic average installation costs. Receipt of an incentive is not an entitlement and payment need only be made from available funds in the "Made in Minnesota" solar production incentive account.

Subd. 4. **Eligibility window; payment duration.** (a) Payments may be made under this section only for electricity generated from new solar photovoltaic module installations that are commissioned between January 1, 2014, and December 31, 2023.

(b) The payment eligibility window of the incentive begins and runs consecutively from the date the solar system is commissioned.

(c) An owner of solar photovoltaic modules may receive payments under this section for a particular module for a period of ten years provided that sufficient funds are available in the account.

(d) No payment may be made under this section for electricity generated after December 31, 2033.

(e) An owner of solar photovoltaic modules may not first begin to receive payments under this section after December 31, 2024.

Subd. 5. **Allocation of payments.** (a) If there are sufficient applications, approximately 50 percent of the incentive payment shall be for owners of eligible solar photovoltaic modules installed on residential property, and approximately 50 percent shall be for owners of eligible solar photovoltaic modules installed on commercial property.

(b) The commissioner shall endeavor to distribute incentives paid under this section to owners of solar photovoltaic modules installed in a manner so that the amount of payments received in an area of the state reasonably approximates the amount of payments made by a utility serving that area.

(c) For purposes of this subdivision:

(1) "residential property" means residential real estate that is occupied and used as a homestead by its owner or by a renter and includes "multifamily housing development" as defined in section 462C.02, subdivision 5, except that residential property on which solar photovoltaic modules (i) whose capacity exceeds 10 kilowatts is installed; or (ii) connected to a utility's distribution system and whose electricity is purchased by several residents, each of whom own a share of the electricity generated, shall be deemed commercial property; and

(2) "commercial property" means real property on which is located a business, government, or nonprofit establishment.

Subd. 6. **Limitation.** An owner receiving an incentive payment under this section may not receive a rebate under section 116C.7791 for the same solar photovoltaic modules.

### **216C.416 SOLAR THERMAL REBATES.**

Subdivision 1. **Rebate program created.** The commissioner of commerce shall operate a program to provide rebates for the installation of "Made in Minnesota" solar thermal systems in the state. "Solar thermal system" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water. A solar thermal system is "Made in Minnesota" if components of the system are manufactured in Minnesota and the solar thermal system is certified by the Solar Rating and Certification Corporation. The solar thermal system may be installed in residential and commercial facilities for, among other purposes, hot water, space heating, or pool heating purposes.

Subd. 2. **Account; funding.** (a) The solar thermal system rebate account is created as a separate account in the special revenue fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds in the account are appropriated to the commissioner of commerce for the purpose of making the rebate payments under this section and administering this section.

## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

(b) Beginning January 1, 2014, and each January 1 thereafter to January 1, 2023, the commissioner of commerce shall annually transfer \$250,000 from the account created in section 216C.412 for deposit in the account created in this subdivision.

(c) To the extent there are sufficient applications, the commissioner shall annually spend for rebates under this section from 2014 to 2023, for a total of ten years, approximately \$250,000 per year. If sufficient applications are not received to spend the money available for rebates in a year under this section, the unspent money must be returned to the account from which it was transferred, provided that funds available for 2014 applications shall remain available for 2015 applications.

Subd. 3. **Individual incentives.** The maximum rebate for a single family residential dwelling installation is the lesser of 25 percent of the installed cost of a complete system or \$2,500. The maximum rebate for a multiple family residential dwelling installation is the lesser of 25 percent of the installed cost of a complete system or \$5,000. The maximum rebate for a commercial installation is the lesser of 25 percent of the installation cost of the complete system or \$25,000. The system must be installed by a factory authorized installer. The commissioner shall allocate approximately 50 percent of the rebates in each year to solar thermal hot water and 50 percent to solar thermal air projects if sufficient applications are made for each.

Subd. 4. **Application process.** Applications for incentives must be made to the commissioner of commerce on forms provided by the commissioner. The commissioner shall use a random process for the selection of recipients of incentives except to the extent necessary to allocate rebates as required by this section.

### **298.22 IRON RANGE RESOURCES AND REHABILITATION.**

Subd. 8. **Spending priority.** In making or approving any expenditures on programs or projects, the commissioner and the board shall give the highest priority to programs and projects that target relief to those areas of the taconite assistance area as defined in section 273.1341, that have the largest percentages of job losses and population losses directly attributable to the economic downturn in the taconite industry since the 1980s. The commissioner and the board shall compare the 1980 population and employment figures with the 2000 population and employment figures, and shall specifically consider the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company, in making or approving expenditures consistent with this subdivision, as well as the areas of residence of persons who suffered job loss for which relief is to be targeted under this subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the terms determined by the commissioner and approved by the board, surface and mineral interests owned or acquired by the state of Minnesota acting by and through the office of the commissioner of Iron Range resources and rehabilitation within those portions of the taconite assistance area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes. The payments and royalties from these leases must be deposited into the fund established in section 298.292. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner and the board from making expenditures for programs and projects in other areas.

### **298.2213 NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.**

Subdivision 1. **Appropriation.** \$4,000,000 is appropriated from the general fund to the commissioner of Iron Range resources and rehabilitation. \$300,000 of this appropriation must be used in the same manner as money appropriated under section 298.17.

Subd. 2. **Purpose of expenditures.** The money appropriated in this section may be used for projects and programs for which technological and economic feasibility have been demonstrated and that have the following purposes:

(1) creating and maintaining productive, permanent, skilled employment, including employment in technologically innovative businesses; and

(2) encouraging diversification of the economy and promoting the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism.

Subd. 3. **Use of money.** The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan must be no less than the lesser of eight percent or the rate of interest that is three percentage

## APPENDIX

### Repealed Minnesota Statutes: UES1937-1

points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved.

Money appropriated in this section must be expended only in or for the benefit of the taconite assistance area defined in section 273.1341, and as otherwise provided in this section.

Subd. 4. **Project approval.** The board and commissioner shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

Each project must be approved by the board and the commissioner of Iron Range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a project for expenditure of money appropriated under this section, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees must be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee.

Subd. 6. **Use of repayments and earnings.** Principal and interest received in repayment of loans made under this section must be deposited in the state treasury and are appropriated to the board for the purposes of this section.

#### **298.298 LONG-RANGE PLAN.**

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

#### **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.

APPENDIX  
Repealed Minnesota Session Laws: UES1937-1

*Laws 2005, chapter 112, article 1, section 14*

Sec. 14. **MANDATORY FEDERAL IMPLEMENTATION REQUIREMENT.**

The commissioner must implement systems and processes to detect, investigate, and enforce section 268.051, subdivisions 4 and 4a.

*Laws 2013, chapter 85, article 6, section 11*

Sec. 11. **SOLAR PHOTOVOLTAIC MODULES.**

No solar photovoltaic module may be installed that is financed directly or indirectly, wholly or in part, with money appropriated in this act, unless the solar photovoltaic module is made in Minnesota as defined in Minnesota Statutes, section 16B.323, subdivision 1, paragraph (b).