

Sec. 16. EFFECTIVE DATE.

Section 2 is effective the day following final enactment.

Presented to the governor May 20, 1997

Signed by the governor May 22, 1997, 11:05 a.m.

CHAPTER 200—H.F.No. 2158

An act relating to the organization and operation of state government; appropriating money for economic development and certain agencies of state government; establishing and modifying certain programs; providing for regulation of certain activities and practices; standardizing certain licensing service fees; establishing and modifying certain fees; modifying housing programs; establishing a task force; providing for a manufactured home park to be a conditional use; requiring reports; modifying definitions; amending Minnesota Statutes 1996, sections 44A.01, subdivision 2; 60A.23, subdivision 8; 60A.71, by adding a subdivision; 60K.06, subdivision 2; 65B.48, subdivision 3; 72B.04, subdivision 10; 79.253, subdivision 1; 79.255, by adding a subdivision; 82.21, subdivision 1; 82B.09, subdivision 1; 115B.03, subdivision 5; 115C.021, by adding a subdivision; 115C.03, subdivision 9; 115C.08, subdivision 4; 115C.09, subdivision 3, and by adding a subdivision; 115C.13; 116J.01, subdivision 5; 116J.552, subdivision 4; 116J.615, subdivision 1; 116L.04, subdivision 1, and by adding a subdivision; 116O.05, by adding a subdivision; 116O.122, subdivision 1; 155A.045, subdivision 1; 176.181, subdivision 2a; 268.38, subdivision 7; 268.672, subdivision 6, and by adding subdivisions; 268.673, subdivisions 3, 4a, and 5; 268.6751, subdivision 1; 268.677, subdivision 1; 268.681; 268.917; 268A.15, subdivisions 2, 6, and by adding subdivisions; 298.22, by adding a subdivision; 326.86, subdivision 1; 394.25, by adding a subdivision; 446A.04, subdivision 5; 446A.081, subdivisions 1, 4, and 9; 446A.12, subdivision 1; 462.357, by adding a subdivision; 462A.05, subdivisions 14d, 30, 39, and by adding a subdivision; 462A.13; 462A.201, subdivision 2; 462A.205; 462A.206, subdivisions 2 and 4; 462A.207, subdivisions 1, 2, 3, 4, and 6; 462A.21, subdivision 12a; and 469.305, subdivision 1; Laws 1997, chapter 85, article 1, section 39, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 45; 79; 116J; 116L; 268; 366; 462A; and 469; repealing Minnesota Statutes 1996, sections 116J.581; 116J.990, subdivision 7; 268.39; 268.672, subdivision 4; 268.673, subdivision 6; 268.676; 268.677, subdivisions 2 and 3; 268.678; 268.679, subdivision 3; 462A.05, subdivision 20; 462A.206, subdivision 5; and 462A.21, subdivisions 4k, 12, and 14.

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

ARTICLE 1
APPROPRIATIONS
Section 1. ECONOMIC DEVELOPMENT; APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes speci-

New language is indicated by underline, deletions by strikeout.

fied in this act, to be available for the fiscal years indicated for each purpose. The figures "1998" and "1999," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1998, or June 30, 1999, respectively. The term "first year" means the fiscal year ending June 30, 1998, and "second year" means the fiscal year ending June 30, 1999.

SUMMARY BY FUND

	1998	1999	TOTAL
General	\$ 195,977,000	\$ 163,741,000	\$ 359,718,000
Petroleum Tank Cleanup	957,000	969,000	1,926,000
Trunk Highway Workers' Compensation	706,000	723,000	1,429,000
Special Revenue	23,095,000	23,130,000	46,225,000
Taconite Environmental Protection	1,120,000	1,125,000	2,245,000
TOTAL	1,410,000	-0-	1,410,000
	\$ 223,265,000	\$ 189,688,000	\$ 412,953,000

APPROPRIATIONS
Available for the Year
Ending June 30

1998 1999

Sec. 2. TRADE AND ECONOMIC
DEVELOPMENT

Subdivision 1. Total
Appropriation

51,419,000 35,983,000

Summary by Fund

General	50,713,000	55,260,000
Trunk Highway	706,000	723,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Business and Community
Development

35,963,000 20,977,000

\$7,017,000 the first year and \$6,017,000 the second year is for Minnesota investment fund grants. Of this appropriation, \$3,000,000 the first year and \$2,000,000 the second year are one-time appropriations and may not be added to the budget base for the biennium ending June 30, 2001. Of this one-time appropriation \$1,000,000 the first year is for a single grant recipient, to be identified by the commissioner, notwithstanding the

monetary limitation under Minnesota Statutes, section 116J.8731, subdivision 5. This amount may not be added to the agency's budget base. This amount is available until June 30, 1999.

\$450,000 the first year and \$450,000 the second year is for grants to Advantage Minnesota, Inc. The funds are available only if matched on at least a dollar-for-dollar basis from other sources. The commissioner may release the funds only upon:

(1) certification that matching funds from each participating organization are available; and

(2) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$7,418,000 the first year and \$7,918,000 the second year is for the job skills partnership program. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation does not cancel. Of this amount, \$1,500,000 the first year and \$2,000,000 the second year is for the Pathways program under Minnesota Statutes, section 116L.04, subdivision 1a.

\$250,000 the first year is for a grant from the department of trade and economic development to the Software Technology Center to broaden industry-related educational and technological services. This appropriation is available upon documentation of a dollar-for-dollar match from other sources since the inception of the Software Technology Center. This is a one-time appropriation and must not be included in the budget base for the biennium ending June 30, 2001.

\$100,000 the first year is for a one-time grant to the Duluth Technology Center. This appropriation is available until June 30, 1999.

\$25,000 the first year is for a one-time grant to the city of New London for improvements to the Little Theatre. This appropriation is available when the city matches the ap-

proprietion with \$25,000 from nonstate sources.

\$750,000 the first year is for one or more grants to the Minnesota Futures Fund administered by the Minneapolis Foundation. The Minneapolis Foundation shall use these grants to provide technical assistance grants to nonprofit organizations to assist them in redesigning services and organizational structures in response to changes in federal and state welfare policy. The commissioner shall make the grants in amounts necessary to match nonpublic contributions to the fund on a dollar-for-dollar basis. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$35,000 the first year is for a one-time appropriation to the Fairfax economic development authority for roof replacement. This appropriation is available until June 30, 1999.

\$2,000,000 the first year is for a one-time grant to the city of Brooklyn Center to redevelop the Brookdale regional center and provide opportunities for economic development at or near the center. The grant must be used to assist the city in constructing a series of storm water retention ponds that will facilitate the redevelopment and economic development of the center and nearby property. The grant must be on terms and conditions determined by the commissioner. The grant must be matched by city resources that equal at least 25 percent of the grant.

\$650,000 the first year is for the taconite mining grant program under Minnesota Statutes, section 116J.992. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$95,000 the first year and \$95,000 the second year is for grants to county and district agricultural societies and associations that are eligible to receive aid under Minnesota

Statutes, section 38.02. The commissioner shall spend this appropriation as grants of \$1,000 for each fair conducted by such a county and district agricultural society and association in each year.

\$3,000,000 the first year is for a grant to develop a direct reduction iron-processing facility in Minnesota. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$500,000 the first year is for technical assistance under Minnesota Statutes, section 116J.8745. This appropriation is available until June 30, 1999.

\$4,444,000 the first year is for state matching money for federal grants to capitalize the drinking water revolving loan fund under Minnesota Statutes, section 446A.081. The expenditure is limited to the minimum amount necessary to match the allotment of federal money to Minnesota. This is a one-time appropriation and must not be included in the budget base for the biennium ending June 30, 2001.

\$25,000 the first year is for a one-time grant to the city of St. Paul to improve, beautify, and enhance marked trunk highway No. 5 from Minneapolis-St. Paul international airport to interstate highway No. 35-E. Enhancements may include, among other things, landscaping, historical lighting, and signing.

\$100,000 the first year is for a one-time grant to the city of Grey Eagle for construction of a wastewater treatment plant.

\$526,000 the first year and \$537,000 the second year is from fees collected under Minnesota Statutes, section 446A.04, subdivision 5, to administer the programs of the public facilities authority.

\$125,000 the first year is for a one-time demonstration project grant to the city of Newport for the city to conduct a study of the economic impact on the city resulting from regional infrastructure improvement pro-

jects. The city may retain consultants and enter into contracts it considers desirable to conduct the study. The elements of the study must include an alternate economic use study, a fiscal impact study, an infrastructure impact study, and a traffic impact study. The grant is available only to the extent that the city provides in-kind resources or money that provides a one-to-one match of the grant.

\$100,000 the first year is for a grant to the Minnesota Organization for Global Professional Assignments, an independent, non-profit corporation, for a program that creates opportunities for the international professional development of Minnesota college graduates and Minnesota college seniors interested in pursuing careers with multinational businesses. This is a one-time appropriation. The appropriation is available for the fiscal year ending June 30, 1998.

\$100,000 the first year and \$100,000 the second year is for one-time grants to the city of New Brighton, as project coordinator and fiscal agent of the seven-city coalition, for the multicompany business retention and market expansion project and related planning efforts linking geographical information systems, contaminated land remediation, land use planning, transportation corridor study, integration of existing housing stock, subregional transit and reverse commute coordination, employment densities, job training and welfare reform placement coordination, and commercial and industrial development. The coalition shall share all results and written reports with the department of trade and economic development.

\$2,000,000 the first year is for transfer to the rural policy and development center fund. This appropriation does not cancel. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001.

\$250,000 the first year and \$250,000 the second year is for grants to the board of the rural

policy and development center for operation of the center.

\$130,000 the first year and \$155,000 the second year is for grants to the metropolitan economic development association.

\$240,000 the first year and \$265,000 the second year is for grants to WomenVenture.

WomenVenture and the metropolitan economic development association must, in the first year, develop contacts and relationships with the regional initiatives selected under Minnesota Statutes, section 116J.415, subdivision 3, and a plan to deliver their services statewide. In the second year, they must generally offer their services statewide.

\$500,000 the first year and \$500,000 the second year is for grants to the St. Paul rehabilitation center for its current programs, including those related to developing job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching.

\$250,000 in the first year is for a one-time grant to the Morrison county rural development finance authority established under Laws 1982, chapter 437. The authority must use the grant only for capital improvements to a paper and wood products manufacturer in the county primarily for the purposes of facility upgrading and expansion of the manufacturer's capability to utilize recycled wastepaper as a fiber source. Minnesota Statutes, section 116J.991, applies to the grant.

\$200,000 the first year is for an agreement with the Judy Garland Children's Museum to assist in the design and construction of a children's museum. This amount must be matched by at least \$1,275,000 from non-state sources committed by June 30, 1998. This is a one-time appropriation and may not be added to the agency's budget base in future biennia.

Notwithstanding Minnesota Statutes, section 116J.8731, or any other law to the contrary, the commissioner shall, in the commissioner's considerations on Minnesota invest-

ment fund grants in fiscal year 1998, strongly consider an application for a \$250,000 grant to the Morrison county rural development authority established under Laws 1982, chapter 437, for capital improvements to a paper and wood products manufacturer in Morrison county primarily for the purposes of facility upgrading and expansion of the manufacturer's capability to utilize recycled wastepaper as a fiber source, thereby achieving the purpose of job enhancement, stability, and preservation. As part of this consideration, the commissioner shall confer with the manufacturer, inspect the manufacturer's facilities, and conduct an analysis of the manufacturer's business plan and its previous and proposed efforts to achieve these purposes. The commissioner shall strongly consider approving the grant application unless the commissioner determines that the grant will not significantly contribute to achieving these purposes. The commissioner must make a determination on this application by December 1, 1997.

\$45,000 the first year is for a one-time grant to the Upper Minnesota Valley River regional development commission for development of design specifications and architectural plans for a regional visitors center, to be built on the upper segment of the Minnesota river corridor within the designated scenic byway area and in conjunction with the development of the Minnesota river corridor trail. This appropriation is available until June 30, 1999.

\$100,000 the first year and \$100,000 the second year is for grants to create and operate community development corporations under Minnesota Statutes, section 116J.982, that target Asian-Pacific Minnesotans. One must be in Hennepin county and one must be in Ramsey county.

\$80,000 the first year and \$80,000 the second year is for one-time grants to the greater metropolitan area foreign trade zone commission for the purpose of promoting foreign trade zones in Minnesota.

Subd. 3. Minnesota Trade Office

2,452,000	2,336,000
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\$250,000 the first year and \$100,000 the second year is for a multifaceted program to develop trade with China. This is a one-time appropriation and must not be included in the budget base for the biennium ending June 30, 2001.

The department shall act as the lead agency in developing a plan for a coordinated effort to promote Minnesota internationally. The commissioner may appoint an advisory committee and may seek federal and private funding to develop and implement the plan.

Subd. 4. Tourism

8,625,000	8,205,000
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Summary by Fund

General	7,919,000	7,482,000
Trunk Highway	706,000	723,000

To develop maximum private sector involvement in tourism, \$2,500,000 the first year and \$2,500,000 the second year of the amounts appropriated for marketing activities are contingent on receipt of an equal contribution from nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions. This appropriation may not be spent until the money is matched.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the partnership program.

Any unexpended money from general fund appropriations made under this subdivision

does not cancel but must be placed in a special advertising account for use by the office of tourism to purchase additional media.

\$329,000 the first year and \$329,000 the second year is for the Minnesota film board. This appropriation is available only upon receipt by the board of \$1 in matching contributions of money or in-kind from nonstate sources for every \$3 provided by this appropriation.

\$500,000 the first year and \$500,000 the second year is for grants to the Minnesota film board for a film production jobs fund to stimulate feature film production in Minnesota. This appropriation is to reimburse film producers for two to five percent of documented wages which they paid to Minnesotans for film production after January 1, 1997.

\$500,000 the first year is for a one-time grant to the Leroy Neiman museum of art. This appropriation is available on documentation of a dollar-for-dollar match from other sources. This amount may not be added to the agency's budget base.

\$10,000 the first year is for a one-time grant to the city of St. Louis Park for public art. This appropriation is available on documentation of a dollar-for-dollar match from other sources and is available until June 30, 1999. \$25,000 in the first year is for a one-time grant to the city of Bloomington for planning, development, and site selection of a community tourism center and theater.

The office of tourism shall expand its efforts in the 1998-1999 biennium to market and promote tourism within Minnesota that emphasizes multicultural areas and neighborhoods and those areas and neighborhoods with a high concentration of recent immigrants.

Subd. 5. Administration

2,971,000	3,028,000
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Subd. 6. Information and Analysis

1,408,000	1,437,000
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Sec. 3. MINNESOTA TECHNOLOGY, INC. 9,537,000 10,037,000

\$7,605,000 the first year and \$8,105,000 the second year is for transfer from the general fund to the Minnesota Technology, Inc. fund.

\$75,000 the first year and \$75,000 the second year is for grants to Minnesota Inventors Congress.

\$694,000 the first year and \$694,000 the second year is for grants to Minnesota Project Innovation. Minnesota Project Innovation must open and maintain an office in North-eastern Minnesota.

\$1,500,000 the first year and \$2,000,000 the second year is for a technology partnership fund to make investments of \$20,000 to \$100,000 in businesses partnering with faculty members at Minnesota academic institutions. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$950,000 the first year and \$950,000 the second year is for grants to the Natural Resources Research Institute.

\$113,000 the first year and \$113,000 the second year is for grants to Minnesota Council for Quality.

\$100,000 the first year and \$100,000 the second year is for grants to Minnesota Cold Weather Research Center.

Sec. 4. WORLD TRADE CENTER CORP. 78,000

\$78,000 the first year is to retire the debt of the Minnesota World Trade Center. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001. In addition, the Minnesota trade office may transfer \$50,000 each year to the World Trade Center for services to agencies, nonprofit and public organizations.

Sec. 5. ECONOMIC SECURITY

Subdivision 1. Total

Appropriation		42,067,000	34,110,000
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Summary by Fund

General	41,292,000	33,335,000
Special Revenue	775,000	775,000

Subd. 2. Rehabilitation Services

19,810,000	19,815,000
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\$1,750,000 the first year and \$1,750,000 the second year is for centers for independent living.

\$500,000 the first year is to provide services to people with severe impairment to employment, as defined in Minnesota Statutes, section 268A.15, subdivision 1a. Of this appropriation, five percent is for administrative costs. This is a one-time appropriation and may not be added to the budget base in the biennium ending June 30, 2001.

\$323,000 the first year and \$823,000 the second year are for employment support services authorized under Minnesota Statutes, section 268A.13.

\$200,000 the first year and \$200,000 the second year is for a grant to the Minnesota employment center for deaf and hard-of-hearing people.

Subd. 3. State Services for the Blind

3,735,000	3,816,000
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This appropriation may be supplemented by funds provided by the Friends of the Communication Center, for support of Services for the Blind's Communication Center, which serves all blind and visually handicapped Minnesotans. The commissioner shall report to the legislature on a biennial basis the funds provided by the Friends of the Communication Center.

The commissioner may not require employees to participate in intensive blindness sensitivity training in which the employees are blindfolded or otherwise simulate blindness, unless the employee is a manager or counselor; except that the commissioner may require the training for up to 14 employees who are not managers or counselors

but have direct contact with blind clients seeking services, and up to four employees at the store located at the state services for the blind.

A person may not serve more than a total of six years as a member of the rehabilitation advisory council for the blind or its predecessor, the council for the blind. Service prior to the effective date of this section is included in the six-year limit, except that a person currently serving on the rehabilitation advisory council for the blind may serve out the person's current term and serve one additional term.

Subd. 4. Workforce Preparation

16,922,000	9,079,000	
	Summary by Fund	
General	16,147,000	8,304,000
Special Revenue	775,000	775,000

\$775,000 the first year and \$775,000 the second year is for job training programs under Minnesota Statutes, sections 268.60 to 268.64. Notwithstanding Minnesota Statutes, section 268.022, this appropriation is from the workforce investment fund. Of this amount, \$250,000 each year is for grants to the Ramsey county opportunities industrialization center. The grants are to be used to (1) offer prevocational training programs and specific vocational training programs involving intensive English as a second language in instruction, and (2) train for and locate entry level jobs including, without limitation, clerical, building maintenance, manufacturing, home maintenance and repair, and certified nursing assistance.

\$1,815,000 the first year and \$1,817,000 the second year is for displaced homemaker programs under Minnesota Statutes, section 268.96.

\$1,050,000 the first year and \$1,050,000 the second year is for youth intervention programs under Minnesota Statutes, section 268.30. Funding from this appropriation may be used to expand existing programs to serve unmet needs and to create new pro-

grams in underserved areas. This appropriation is available until spent.

\$1,500,000 the first year and \$1,500,000 the second year is to supplement the activities of the Job Training Partnership Act Title II-A program as described in United States Code, title 29, sections 1501 to 1792. The commissioner may use up to five percent of this amount of state operations. The balance of the amount is for services to temporary assistance for needy families (TANF) recipients. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$75,000 the first year is for the PLATO education partnership pilot program. If the commissioner favorably evaluates the demonstration implementation of PLATO in Fairmont and Owatonna, the commissioner shall select two other communities in which PLATO will be implemented. Of this amount, not more than \$10 is for the demonstration implementations. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001.

\$250,000 the first year and \$250,000 the second year is for the learn to earn summer youth employment program established under Laws 1995, chapter 224, sections 5 and 39. This appropriation is available until spent.

\$10,000 the first year and \$10,000 the second year are for one-time grants to independent school district No. 2752, Fairmont, for community initiatives.

Of the money appropriated for the summer youth program for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. In addition to the base appropriation, \$6,000,000 the first year is for the summer youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available.

\$700,000 the first year and \$700,000 the second year is for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. A Minnesota YOUTHBUILD program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.367, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

\$250,000 the first year is for a one-time grant to the displaced homemaker program in the department of economic security and \$125,000 the first year and \$125,000 the second year are for one-time grants to the St. Paul district 5 planning council. These grants are to operate a community work empowerment support group demonstration project. A project consists of empowerment groups of individuals that are in the process of obtaining or have obtained jobs, including those in the welfare-to-work programs, or are working out problems of attaining self-sufficiency. The groups must separately meet at least monthly for at least two hours. Each group meeting must include empowerment mentors whose responsibility will be to conduct the meeting. Group members must be paid at least \$20 for each meeting attended. The sites will report to the commissioner on a semiannual basis regarding the progress achieved at the meetings. The purpose of the group is to:

- (1) share information among group members as to the successes and problems encountered in the individual's employment goals;
- (2) provide a forum for individuals involved in moving to self-sufficiency to share their experiences and strategies and to support and empower each other; and
- (3) to provide feedback to the commissioner concerning the best strategies to achieve the empowerment support group's objectives.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,500,000 in the first year and \$3,500,000 in the second

year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

\$30,000 the first year is for a grant to the city of Champlin for creating and expanding curfew enforcement. The program must have clearly established neighborhood, community, and family measures of success and must report to the commissioner of economic security on the achievement of these outcomes on or before June 30, 1998.

\$250,000 the first year is for a one-time grant to Ramsey county to expand the sister-to-sister mentoring, support, and training network program countywide. This appropriation is in addition to money appropriated under Minnesota Statutes, sections 256J.62 and 256J.76.

\$500,000 is for a grant to the center for victims of torture to design and develop training to educate health care and human service workers on levels of sensitive care and how to make referrals and to establish a network of care providers to do pro bono care for torture survivors so as to enable a rapid integration into communities and labor markets by torture victims. This is a one-time appropriation requiring a one-to-one nonstate, in-kind match, and is available until expended.

Subd. 5. Workforce Exchange

1,600,000	1,400,000
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\$1,600,000 the first year and \$1,400,000 the second year is appropriated to leverage federal dollars in support of the implementation of the Minnesota Workforce Center System. The department shall report to the Minnesota office of technology its plans to coordinate workforce center development with the Minnesota career education planning system and other electronic job banks. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

Sec. 6. HOUSING FINANCE AGENCY

33,380,000

24,976,000

The amounts that may be spent from this appropriation for certain programs are specified below.

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Spending limit on cost of general administration of agency programs:

1998	1999
11,017,000	11,678,000

\$1,550,000 the first year and \$1,550,000 the second year is for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

A biennial appropriation of \$5,750,000 is made in the first year and is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204, and is available until June 30, 1999.

Grants to organizations made under the family homeless prevention and assistance program may include grants (1) to organizations providing case management for persons that need assistance to rehabilitate their rent history and find rental housing, and (2) to organizations that will provide, and report on the success or failure of, innovative approaches to housing persons with poor rental histories, including, but not limited to, assisting tenants in correcting tenant screening reports, developing a single application fee and process acceptable to participating landlords, developing a certification of tenants program acceptable to participating landlords, expungement of unlawful detainer records, and creating a bonding program to encourage landlords to accept high-risk tenants with poor rent histories.

\$583,000 the first year and \$583,000 the second year is for the foreclosure prevention and assistance program under Minnesota Statutes, section 462A.207.

\$2,750,000 the first year and \$2,750,000 the second year is for the rent assistance for fam-

ily stabilization program under Minnesota Statutes, section 462A.205. Of this amount, \$750,000 each year is a one-time appropriation and is not added to the agency's permanent base.

\$2,348,000 the first year and \$2,348,000 the second year is for the housing trust fund to be deposited in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section. Of this amount, \$550,000 each year must be used for transitional housing.

\$8,118,000 the first year and \$6,493,000 the second year is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. Of this amount, \$1,625,000 the first year is a one-time appropriation and is not added to the agency's permanent base. Of the one-time appropriation, \$125,000 the first year is for housing for people with HIV or AIDS outside of the Minneapolis-St. Paul metropolitan statistical area.

To the extent practicable, this appropriation shall be used so that an approximately equal number of housing units are financed in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, and in the nonmetropolitan area.

(a) In the area of the state outside the metropolitan area, the agency must work with groups in the funding regions created under Minnesota Statutes, section 116J.415, to assist the agency in identifying the affordable housing needed in each region in connection with economic development and redevelopment efforts and in establishing priorities for uses of the affordable rental investment fund. The groups must include the regional development commissioners, the regional organization selected under Minnesota Statutes, section 116J.415, the private industry councils, units of local government, community action agencies, the Minnesota housing partnership network groups, local lenders, for-profit and nonprofit developers, and realtors.

In addition to priorities developed by the group, the agency must give a preference to economically viable projects in which units of local government, area employers, and the private sector contribute financial assistance.

(b) In the metropolitan area, the commissioner shall collaborate with the metropolitan council to identify the priorities for use of the affordable rental investment fund. Funds distributed in the metropolitan area must be used consistent with the objectives of the metropolitan development guide, adopted under Minnesota Statutes, section 473.145. In addition to the priorities identified in conjunction with the metropolitan council, the agency shall give preference to economically viable projects that:

- (1) include a contribution of financial resources from units of local government and area employers;
- (2) take into account the availability of transportation in the community; and
- (3) take into account the job training efforts in the community.

\$187,000 the first year and \$187,000 the second year is for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15.

\$1,683,000 the first year and \$1,683,000 the second year is for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14.

\$186,000 the first year and \$186,000 the second year is for the Minnesota rural and urban homesteading program under Minnesota Statutes, section 462A.057.

\$340,000 the first year and \$240,000 the second year is for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, \$80,000 is for a grant to the Minnesota housing partnership. Of this amount, \$150,000 is for equal grants to an organization in each of the six regions established under Minnesota Statutes, section 116J.415, for capacity

building grants. Of this amount, \$50,000 is for a grant in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2. Of this amount, \$100,000 the first year is to develop projects under the neighborhood land trust program under Minnesota Statutes, sections 462A.30 and 462A.31, and is available until June 30, 1999. The appropriation in the first year for the neighborhood land trust program is a one-time appropriation and is not added to the agency's permanent base.

\$4,368,000 the first year and \$3,569,000 the second year is for the community rehabilitation program under Minnesota Statutes, section 462A.206. Of this amount, \$250,000 the first year and \$250,000 the second year is for full-cycle home ownership and purchase-rehabilitation lending initiatives. Of this amount, \$1,218,000 the first year and \$419,000 the second year are one-time appropriations and are not added to the agency's permanent base.

Of the one-time appropriation for the community rehabilitation program, \$375,000 the first year and \$375,000 the second year is for grants to acquire, demolish, and remove substandard multiple-unit residential rental property or acquire, rehabilitate, and reconfigure multiple-unit residential rental property. No more than one-half of money available in a year shall be given to a single project. Priority must be given to projects that result in the creation of housing opportunities that will diversify the housing stock and promote the creation of life-cycle housing opportunities within the community. For the purposes of this paragraph, "substandard multiple-unit residential rental property" is property that meets the definition of Minnesota Statutes 1996, section 273.1316, subdivision 2. Displaced residents must be provided relocation assistance, as provided in Minnesota Statutes, sections 117.50 to 117.56. To the extent allowed by federal law, a public agency administering a federal rent

subsidy program shall give priority to persons displaced by grants under this section.

Of the one-time appropriation for the community rehabilitation program, \$250,000 the first year is for a grant to provide funds to an organization or consortium of organizations participating in a project that is awarded a grant from the metropolitan livable communities demonstration program to develop affordable and life-cycle housing in St. Paul or Minneapolis. The project must be based upon a comprehensive community planning process that creates a long-term plan to revitalize a neighborhood and must include compact development with linkages to employment, transit, and affordable lifecycle housing.

Of the one-time appropriation for the community rehabilitation program, up to \$550,000 the first year is for a grant to the city of Landfall to purchase a portion of real property in the city owned by the Washington county housing and redevelopment authority. The agency shall not make the grant until the city of Landfall has secured the balance of the funds necessary to purchase the real property from the Washington county housing and redevelopment authority. The agency shall require that the land purchased be restricted to use by current residents or for affordable housing for the term of the bonds issued by the city to purchase the land. "Affordable" is as defined by the metropolitan council for the purposes of the metropolitan livable communities program.

A recipient of funds from the community rehabilitation program for a project in a historic preservation district in St. Paul, must provide assurances to the agency that the project will conform to the written historic preservation guidelines for the district and that the funding recipient will not seek any variance to the guidelines.

\$4,287,000 the first year and \$4,287,000 the second year is for the housing rehabilitation and accessibility program under Minnesota

Statutes, section 462A.05, subdivisions 14a and 15a.

\$1,075,000 the first year and \$1,075,000 the second year is for the home ownership assistance fund under Minnesota Statutes, section 462A.21, subdivision 8. Of this amount, \$175,000 each year is a one-time appropriation and is not added to the agency's permanent base.

\$25,000 the first year and \$25,000 the second year is for home equity conversion counseling grants under Minnesota Statutes, section 462A.28. The money must be used for a counseling service which only counsels for home equity conversions.

\$50,000 is for the costs of the advisory task force on lead hazard reduction, established in article 4, section 1. This is a one-time appropriation and is not added to the agency's permanent base.

\$80,000 is for the affordable neighborhood design and development initiative, in Laws 1995, chapter 224, section 122. This is a one-time appropriation and is not added to the agency's permanent base.

Sec. 7. COMMERCE

Subdivision 1. Total Appropriation	16,004,000	16,367,000
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Summary by Fund

General	14,240,000	14,572,000
Petro Cleanup	957,000	969,000
Workers' Compensation	462,000	476,000
Special Revenue	345,000	350,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations	3,802,000	3,883,000
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Subd. 3. Registration and Insurance	4,479,000	4,590,000
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Summary by Fund

General	4,017,000	4,114,000
Workers' Compensation	462,000	476,000

Subd. 4. Enforcement and Licensing
 3,945,000 4,031,000

Summary by Fund

General	3,600,000	3,681,000
Special Revenue	345,000	350,000

\$345,000 the first year and \$350,000 the second year is from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 5. Petroleum Tank Release
 Cleanup Board

957,000 969,000

This appropriation is from the petroleum tank release cleanup fund.

Subd. 6. Administrative Services
 2,821,000 2,894,000

Sec. 8. BOARD OF ACCOUNTANCY	572,000	587,000
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Sec. 9. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN	684,000	700,000
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Sec. 10. BOARD OF BARBER EXAMINERS	136,000	140,000
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Sec. 11. BOARD OF BOXING	79,000	82,000
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Sec. 12. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	25,110,000	25,168,000
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Summary by Fund

General	3,941,000	4,012,000
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Workers' Compensation	21,169,000	21,156,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Workers' Compensation
 12,152,000 12,160,000

This appropriation is from the workers' compensation fund.

\$125,000 the first year and \$125,000 the second year is for grants to the Vinland Center for rehabilitation service.

Notwithstanding Minnesota Statutes, section 79.253, the following appropriations are made from the assigned risk safety account in the special compensation fund to the commissioner of labor and industry:

(a) \$77,000 the first year and \$73,000 in the second year are for the purpose of hiring one occupational safety and health inspector. The inspector shall perform safety consultations for employers through labor-management committees as defined in Minnesota Statutes, section 179.81, subdivision 2, under an interagency agreement entered into between the commissioners of labor and industry and mediation services.

(b) \$95,000 the first year and \$75,000 the second year are for the purpose of providing information to employers regarding the prevention of violence in the workplace.

(c) \$25,000 the first year and \$25,000 the second year are for the purpose of safety training and other safety programs for youth apprentices.

Subd. 3. Workplace Services

6,393,000	6,713,000
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Summary by Fund

General	2,875,000	2,931,000
Workers'		
Compensation	3,518,000	3,782,000

\$204,000 the first year and \$204,000 the second year is for labor education and advancement program grants.

Subd. 4. General Support

6,565,000	6,295,000
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Summary by Fund

General	1,066,000	1,081,000
Workers'		
Compensation	5,499,000	5,214,000

Subd. 5. Daedalus Project

\$2,500,000 appropriated in Laws 1995, chapter 224, section 12, subdivision 2, from

the workers' compensation fund for the Daedalus imaging project does not cancel on June 30, 1997, but is available until June 30, 1999.

Sec. 13. BUREAU OF MEDIATION SERVICES

Subdivision 1. Total

Appropriation	2,061,000	2,074,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Mediation Services

1,646,000	1,659,000
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Subd. 3. Labor Management Cooperation Grants

302,000	302,000
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\$302,000 each year is for grants to area labor-management committees. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Subd. 4. Office of Dispute Resolution

113,000	113,000
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Sec. 14. WORKERS' COMPENSATION COURT OF APPEALS

1,464,000	1,498,000
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This appropriation is from the workers' compensation fund.

Sec. 15. LABOR INTERPRETIVE CENTER

207,000	214,000
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Sec. 16. PUBLIC UTILITIES COMMISSION

3,326,000	3,400,000
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The commission shall assess the amount appropriated in section 25 in addition to its assessments to public utilities in fiscal year 1998 under Minnesota Statutes, section 216B.62, subdivision 3. This assessment is not subject to the limits prescribed under that subdivision.

Sec. 17. DEPARTMENT OF PUBLIC SERVICE

Subdivision 1. Total

Appropriation	9,008,000	9,116,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Telecommunications
785,000 803,000

Subd. 3. Weights and Measures
3,076,000 3,070,000

Subd. 4. Information and Operations
Management
1,501,000 1,532,000

Subd. 5. Energy
3,646,000 3,711,000

\$588,000 each year is for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of economic security to improve the energy efficiency of residential oil-fired heating plants in low-income households and, when necessary, to provide weatherization services to the homes.

Sec. 18. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	23,315,000	23,476,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Education and Outreach	11,763,000	12,078,000
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\$175,000 the first year and \$175,000 the second year in addition to the base is for the grant-in-aid programs for county and local historical societies. The Minnesota historical society shall set program guidelines and criteria, and shall require a dollar-for-dollar match for these grants.

\$150,000 the first year and \$150,000 the second year is for activities associated with the sesquicentennial and millennium celebrations. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

Subd. 3. Preservation and Access	8,661,000	8,828,000
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\$300,000 the first year and \$300,000 the second year is for historic site repair and maintenance.

Subd. 4. Information Program

Delivery

1,995,000	2,097,000
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\$1,900,000 the first year and \$2,000,000 the second year is for technology improvements that will expand core capacity and improve service and program delivery. If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 5. Fiscal Agent

896,000

473,000

(a) Sibley House Association

88,000	88,000
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This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site operated by the Sibley House Association.

(b) Minnesota International Center

50,000	50,000
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(c) Minnesota Air National Guard Museum

19,000	
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(d) Institute for Learning and Teaching – Project 120

110,000	110,000
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(e) Minnesota Military Museum

29,000	
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(f) Farmamerica

150,000	150,000
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Notwithstanding any other law, this appropriation may be used for operations.

(g) Bemidji Historical Museum

50,000	
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This appropriation is for a one-time grant to the city of Bemidji to pay up to one-half of the total costs, including acquisition, design, other preliminary work, and construction costs, for purchase of an abandoned historic railroad depot in the city and its conversion to a historical museum and facility for the Beltrami county historical society.

(h) Winona County Historical Society

75,000	
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For a one-time grant for upgrade of technology. The Winona county historical society

shall submit to the Minnesota historical society a plan for the use of this grant. As part of this project, the Minnesota historical society, in collaboration with the Winona county historical society and other county and local historical societies, shall develop a plan for the future use of technology by county and local historical societies.

(i) Humphrey Museum
50,000

For a one-time grant for planning, and to the extent possible, design and construction drawings for the Hubert H. Humphrey museum to be located in Waverly.

(j) Grimm Farmhouse
75,000

For a one-time grant to Hennepin parks for the design and stabilization of the Wendelin Grimm farmhouse. This appropriation is available until June 30, 1999. This appropriation must be matched by an equal amount from nonstate sources.

(k) Perpich Memorial
100,000

For a one-time grant to the friends of the iron range interpretative center for planning, design, and construction of a Rudy Perpich Memorial. This appropriation is available until June 30, 1999.

(l) Citizenship Programs
75,000 75,000

For a grant to the Minnesota center for community legal education for citizenship programs in Minnesota schools. Of this amount, (1) \$30,000 is for Project Citizen, a program to educate middle school students to identify, study, and influence decisions on public policy issues, (2) \$25,000 is for We the People, a program to promote civic awareness and responsibility among elementary and secondary students, and (3) \$20,000 is for the Minnesota youth summit on violence prevention, a program to build citizenship skills among middle and high school students by engaging them in the lawmaking process.

(m) Fishing Museum
25,000

For work, in conjunction with the commissioners of natural resources and trade and economic development, on a feasibility study for a museum housing fishing-related artifacts, equipment, and memorabilia. The director of the Minnesota Historical Society must present study recommendations to the chairs of the appropriate legislative finance committees and divisions by January 15, 1998. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

(n) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 19. MINNESOTA MUNICIPAL BOARD	307,000	315,000
Sec. 20. COUNCIL ON BLACK MINNESOTANS	356,000	286,000
<p>\$7,500 each year is for expenses associated with the Dr. Martin Luther King Day activities.</p> <p>\$75,000 the first year is for planning of an African Resource Center, a clearinghouse for information and referral services for recent immigrants from Africa. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001. This appropriation is available until June 30, 1999. To the extent that this appropriation exceeds the amount needed for planning the center, the balance may be used for operation of the center.</p>		
Sec. 21. COUNCIL ON CHICANO-LATINO AFFAIRS	300,000	305,000
Sec. 22. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	272,000	269,000
Sec. 23. INDIAN AFFAIRS COUNCIL	523,000	535,000
Sec. 24. IRON RANGE RESOURCES AND REHABILITATION BOARD	1,410,000	

This appropriation is from the taconite environmental protection fund. This appropriation is available until June 30, 1999. The board shall spend this appropriation for the following one-time grants:

(a) City of Big Fork
75,000

For new well construction and infrastructure for a housing park.

(b) Greenway Joint Recreation Board
35,000

For electrical system upgrade, Zamboni room addition, roof replacement, and other repairs and improvements to the board's ice arena.

(c) Town of Lone Pine
10,000

For construction of a baseball field.

(d) City of Nashwauk
40,000

For construction of water and sewer lines on Roberts Street.

(e) City of Marble
40,000

For construction of a water line on Chernevet Avenue.

(f) City of Eveleth
100,000

For improvements to the community hospital's dialysis unit.

(g) City of Aurora
100,000

For capital improvements to the White community hospital.

(h) City of Virginia
380,000

For relocation of the Virginia rehabilitation center.

(i) City of Buhl
180,000

For handicapped access improvements to Martin Hugh high school.

(j) City of Ely
200,000

For construction of infrastructure in the city's industrial park.

(k) Chisholm-Hibbing Airport Authority
250,000

For construction of infrastructure in the airport industrial park.* **(The preceding section was vetoed by the governor.)**

Sec. 25. LEGISLATURE 50,000

This appropriation is from the general fund is to be added to any other appropriation made in the 1997 legislative session to the legislature. This appropriation is for the office of the legislative auditor for a study and program evaluation of the public utilities commission. The study shall include, among other things, (1) state functions relating to public utility regulation assigned to the commission, department of public service, and office of the attorney general, and methods of increasing efficiency and avoiding unnecessary duplication of effort in carrying out these functions, and (2) the future role of the commission in public utility regulation and public service during a time of increasing deregulation of utilities. The legislative auditor shall present an interim report to the legislature on the study by January 15, 1998, and present a final report to the legislature on the study by February 1, 1999. This appropriation is available until June 30, 1999.

Sec. 26. CHILDREN, FAMILIES, AND LEARNING

Subdivision 1. Total
Appropriation

1,050,000

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Subd. 2. Meadowbrook Collaborative

Of this amount, \$50,000 the first year is for a one-time grant to the city of St. Louis Park for the Meadowbrook Collaborative Housing Project to enhance youth outreach services and to provide educational and recreational programming for youth at risk through the development of formal after school programming and weekend youth ac-

tivities. The collaborative shall include a cross-section of public and private sector community representatives to develop services to address specific community and social needs of children and youth.

These funds shall also be made available to assist in staffing and program development for the Meadowbrook Youth Center. The center shall focus on reducing truancy, developing assets for at-risk youth, developing programs for structured time thus minimizing opportunities for adverse activities, and mentoring with adults.

\$25,000 of the amount available is available on the day following final enactment of this section on a nonmatch basis to the collaborative to develop at-risk youth programs. The remainder is only available on a matching grant basis.

Subd. 3. Energy Assistance

Of this amount, \$500,000 is for low-income energy assistance. This is a one-time appropriation and may not be added to the budget base for the biennium ending June 30, 2001.

Of this amount, \$500,000 is for the low-income home weatherization program. This is a one-time appropriation and may not be added to the budget base in the biennium ending June 30, 2001.

Sec. 27. MILITARY AFFAIRS

50,000

50,000

\$50,000 the first year and \$50,000 the second year is for the purpose of coordinating agreements with community empowerment support groups for the use of the military training center and related personnel at Camp Ripley for providing what are commonly referred to as "soft skills" job skills training to people, including those who are expected to make the transition from welfare to work. "Soft skills" include such things as being punctual and following directions. The adjutant general may enter into contracts with other state departments and local agencies for the purpose of using the facilities at

Camp Ripley and staff to provide that training. This is a one-time appropriation and may not be added to the budget base for the biennium ending June 30, 2001.

**Sec. 28. OFFICE OF TECHNOLOGY;
INTERNATIONAL TRADE ACTIVITIES** 500,000

\$500,000 the first year is appropriated from the general fund to the office of technology for a one-time grant to the regents of the University of Minnesota for the operation of a secure electronic authentication link laboratory (SEAL).

Sec. 29. CITY OF ANDOVER 500,000

Notwithstanding any other law, \$500,000 is appropriated the first year from the contaminated site cleanup and development account to the commissioner of trade and economic development for a grant to the city of Andover to be used for the cleanup of contaminated land but this grant cannot be used for land acquisition. This appropriation shall be funded by tax proceeds collected under Minnesota Statutes, section 270.91, and deposited into the account. This is a one-time appropriation and may not be added to the budget base for the biennium ending June 30, 2001.

Sec. 30. MINNESOTA TECHNOLOGY GRANT TO MINNESOTA TECHNOLOGY CORRIDOR CORPORATION.

The grant under Laws 1995, chapter 224, section 3, to the Minnesota Technology Corridor Corporation, a 501(c)(3) nonprofit corporation, does not cancel, and any remaining balance of the grant that may exist upon the dissolution of the Minnesota Technology Corridor Corporation shall be transferred to the William C. Norris Institute, a 501(c)(3) nonprofit corporation.

Sec. 31. RURAL POLICY AND DEVELOPMENT CENTER; TRANSITION.

The governor shall appoint the board of the center for rural policy and development, other than legislative members, by August 1, 1997. Original appointments shall be staggered so that four members serve two-year terms, four serve four-year terms, and five serve six-year terms. Thereafter, all terms shall be for six years or the unexpired term of a term that was not completed.

New language is indicated by underline, deletions by strikeout.

Sec. 32. STUDY OF STATE SERVICES FOR THE BLIND.

The legislative audit commission is requested to undertake a study, for reporting to the legislature in 1998, of the advisability of removing state services for the blind from the department of economic security and creating a separate board for the blind, governed by a board appointed by the governor. The study should include the factors of mission, identity, visibility, service, accountability to blind citizens, consumer involvement, administration, finance, and employment. The study should be performed in consultation with the rehabilitation advisory council for the blind, as well as with consumer groups and blind individuals.

Sec. 33. STUDY OF JOB-TRAINING PROGRAMS.

Subdivision 1. STUDY. The commissioners of trade and economic development, labor and industry, and economic security shall conduct a joint study of job-training programs funded wholly or partly with state funds. The commissioners must report to the governor and legislature on the development of the study by January 15, 1998, and make a final report on the study by January 15, 1999.

Subd. 2. LONG-TERM TRACKING. The study must include findings and recommendations on the feasibility and desirability of creating and implementing long-term tracking of individuals who complete state-funded job training programs. The recommended tracking must provide, among other things, for comparison of per capita income and wages earned by participants in these programs with those earned by nonparticipants who are in the same socioeconomic group as participants at the time of program entry. The study shall take into consideration the physical and mental capabilities of individuals as well as their levels of learning and training.

Subd. 3. COST REPORT. The study must include a compilation of all job training programs funded wholly or partly with state funds for the purpose of determining the true cost of these programs. The study shall include, for each such program:

- (1) a program description;
- (2) the total costs, including those incurred by federal, state, and local governments, and private and nonprofit employers;
- (3) economic benefits; and
- (4) a comparison of the per-capita cost with the increases in wages earned by program participants.

Sec. 34. INTERNATIONAL AFFAIRS COORDINATOR.

During the biennium ending June 30, 1999, the legislative coordinating commission may employ an international affairs coordinator to:

- (1) host international visitors;
- (2) promote international education, research, and exchanges; and
- (3) monitor federal laws and agreements.

All state agencies shall assist the coordinator in the performance of the coordinator's duties.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 35. COMMISSIONER OF NATURAL RESOURCES; AVAILABILITY OF APPROPRIATION.

The appropriation in Laws 1996, chapter 407, section 3, of \$750,000 to the commissioner of natural resources from the taconite protection fund for acquisition and development of the Iron Range off-highway vehicle recreation area does not cancel but is available until June 30, 1999.

Sec. 36. COMMISSIONER OF ECONOMIC SECURITY; GRANT TO ST. PAUL.

The commissioner of economic security shall spend all of the allocation to the city of St. Paul under Minnesota Statutes, section 469.305, subdivision 1, for fiscal year 1997, that has not been spent or otherwise committed by the city of St. Paul on the effective date of this section, as a grant to the city of St. Paul for community development corporations to be used for microenterprise and equity loans to eligible businesses located or to be located at or near the Dale Street shops/Maxson Steel industrial sites and the Minnehaha Mall area of the city of St. Paul. The commissioner or the city of St. Paul shall place this amount in an interest-bearing account and shall make the money in the account available for the purposes of this section only when the contamination cleanup at the Dale Street shops/Maxson Steel industrial sites has progressed to the point where redevelopment can occur. For purposes of this section, "eligible businesses" is limited to small beginning businesses, including an existing business that is starting a new location, where similar businesses have demonstrated success in similar neighborhoods. The \$10,000 maximum limit on microenterprise loans under Minnesota Statutes, section 116M.18, subdivision 4a, clause (2), does not apply to the grant under this section.

Sec. 37. TASK FORCE; WELFARE REFORM BUDGET IMPACT.

The commissioner of finance shall report to the legislature: (1) by January 20, 1998, on the potential budget impact to each state department and agency, including public institutions of higher education, of the 1996 federal welfare reform legislation and the response to that reform by the legislature, by legislation contained in S.F. No. 1 in the 1997 session, if enacted; and (2) by January 20, 1999, on new programs enacted by the 1997 legislature designed to address the welfare to work requirements of federal welfare reform and evaluate the success of those new programs in achieving their goals, job placement and retention rates for those programs, and the success of those programs in meeting the needs of welfare recipients seeking employment.

The commissioner shall report that potential budgetary impact separately for each department and for each program, including programs funded by pass through appropriations.

Each state department and agency must cooperate with the commissioner in the preparation of the report.

The commissioner shall solicit input from the public about the budgetary impacts.

Sec. 38. YEAR 2000 READY.

Any computer software or hardware that is purchased with money appropriated in this bill must be year 2000 ready.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 39. Minnesota Statutes 1996, section 44A.01, subdivision 2, is amended to read:

Subd. 2. **BOARD MEMBERSHIP.** The corporation is governed by a board of directors consisting of:

(1) four members, representing the international business community, elected to ~~six-year~~ three-year terms by the association of members established under section 44A.023, subdivision 2, clause (5);

(2) four members, representing the international business community, appointed by the governor, to serve at the governor's pleasure;

(3) the mayor of St. Paul or the mayor's designee;

(4) the commissioners of trade and economic development, agriculture, and commerce; and

(5) three members of the house appointed by the speaker of the house and three members of the senate appointed under the rules of the senate, who serve as nonvoting members. One member from each house must be a member of the minority party of that house. Legislative members are appointed at the beginning of each regular session of the legislature for two-year terms. A legislator who remains a member of the body from which the legislator was appointed may serve until a successor is appointed and qualifies. A vacancy in a legislator member's term is filled for the unexpired portion of the term in the same manner as the original appointment.

Members appointed by the governor must be knowledgeable or experienced in international trade in products or services.

Sec. 40. **[45.0295] FEES.**

(a) The following fees shall be paid to the commissioner:

(1) for a letter of certification of licensure, \$20;

(2) for a license history, \$20;

(3) for a duplicate license, \$10;

(4) for a change of name or address, \$10;

(5) for a temporary license, \$10;

(6) for each hour or fraction of one hour of course approval for continuing education sought, \$10; and

(7) for each continuing education course coordinator approval, \$100.

(b) All fees paid to the commissioner under this section are nonrefundable, except that an overpayment of a fee shall be returned upon proper application.

Sec. 41. Minnesota Statutes 1996, section 60A.23, subdivision 8, is amended to read:

Subd. 8. **SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.** (1) **SCOPE.** This

New language is indicated by underline, deletions by ~~strikeout~~.

subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions; or (f) to an entity which administers a self-insurance or insurance plan if a licensed Minnesota insurer is providing insurance to the plan and if the licensed insurer has appointed the entity administering the plan as one of its licensed agents within this state.

(2) **DEFINITIONS.** For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance for the benefit of employees or members of an association, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) **LICENSE.** No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is \$100 \$500 for the initial application and \$500 for each two-year renewal. All licenses are for a period of two years.

(4) **REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.** To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities ad-

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ministering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a surety bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.

(5) **RULEMAKING AUTHORITY.** To carry out the purposes of this subdivision, the commissioner may adopt rules pursuant to sections 14.001 to 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or

(d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 42. Minnesota Statutes 1996, section 60A.71, is amended by adding a subdivision to read:

Subd. 7. FEES. Each applicant for a reinsurance intermediary license shall pay to the commissioner a fee of \$160 for an initial two-year license and a fee of \$120 for each renewal. Applications shall be submitted on forms prescribed by the commissioner.

Sec. 43. Minnesota Statutes 1996, section 60K.06, subdivision 2, is amended to read:

Subd. 2. **LICENSING FEES.** (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

(1) a fee of \$60 per license for an initial license issued to an individual agent, and a fee of \$60 for each renewal;

(2) a fee of \$160 for an initial license issued to a partnership, limited liability company, or corporation, and a fee of \$120 for each renewal;

(3) a fee of \$75 for an initial amendment (variable annuity) to a license, and a fee of \$50 for each renewal; and

(4) a fee of \$500 for an initial surplus lines agent's license, and a fee of \$500 for each renewal;

(5) ~~for issuing a duplicate license, \$10; and~~

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(6) for issuing licensing histories, \$20.

(b) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1 of the renewal year. Applications for renewal of a license are timely filed if received by the commissioner on or before the 15th day preceding the license renewal date of the applicant on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked on or before the 15th day preceding the licensing renewal date of the applicant.

(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(d) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of any fee must be refunded upon proper application.

Sec. 44. Minnesota Statutes 1996, section 65B.48, subdivision 3, is amended to read:

Subd. 3. Self-insurance, subject to approval of the commissioner, is effected by filing with the commissioner in satisfactory form:

(1) a continuing undertaking by the owner or other appropriate person to pay tort liabilities or basic economic loss benefits, or both, and to perform all other obligations imposed by sections 65B.41 to 65B.71;

(2) evidence that appropriate provision exists for prompt administration of all claims, benefits, and obligations provided by sections 65B.41 to 65B.71;

(3) evidence that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a policy of insurance complying with sections 65B.41 to 65B.71, for payment of tort liabilities, basic economic loss benefits, and all other obligations imposed by sections 65B.41 to 65B.71; and

(4) a nonrefundable initial application fee of \$500 and an annual renewal fee of \$100 for political subdivisions and \$250 for nonpolitical entities.

Sec. 45. Minnesota Statutes 1996, section 72B.04, subdivision 10, is amended to read:

Subd. 10. **FEES.** A fee of \$40 is imposed for each initial license or temporary permit and \$25 for each renewal thereof or amendment thereto. ~~A fee of \$20 is imposed for each examination taken.~~ A fee of \$20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the state treasurer. If a fee is paid for an examination and if within one year from the date of that payment no written request for a refund is received by the commissioner or the examination for which the fee was paid is not taken, the fee is forfeited to the state of Minnesota.

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Sec. 46. Minnesota Statutes 1996, section 79.253, subdivision 1, is amended to read:

Subdivision 1. **CREATION OF ACCOUNT.** There is created the assigned risk safety account as a separate account in the special compensation fund in the state treasury. Income earned by funds in the account must be credited to the account. Principal and income of the account are annually appropriated to the commissioner of labor and industry and must be used for grants and loans under this section to establish and promote workplace safety and health programs.

Sec. 47. Minnesota Statutes 1996, section 79.255, is amended by adding a subdivision to read:

Subd. 10. FEE. A registration or exemption certificate fee of \$50 shall be paid.

Sec. 48. Minnesota Statutes 1996, section 82.21, subdivision 1, is amended to read:

Subdivision 1. **AMOUNTS.** The following fees shall be paid to the commissioner:

(a) A fee of \$150 for each initial individual broker's license, and a fee of \$100 for each renewal thereof;

(b) A fee of \$70 for each initial salesperson's license, and a fee of \$40 for each renewal thereof;

(c) A fee of \$85 for each initial real estate closing agent license, and a fee of \$60 for each renewal thereof;

(d) A fee of \$150 for each initial corporate, limited liability company, or partnership license, and a fee of \$100 for each renewal thereof;

(e) A fee for payment to the education, research and recovery fund in accordance with section 82.34;

(f) A fee of \$20 for each transfer;

(g) A fee of \$50 for a corporation, limited liability company, or partnership name change;

(h) A fee of \$10 for an agent name change;

(i) A fee of \$20 for a license history;

(j) A fee of \$10 for a duplicate license;

(k) A fee of \$50 for license reinstatement; and

(l) ~~(h)~~ A fee of \$20 for reactivating a corporate, limited liability company, or partnership license without land;

(m) A fee of \$100 for course coordinator approval; and

(n) A fee of \$20 for each hour or fraction of one hour of course approval sought.

Sec. 49. Minnesota Statutes 1996, section 82B.09, subdivision 1, is amended to read:

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

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~~(1)~~ for each initial individual real estate appraiser's license: \$150 if the license expires more than 12 months after issuance, \$100 if the license expires less than 12 months after issuance; and a fee of \$100 for each renewal;

~~(2)~~ a fee of \$10 for a change in personal name or trade name or personal address or business location;

~~(3)~~ a fee of \$10 for a license history;

~~(4)~~ a fee of \$25 for a duplicate license;

~~(5)~~ a fee of \$100 for appraiser course coordinator approval; and

~~(6)~~ a fee of \$10 for each hour or fraction of one hour of course approval sought.

Sec. 50. Minnesota Statutes 1996, section 116J.01, subdivision 5, is amended to read:

Subd. 5. **DEPARTMENTAL ORGANIZATION.** (a) The commissioner shall organize the department as provided in section 15.06.

(b) The commissioner may establish divisions and offices within the department. The commissioner may employ three deputy commissioners in the unclassified service. One deputy must direct the Minnesota trade office and must be experienced and knowledgeable in matters of international trade.

(c) The commissioner shall:

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

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

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

Sec. 51. **[116J.421] RURAL POLICY AND DEVELOPMENT CENTER.**

Subdivision 1. ESTABLISHED. The rural policy and development center is established at Mankato State University.

Subd. 2. GOVERNANCE. The center is governed by a board of directors appointed to six-year terms by the governor comprised of:

(1) a representative from each of the two largest statewide general farm organizations;

(2) a representative from a regional initiative organization selected under Minnesota Statutes, section 116J.415, subdivision 3;

(3) the president of Mankato State University;

(4) a representative from the general public residing in a town of less than 5,000 located outside of the metropolitan area;

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(5) a member of the house of representatives appointed by the speaker of the house and a member of the senate appointed by the subcommittee on committees of the senate committee on rules and administration appointed for two-year terms;

(6) three representatives from business, including one representing rural manufacturing and one rural retail and service business;

(7) three representatives from private foundations with a demonstrated commitment to rural issues;

(8) one representative from a rural county government; and

(9) one representative from a rural regional government.

Subd. 3. **DUTIES.** The center shall:

(1) identify present and emerging social and economic issues for rural Minnesota, including health care, transportation, crime, housing, and job training;

(2) forge alliances and partnerships with rural communities to find practical solutions to economic and social problems;

(3) provide a resource center for rural communities on issues of importance to them;

(4) encourage collaboration across higher education institutions to provide interdisciplinary team approaches to problem solving with rural communities; and

(5) involve students in center projects.

Subd. 4. **STATEWIDE FOCUS.** The center has a statewide mission. It may contract and collaborate with higher education and other institutions located throughout the state.

Sec. 52. [116J.422] RURAL POLICY AND DEVELOPMENT CENTER FUND.

A rural policy and development center fund is established as an account in the state treasury. The commissioner of finance shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. The state board of investment shall ensure that account money is invested under Minnesota Statutes, section 11A.24. All money earned by the account must be credited to the account. The principal of the account and any unexpended earnings must be invested and reinvested by the state board of investment.

Gifts and donations, including land or interests in land, may be made to the account. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of for cash must be credited immediately to the principal of the account. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the account and any earnings from the marketable securities are earnings of the account. The earnings in the account are annually appropriated to the board of the center for rural policy and development to carry out the duties of the center.

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Sec. 53. [116J.543] FILM PRODUCTIONS JOBS PROGRAM.

The film production jobs program is created. The program shall be operated by the Minnesota film board with administrative oversight and control by the commissioner of trade and economic development. The program shall make payment to producers of long-form and narrative film productions that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota film board of expenditures for wages for work on new film production jobs in Minnesota by resident Minnesotans. The film jobs include work such as technical crews, acting talent, set construction, soundstage or equipment rental, local postproduction film processing, and other film production jobs.

The film board must make recommendations to the commissioner about program payment, but the recommendations are not binding and the commissioner has the authority to make the final determination on payments. The commissioner's determination must be based on the amount of wages documented to the film board and the likelihood that the payment will lead to further documentable wage payments. Payment may not exceed \$100,000 for a single long-form and narrative film. No more than five percent of the funds appropriated for the program in any year may be expended for administration. Individual feature film projects shooting on or after January 1, 1997, will be eligible for fund allocations.

Sec. 54. Minnesota Statutes 1996, section 116J.615, subdivision 1, is amended to read:

Subdivision 1. **DUTIES OF DIRECTOR.** The director of tourism shall:

- (1) publish, disseminate, and distribute informational and promotional literature;
- (2) promote and encourage the expansion and development of international tourism marketing;
- (3) advertise and disseminate information about travel opportunities in the state of Minnesota;
- (4) aid various local communities to improve their tourism marketing programs;
- (5) coordinate and implement a comprehensive state tourism marketing program that takes into consideration all public and private businesses and attractions;
- (6) conduct market research and analysis to improve marketing techniques in the area of tourism;
- (7) investigate and study conditions affecting Minnesota's tourism industry, collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the director in promoting and developing Minnesota's tourism industry, both within and outside the state;
- (8) apply for, accept, receive, and expend any funds for the promotion of tourism in Minnesota. All money received by the director under this subdivision shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The director may enter into interagency agreements and may agree to share net revenues with the contributing agencies. The money does not cancel and is available until expended; and

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(9) plan and conduct information and publicity programs to attract tourists, visitors, and other interested persons from outside the state to this state; encourage and coordinate efforts of other public and private organizations or groups of citizens to publicize facilities and attractions in this state; and work with representatives of the hospitality and tourism industry to carry out its programs.

Sec. 55. [116J.8745] MICROENTERPRISE ENTREPRENEURIAL ASSISTANCE.

Subdivision 1. TECHNICAL ASSISTANCE; LOAN ADMINISTRATION. The commissioner of trade and economic development shall make grants to nonprofit organizations to provide technical assistance to individuals with entrepreneurial plans that require microenterprise loans in an amount ranging from approximately \$1,000 to \$25,000, and for loan administration costs related to those microenterprise loans. Microenterprise is a small business which employs under five employees plus the owner and requires under \$25,000 to start.

Subd. 2. GRANT ELIGIBILITY AND ALLOCATION. Nonprofit organizations must apply for grants under this section following procedures established by the commissioner. To be eligible for a grant, an organization must demonstrate to the commissioner that it has the appropriate expertise. The commissioner shall give preference for grants to organizations that target nontraditional entrepreneurs such as women, members of a minority, low-income individuals, or persons seeking work who are currently on or recently removed from welfare assistance.

An application must include:

- (1) the local need for microenterprise support;
- (2) proposed criteria for business eligibility;
- (3) proposals for identifying and serving eligible businesses;
- (4) a description of technical assistance to be provided to eligible businesses;
- (5) proposals to coordinate technical assistance with financial assistance; and
- (6) a demonstration of ability to collaborate with other agencies including educational and financial institutions.

Subd. 3. GRANT EVALUATIONS. Grant recipients must report to the commissioner by February 1 in each of the two years succeeding the year of receipt of the grant. The report must detail the number of customers served, the number of businesses started, stabilized, or expanded, the number of jobs created and retained, and business success rates. The commissioner shall report to the legislature on the microenterprise entrepreneurial assistance. The report shall contain an evaluation of the results, recommendations to continue or change the program, and a suggested level of funding.

Sec. 56. [116J.8755] SMALL BUSINESS; ELECTRONIC ACCESS TO INTERNATIONAL MARKETS.

The commissioner shall develop a plan for enabling small businesses to gain electronic access to international markets through mechanisms that may include electronic trade points.

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Sec. 57. [116J.992] TACONITE MINING GRANTS.

(a) The commissioner shall establish a program to make grants to taconite mining companies to enable them to research technologies that:

- (1) reduce energy consumption;
- (2) reduce environmental emissions;
- (3) improve productivity; or
- (4) improve pellet quality.

(b) To receive a grant a recipient must convey to the state permanent ownership of both mineral reserves and corresponding surface lands that:

- (1) contain unmined taconite with a 23 percent minimum magnetic iron content;
- (2) have an open pit stripping ratio of less than 1.5 to 1;
- (3) are unencumbered by current or planned surface development;
- (4) are substantially unencumbered by past mining activity;
- (5) have marketable title for both surface and mineral interests; and
- (6) are in an area that could reasonably be expected to be mined within 50 years.

(c) A grant may not exceed the value of the mineral reserves and surface land as assessed by the commissioner of natural resources. When assessing value, the commissioner must, at a minimum, take into account the future value of any royalty stream, the state's cost of capital, the costs of removing any encumbrances, and the probability that the reserves will be mined in the future. Any revenue generated by ownership or sale of the property must be deposited in the general fund.

Sec. 58. Minnesota Statutes 1996, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. **GRANTS-IN-AID PARTNERSHIP PROGRAM.** (a) The partnership program may provide grants-in-aid to educational or other nonprofit training institutions using the following guidelines:

- (1) the educational or other nonprofit institution is a provider of training within the state in either the public or private sector;
- (2) the program involves skills training that is an area of employment need; and
- (3) preference will be given to educational or other nonprofit training institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation and to businesses located in rural areas.

(b) A single grant to any one institution shall not exceed \$200,000 \$400,000.

Sec. 59. Minnesota Statutes 1996, section 116L.04, is amended by adding a subdivision to read:

Subd. 1a. **PATHWAYS PROGRAM.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to

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work. The program is to be operated by the board. The board shall consult and coordinate with the Job Training Partnership Act Title II-A program administrators at the department of economic security to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions for education and training programs that serve public assistance recipients transitioning from public assistance to employment.

Preference shall be given to projects that:

- (1) provide employment with benefits paid to employees;
- (2) provide employment where there are defined career paths for trainees;
- (3) pilot the development of an educational pathways that can be used on a continuing basis for transitioning persons from public assistance directly to work; and
- (4) demonstrate the active participation of department of economic security work-force centers, Minnesota state college and university institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a one-to-one ratio by participating private business.

A single grant to any one institution shall not exceed \$200,000.

The board shall annually, by March 31, report to the commissioners of economic security and trade and economic development on pathways programs, including the number of public assistance recipients participating in the program, the number of participants placed in employment, the salary and benefits they receive, and the state program costs per participant.

Sec. 60. [116L.06] HIRE EDUCATION LOAN PROGRAM.

Subdivision 1. FUND USES. The job skills partnership board may make loans to Minnesota employers to train persons for jobs in Minnesota. The loans must be used to train current and prospective employees of an employer for specific jobs with the employer.

Subd. 2. LOAN PROCESS. The board shall establish a schedule and competitive process for accepting loan applications. The board shall evaluate loan applications.

Subd. 3. LOAN PRIORITY. The board shall give priority to loans that provide training for jobs that are permanent, provide health coverage and other fringe benefits, and have a career or job path with prospects for wage increases.

Subd. 4. LOAN TERMS. Loans may be secured or unsecured, shall be for a term of no more than two years, and shall bear no interest. The maximum amount of a loan is \$250,000. A loan origination fee of up to two percent of the principal of the loan may be charged. An employer may have only one outstanding loan. The loans shall contain such other standard commercial loan terms as the board deems appropriate.

Subd. 5. LOAN USES. Loans must be used by an employer to obtain the most cost-effective training available from public or private training institutions. An employer

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must document to the board the process the employer has utilized to ensure that the proposed loan is used to acquire the most cost-effective training and provide a training plan.

Subd. 6. PACKAGING LOANS. The board may package a grant it makes under section 116L.04 with a loan under this section.

Subd. 7. LOAN REPAYMENTS. Loan repayments and loan origination fees shall be retained by the board for board programs.

Sec. 61. Minnesota Statutes 1996, section 116O.05, is amended by adding a subdivision to read:

Subd. 4. SUPPORTING ORGANIZATIONS. On making a determination that the public policies and purposes of this chapter will be carried out to a greater extent than what might otherwise occur, the board may cause to be created and may delegate, assign, or transfer to one or more entities, including without limitation a corporation, nonprofit corporation, limited liability company, partnership, or limited partnership, any or all rights and duties, assets and liabilities, powers or authority created, authorized, or allowed under this chapter, including without limitation those pertaining to the seed capital fund under section 116O.122, except to the extent specifically limited by the constitution or by law.

Sec. 62. Minnesota Statutes 1996, section 116O.122, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The corporation shall, in consultation with private venture and seed capital companies and other public and private organizations as appropriate, implement a centrally managed seed capital fund to invest in early stage companies and small companies in Minnesota through equity or equity-type investments. The seed capital fund may receive contributions from the corporation, as well as from local, state, or federal government, private foundations, or other sources. Total investments by the seed capital fund in seven-county metropolitan area based companies must not exceed 20 percent of the total amount invested capitalization appropriated by the legislature or provided by the corporation. Investments which contribute to the 20 percent metropolitan area limitation are those which will primarily enhance the operations of a metropolitan based facility. Investments that benefit a Greater Minnesota facility of a metropolitan based company are not subject to the limitation. Investments by the seed capital fund must be matched by other sources of capital at a ratio to be determined by the corporation. The seed capital fund shall identify sources of technical, management, and marketing assistance for companies funded by the seed capital program and make appropriate referrals. The seed capital fund shall establish a procedure for liquidating private investments.

Sec. 63. Minnesota Statutes 1996, section 155A.045, subdivision 1, is amended to read:

Subdivision 1. **SCHEDULE.** The fee schedule for licensees is as follows:

(a) Three-year license fees:

(1) cosmetologist, manicurist, esthetician, \$45 for each initial license and \$30 for each renewal;

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(2) instructor, manager, \$60 for each initial license, and \$45 for each renewal;

(3) salon, \$65 for each initial license, and \$50 for each renewal; and

(4) school, \$750.

(b) Penalties:

(1) reinspection fee, variable; and

(2) manager with lapsed practitioner, \$25.

(c) Administrative fees:

(1) duplicate license (includes individual name or address change), \$5;

(2) certificate of identification, \$20;

(3) processing fee (covers licensing history or certification of licensure, restoration of lapsed license, salon name change, school name change, late renewals, applications for new licenses), \$15; and

(4) (2) school original application, \$150.

Sec. 64. Minnesota Statutes 1996, section 176.181, subdivision 2a, is amended to read:

Subd. 2a. **APPLICATION FEE.** Every initial application filed pursuant to subdivision 2 requesting authority to self-insure shall be accompanied by a nonrefundable fee of \$1,000 \$2,500. The fee is not refundable. When an employer seeks to be added as a member of an existing approved group under section 79A.03, subdivision 6, the proposed new member shall pay a nonrefundable \$250 application fee to the commissioner at the time of application. Each annual report due August 1 under section 79A.03, subdivision 9, shall be accompanied by an annual fee of \$200.

Sec. 65. ~~[268.3625]~~ **ADMINISTRATIVE COSTS.**

The commissioner may use up to five percent of the biennial appropriation for Youthbuild from the general fund to pay costs incurred by the department in administering Youthbuild during the biennium.

Sec. 66. Minnesota Statutes 1996, section 268A.15, is amended by adding a subdivision to read:

Subd. 1a. **SEVERE IMPAIRMENT TO EMPLOYMENT; DEFINITION.** For the purpose of this section, "severe impairment to employment" means profound limitations that dramatically restrict an individual's ability to seek, secure, and maintain employment due to an extended history of little or no employment, limited education, training, or job skills, and physical, intellectual, or emotional characteristics seriously impairing future ability to obtain and retain permanent employment.

Sec. 67. Minnesota Statutes 1996, section 268A.15, subdivision 2, is amended to read:

Subd. 2. **PROGRAM PURPOSE.** The extended employment program shall have two categories of clients consisting of those with severe disabilities and those with severe

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impairment to employment. The purpose of the extended employment program for persons with severe disabilities is to provide the ongoing services necessary to maintain and advance the employment of persons with severe disabilities. The purpose of the extended employment program for persons with severe impairment to employment is to provide the ongoing support services necessary to secure, maintain, and advance in employment. Employment under this section must encompass the broad range of employment choices available to all persons and promote an individual's self-sufficiency and financial independence.

Sec. 68. Minnesota Statutes 1996, section 268A.15, is amended by adding a subdivision to read:

Subd. 3a. SEVERE IMPAIRMENT TO EMPLOYMENT; SEPARATE PROGRAM. The allocation of funds, eligibility criteria, and funding criteria for extended employment program funds for persons with severe disabilities shall be separate from the allocation of funds, eligibility criteria, and funding criteria for extended employment program funds for persons with severe impairment to employment. Extended employment program services for persons with severe disabilities shall be modified to the extent necessary to provide services to persons with severe impairment to employment.

The county agency must consider placing an individual who is on welfare and who has a severe impairment to employment, as defined in subdivision 1a, into an extended employment program under this section for job skills training or a job, or both, as part of the effort to move people from welfare to work as required under federal welfare reform.

Sec. 69. Minnesota Statutes 1996, section 268A.15, subdivision 6, is amended to read:

Subd. 6. GRANTS. The commissioner may provide innovation and expansion grants to rehabilitation facilities to encourage the development, demonstration, or dissemination of innovative business practices, training programs, and service delivery methods that:

(1) expand and improve employment opportunities for persons with severe disabilities or severe impairment to employment who are unserved or underserved by the extended employment program; and

(2) increase the ability of persons with severe disabilities or severe impairment to employment to use new and emerging technologies in employment settings, and foster the capacity of rehabilitation facilities and employers to promote the integration of individuals with severe disabilities and severe impairment to employment into the workplace and the mainstream of community life.

The grants must require collaboration at the local level among vocational rehabilitation field offices, county social service and planning agencies, rehabilitation facilities, and employers.

Sec. 70. Minnesota Statutes 1996, section 268A.15, is amended by adding a subdivision to read:

Subd. 8. FUNDING AUTHORITY. State grant funds under this section and section 268A.13 shall be available for 24 months following the end of a fiscal year to allow for the submission of final grant data reports, the completion of audit adjustments of pay-

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ments to grantees including grantee appeals of final audit adjustments, and the redistribution of remaining balances in grant accounts to other grantees who meet or exceed their contracts with the department for that fiscal year.

Sec. 71. Minnesota Statutes 1996, section 298.22, is amended by adding a subdivision to read:

Subd. 7. GIANTS RIDGE RECREATION AREA. (a) In addition to the other powers granted in this section and other law, the commissioner, for purposes of fostering economic development and tourism within the Giants Ridge recreation area, may spend any money made available to the agency under section 298.28 to acquire real or personal property or interests therein by gift, purchase, or lease and may convey by lease, sale, or other means of conveyance or commitment any or all of those property interests acquired.

(b) Notwithstanding any other law to the contrary, property conveyed under this subdivision and used for residential purposes is not eligible for property tax homestead classification under section 273.124 or for a property tax refund under chapter 290A.

(c) In furtherance of development of the Giants Ridge recreation area, the commissioner may establish and participate in charitable foundations and nonprofit corporations, including a corporation within the meaning of section 317A.011, subdivision 6.

(d) The term "Giants Ridge recreation area" refers to an economic development project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis county in the western portions of the town of White and in the eastern portion of the westerly, adjacent, unorganized township.

Sec. 72. Minnesota Statutes 1996, section 326.86, subdivision 1, is amended to read:

Subdivision 1. LICENSING FEE. The licensing fee for persons licensed pursuant to sections 326.83 to 326.991 is \$75 per year. The commissioner may adjust the fees under section 16A.1285 to recover the costs of administration and enforcement. The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury and credited to the general fund. A fee of \$25 will be charged for a duplicate license or an amended license reflecting a change of business name, address, or qualifying person.

Sec. 73. Minnesota Statutes 1996, section 469.305, subdivision 1, is amended to read:

Subdivision 1. INCENTIVE GRANTS. (a) An incentive grant is available to businesses located in an enterprise zone that meet the conditions of this section. Each city designated as an enterprise zone is allocated \$3,000,000 to be used to provide grants under this section for the duration of the program. Each city of the second class designated as an economically depressed area by the United States Department of Commerce is allocated \$300,000 to be used to provide grants under this section for the duration of the program. For fiscal year 1998 and subsequent years, the proration in section 469.31 shall continue to apply until the amount designated in this subdivision is expended. For the allocation in fiscal year 1998 and subsequent years, the commissioner may use up to 15 percent of the allocation to the city of Minneapolis for a grant to the city of Minneapolis and up to 15 percent of the allocation to the city of St. Paul for a grant to the city of St. Paul, for administration of the program or employment services provided to the employers and employees involved in the incentive grant program under this section.

New language is indicated by underline, deletions by strikeout.

(b) The incentive grant is in an amount equal to 20 percent of the wages paid to an employee, not to exceed \$5,000 per employee per calendar year. The incentive grant is available to an employer for a zone resident employed in the zone at full-time wage levels of not less than 170 percent of minimum wage 110 percent of the federal poverty level for a family of four, as determined by the United States Department of Agriculture. The incentive grant is not available to workers employed in construction or employees of financial institutions, gambling enterprises, public utilities, sports, fitness, and health facilities, or racetracks. The employee must be employed at that rate at the time the business applies for a grant, and must have been employed for at least one year at the business. A grant may be provided only for new jobs; for purposes of this section, a "new job" is a job that did not exist in Minnesota before May 6, 1994. The incentive grant authority is available for the five calendar years after the application has been approved to the extent the allocation to the city remains available to fund the grants, and if the city certifies to the commissioner on an annual basis that the business is in compliance with the plan to recruit, hire, train, and retain zone residents. The employer may designate an organization that provides employment services to receive all or a portion of the employer's incentive grant.

Sec. 74. REPEALER.

Minnesota Statutes 1996, sections 116J.581; and 116J.990, subdivision 7, are repealed.

Sec. 75. EFFECTIVE DATE.

Section 35 is effective the day following final enactment.

ARTICLE 2

PETROLEUM TANK RELEASE CLEANUP

Section 1. Minnesota Statutes 1996, section 115B.03, subdivision 5, is amended to read:

Subd. 5. **EMINENT DOMAIN.** (a) The state, an agency of the state, or a political subdivision is not a responsible person under this section solely as a result of the acquisition of property, or as a result of providing funds for the acquisition of such property either through loan or grant, if the property was acquired by the state, an agency of the state, or a political subdivision that acquires property (1) through exercise of the power of eminent domain, or (2) through negotiated purchase in lieu of, or after filing a petition for the taking of the property through eminent domain, or (3) after adopting a redevelopment or development plan under sections 469.001 to 469.134 describing the property and stating its intended use and the necessity of its taking is not a responsible person under this section solely as a result of the acquisition of the property, (4) after adopting a layout plan for highway development under sections 161.15 to 161.241 describing the property and stating its intended use and the necessity of its taking, or (5) through the use of a loan to purchase right-of-way in the seven-county metropolitan area under section 473.167.

New language is indicated by underline, deletions by strikeout.

(b) A person who acquires property from the state, an agency of the state, or a political subdivision, is not a responsible person under this section solely as a result of the acquisition of property if the property was acquired by the state, agency, or political subdivision through exercise of the power of eminent domain or by negotiated purchase after filing a petition for the taking of the property through eminent domain ~~or~~, after adopting a redevelopment or development plan under sections 469.001 to 469.134 describing the property and stating its intended use and the necessity of its taking, or after adopting a layout plan for highway development under sections 161.15 to 161.241 describing the property and stating its intended use and the necessity of its taking.

Sec. 2. Minnesota Statutes 1996, section 115C.021, is amended by adding a subdivision to read:

Subd. 3a. **EMINENT DOMAIN.** (a) The department of transportation is not responsible for a release from a tank under this section solely as a result of the acquisition of property or as a result of providing funds for the acquisition of such property either through loan or grant, if the property was acquired by the department through exercise of the power of eminent domain, through negotiated purchase in lieu of or after filing a petition for the taking of the property through eminent domain, or after adopting a layout plan for highway development under sections 161.15 to 161.241 describing the property and stating its intended use and the necessity of its taking.

(b) A person who acquires property from the department, other than property acquired through a land exchange, is not a responsible person under this section solely as a result of the acquisition of property if the property was acquired by the department through exercise of the power of eminent domain, by negotiated purchase after filing a petition for the taking of the property through eminent domain, or after adopting a layout plan for highway development under sections 161.15 to 161.241 describing the property and stating its intended use and the necessity of its taking.

Sec. 3. Minnesota Statutes 1996, section 115C.03, subdivision 9, is amended to read:

Subd. 9. **REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.**

(a) The commissioner may, upon request:

- (1) assist in determining whether a release has occurred; and
- (2) assist in or supervise the development and implementation of reasonable and necessary corrective actions; and
- (3) assist in or supervise the investigation, development, and implementation of actions to minimize, eliminate, or clean up petroleum contamination at sites where it is not certain that the contamination is attributable to a release.

(b) Assistance may include review of agency records and files and review and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) Assistance may include the issuance of a written determination that an owner or prospective buyer of real property will not be a responsible person under section 115C.021, if the commissioner finds the release came from a tank not located on the property. The commissioner may also issue a written confirmation that the real property was

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the site of a release and that the tank from which the release occurred has been removed or that the agency has issued a site closure letter and has not revoked that status. The issuance of the written determination or confirmation applies to tanks not on the property or removed only and does not affect liability for releases from tanks that are on the property at the time of purchase. The commissioner may also issue site closure letters and non-responsible person determinations for sites contaminated by petroleum where it is not certain that the contamination is attributable to a release. The written determination or confirmation extends to the successors and assigns of the person to whom it originally applied, if the successors and assigns are not otherwise responsible for the release.

(d) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is annually appropriated to the commissioner for purposes of administering the subdivision.

Sec. 4. Minnesota Statutes 1996, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **EXPENDITURES.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the harmful substance compensation account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter; ~~and~~

(8) for corrective action performance audits under section 115C.093; and

(9) for contamination cleanup grants, as provided in paragraph (c).

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development for contamination cleanup grants under section 116J.554, provided that money appropriated in this paragraph may be used only for cleanup costs attributable to petroleum contamination, as determined by the commissioner of the pollution control agency. Of this amount, the commissioner may spend up to \$120,000 annually for administration of the contamination cleanup grant program.

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Sec. 5. Minnesota Statutes 1996, section 115C.09, subdivision 3, is amended to read:

Subd. 3. **REIMBURSEMENTS; SUBROGATION; APPROPRIATION.** (a) The board shall reimburse an eligible applicant from the fund in the following amounts:

(1) 90 percent of the total reimbursable costs on the first \$250,000 and 75 percent on any remaining costs in excess of \$250,000 on a site;

(2) for corrective actions at a residential site used as a permanent residence at the time the release was discovered, 92.5 percent of the total reimbursable costs on the first \$100,000 and 100 percent of any remaining costs in excess of \$100,000; or

(3) 90 percent of the total reimbursable costs on the first \$250,000 and 100 percent of the cumulative total reimbursable costs in excess of \$250,000 at all sites in which the responsible person had interest, and for which the commissioner has not issued a closure letter as of April 3, 1996, if the responsible person dispensed less than 1,000,000 gallons of petroleum at each location in each of the last three calendar years that the responsible person dispensed petroleum at the location and:

(i) has owned no more than three locations in the state at which motor fuel was dispensed into motor vehicles and has discontinued operation of all petroleum retail operations; or

(ii) has owned no more than one location in the state at which motor fuel was dispensed into motor vehicles; or

(4) With respect to projects begun on or after January 1, 1997, 90 percent of the total amount of all of the following costs, regardless of whether a release has occurred at the site: tank removal, closure in place, backfill, resurfacing, utility service restoration, and, if a release has occurred at the site, any reimbursable costs under subdivision 1. This clause applies only if the tank or tanks involved are underground tanks, and if the responsible person dispensed less than 400,000 gallons of motor fuel during the last year in which petroleum products were dispensed to the public at the location, and the responsible person owns no more than one location in this or any other state at which motor fuel was dispensed into motor vehicles or watercraft. This clause expires December 31, 1999.

Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the fund under this chapter until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) When an applicant has obtained responsible competitive bids or proposals according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal are presumed to be reasonable by the board, unless the costs of the low bid or proposal are substantially in excess of the average costs charged for similar tasks, procedures, services, materials, equipment, and tests in the same geographical area during the same time period.

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(d) When an applicant has obtained a minimum of two responsible competitive bids or proposals on forms prescribed by the board and where the rules promulgated under this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures, services, materials, equipment and tests, the eligible costs of the low bid or proposal are deemed reasonable if the costs are at or below the maximums set forth in the rules.

(e) Costs incurred for change orders executed as prescribed in rules promulgated under this chapter after June 1, 1995, are presumed reasonable if the costs are at or below the maximums set forth in the rules, unless the costs in the change order are above those in the original bid or proposal or are unsubstantiated and inconsistent with the process and standards required by the rules.

(f) A reimbursement may not be made from the fund in response to either an initial or supplemental application for costs incurred after June 4, 1987, that are payable under an applicable insurance policy, except that if the board finds that the applicant has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the applicant.

(g) If the board reimburses an applicant for costs for which the applicant has insurance coverage, the board is subrogated to the rights of the applicant with respect to that insurance coverage, to the extent of the reimbursement by the board. The board may request the attorney general to bring an action in district court against the insurer to enforce the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes an assignment by the applicant to the board of any rights of the applicant with respect to any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this paragraph, the board may instead request a return of the reimbursement under subdivision 5 and may employ against the applicant the remedies provided in that subdivision, except where the board has knowingly provided reimbursement because the applicant was denied coverage by the insurer.

(h) Money in the fund is appropriated to the board to make reimbursements under this chapter. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

(i) The board may reduce the amount of reimbursement to be made under this chapter if it finds that the applicant has not complied with a provision of this chapter, a rule or order issued under this chapter, or one or more of the following requirements:

- (1) the agency was given notice of the release as required by section 115.061;
- (2) the applicant, to the extent possible, fully cooperated with the agency in responding to the release; and
- (3) the state and federal rules and regulations applicable to the condition or operation of the tank when the noncompliance caused or failed to mitigate the release.

(j) The reimbursement may be reduced as much as 100 percent for failure by the applicant to comply with the requirements in paragraph (i), clauses (1) to (3). In determining the amount of the reimbursement reduction, the board shall consider:

- (1) the reasonable determination by the agency of the environmental impact of the noncompliance;

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- (2) whether the noncompliance was negligent, knowing, or willful;
- (3) the deterrent effect of the award reduction on other tank owners and operators;
and
- (4) the amount of reimbursement reduction recommended by the commissioner.

(k) An applicant may assign the right to receive reimbursement to each lender who advanced funds to pay the costs of the corrective action or to each contractor or consultant who provided corrective action services. An assignment must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the applicant, the identity of the assignee, the dollar amount of the assignment, and the location of the corrective action. An assignment signed by the applicant is valid unless terminated by filing a termination with the board, in a form prescribed by the board, which must include the written concurrence of the assignee. The board shall maintain an index of assignments filed under this paragraph. The board shall pay the reimbursement to the applicant and to one or more assignees by a multiparty check. The board has no liability to an applicant for a payment under an assignment meeting the requirements of this paragraph.

Sec. 6. Minnesota Statutes 1996, section 115C.09, is amended by adding a subdivision to read:

Subd. 3e. DEPARTMENT OF TRANSPORTATION ELIGIBILITY. The department of transportation may apply to the board and is eligible for reimbursement of reimbursable costs associated with property that the department has acquired under section 115C.021, subdivision 3a, if corrective action pursuant to a plan reviews and approved by the commissioner of the pollution control agency in accordance with applicable rules and guidance documents was taken on the entire property so acquired. Notwithstanding subdivision 3, paragraph (a), the department of transportation shall receive 100 percent of total reimbursable costs associated with a single release up to \$1,000,000.

Sec. 7. Minnesota Statutes 1996, section 115C.13, is amended to read:

115C.13 REPEALER.

Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05, 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.092, 115C.10, 115C.11, and 115C.12, are repealed effective June 30, ~~2000~~ 2005.

Sec. 8. Minnesota Statutes 1996, section 116J.552, subdivision 4, is amended to read:

Subd. 4. **DEVELOPMENT AUTHORITY.** "Development authority" includes a statutory or home rule charter city, county, housing and redevelopment authority, economic development authority, and a port authority.

Sec. 9. REPORT ON COORDINATION OF CLEANUP AND REDEVELOPMENT OF CONTAMINATED PROPERTIES.

The commissioner of trade and economic development, in consultation with the commissioners of the pollution control agency, commerce, agriculture, and revenue, and the director of the metropolitan council, shall issue a report to the legislature by January 15, 1998, which includes:

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(1) recommendations from the agencies with regard to establishing and administering an office to provide for the coordination of programs providing state and regional assistance in the cleanup and redevelopment of contaminated properties, as well as any legislative recommendations to provide for an effective and efficient office; and

(2) a plan for additional changes to existing contaminated property programs, including the consolidation of programs, to streamline applications for assistance, ensure efficient and effective administration of these programs, and provide for an overall, coordinated state policy for the cleanup and redevelopment of contaminated properties.

Sec. 10. **EFFECTIVE DATE.**

Sections 1 to 4 and 6 to 9 are effective July 1, 1997. Section 5 is effective retroactive to January 1, 1997.

ARTICLE 3

**MINNESOTA EMPLOYMENT AND ECONOMIC
DEVELOPMENT PROGRAM**

**Section 1. [268.6715] 1997 MINNESOTA EMPLOYMENT AND ECONOMIC
DEVELOPMENT PROGRAM.**

The 1997 Minnesota employment and economic development program is established to assist businesses and communities to create jobs that provide the wages, benefits, and on-the-job training opportunities necessary to help low-wage workers and people transitioning from public assistance to get and retain jobs, and to help their families to move out of poverty. Employment obtained under this program is not excluded from the definition of "employment" by section 268.04, subdivision 12, clause 10, paragraph (d).

Sec. 2. Minnesota Statutes 1996, section 268.672, subdivision 6, is amended to read:

Subd. 6. **ELIGIBLE JOB APPLICANT.** "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive reemployment insurance or workers' compensation, and (4) is determined to be likely to be available for employment by an eligible employer for the duration of the job.

For the purposes of this subdivision, a farmer or any member of a farm family household who can demonstrate severe household financial need must be considered unemployed.

(1) has attempted to secure a nonsubsidized job by completing comprehensive job readiness and is:

(i) a temporary assistance for needy families (TANF) recipient who is making good faith efforts to comply with the family support agreement as defined under section 256.032, subdivision 7a, but has failed to find suitable employment; or

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(ii) a family general assistance recipient;

(2) is a member of a household supported only by:

(i) a low-income worker; or

(ii) a person who is underemployed as that term is defined in section 268.61, subdivision 5; or

(3) is a member of a family that is eligible for, but not receiving public assistance.

Sec. 3. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 13. COMPREHENSIVE JOB READINESS. "Comprehensive job readiness" means a job search program administered by a county, its designee, or workforce service area that teaches self-esteem, marketable work habits, job-seeking skills, and life-management skills, and may include job retention services.

Sec. 4. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read.

Subd. 14. ELIGIBLE PROGRAM PARTICIPANT. "Eligible program participant" means an eligible job applicant who is participating in comprehensive job readiness, subsidized employment, or job retention services. An individual who has been dismissed for cause or quit subsidized employment without good cause is not eligible for subsidized employment under the program.

Sec. 5. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 15. EMPLOYER. "Employer" means a private or public employer that:

(1) agrees to create a job that is long term and full time, except a private nonprofit or public employer may provide a temporary job;

(2) pays a wage of at least \$2 per hour higher than the minimum wage; and

(3) agrees to retain a participant at the same wage and benefit level of the wage subsidy period after satisfactory completion of the subsidy period.

Sec. 6. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 16. FULL TIME. "Full time" means 40 hours of work per week or any other schedule considered full time by the employer. In the case of a temporary assistance to needy families recipient, "full time" means 40 hours comprised of the number of hours of work needed to meet the recipient's work requirement plus the number of hours spent in a training or education program. The employer is required to pay and is eligible to receive the subsidy only for hours worked by the participant for the employer.

Sec. 7. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 17. JOB RETENTION SERVICES. "Job retention services" means assistance that would not otherwise be provided to an eligible job applicant with child care,

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transportation, job coaching, employer-employee mediation, and other forms of support services to help an applicant to transition to employment and retain a job.

Sec. 8. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 18. **LOW-INCOME WORKER.** "Low-income worker" means a worker who earns no more than \$1 per hour more than the minimum wage.

Sec. 9. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 19. **MINIMUM WAGE.** "Minimum wage" means the greater of (1) the federal minimum wage in effect on or after September 1, 1997, and (2) the state minimum wage under section 177.24.

Sec. 10. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 20. **PROGRAM.** "Program" means the 1997 Minnesota employment and economic development program.

Sec. 11. Minnesota Statutes 1996, section 268.672, is amended by adding a subdivision to read:

Subd. 21. **WORKFORCE SERVICE AREA.** "Workforce service area" means a service delivery area designated by the governor under the Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

Sec. 12. Minnesota Statutes 1996, section 268.673, subdivision 3, is amended to read:

Subd. 3. **DEPARTMENT OF ECONOMIC SECURITY.** The commissioner shall supervise wage subsidies, comprehensive job readiness, and job retention services and shall provide technical assistance to the local service units for the purpose of delivering wage subsidies counties in their delivery.

Sec. 13. Minnesota Statutes 1996, section 268.673, subdivision 4a, is amended to read:

Subd. 4a. **CONTRACTS WITH SERVICE PROVIDERS COUNTIES.** The commissioner shall contract directly with a certified local service provider counties, their designees, or workforce service areas to deliver wage subsidies, comprehensive job readiness, and job retention services if (1) each county served by the provider designee or workforce service area agrees to the contract and knows the amount of wage subsidy money, comprehensive job readiness money, and job retention services money allocated to the county under section 268.6751, and (2) the provider designee or workforce service area agrees to meet regularly with each county being served. The contracts must require that no more than ten percent of the contract amount be expended for administration.

Counties and workforce service areas are encouraged to designate community-based providers of comprehensive job readiness and job retention services.

New language is indicated by underline, deletions by strikeout.

Sec. 14. Minnesota Statutes 1996, section 268.673, subdivision 5, is amended to read:

Subd. 5. **REPORT.** Each entity county delivering wage subsidies, comprehensive job readiness, and job retention services shall report to the commissioner on a quarterly basis:

(1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;

(2) the outcome for each participant placed in a private sector job, in a temporary public sector job, or in another service;

(3) the number and type of employers employing persons under the program;

(4) the amount of money spent in each ~~local service unit~~ county for wages, comprehensive job readiness, and job retention services for each type of employment and each type of other expense;

(5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;

(6) the amount of wages received by persons while in the program and 60 days after completing the program; and

(7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, the comprehensive job readiness, and the job retention services, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages; and

(8) ~~any other information requested by the commissioner. Each report must include cumulative information, as well as information for each quarter.~~

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 15. Minnesota Statutes 1996, section 268.6751, subdivision 1, is amended to read:

Subdivision 1. **WAGE SUBSIDIES ALLOCATION.** Wage subsidy money, comprehensive job readiness money, and job retention services money must be allocated to local service units in the following manner:

(a) ~~The commissioner shall allocate 87.5 percent of the funds available for allocation to local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each local service unit must be based on the number of unemployed persons in the local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the local service unit for the most recent six-month period.~~

(b) ~~Five percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner.~~

(c) ~~Seven and one-half percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner to provide jobs for residents of federally recognized Indian reservations.~~

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(d) counties in proportion to the number of persons living at or below the federal poverty threshold in each county. By December 31 of each fiscal year, providers and local service units counties, designees, and workforce service areas receiving wage subsidy money, comprehensive job readiness money, and job retention services money shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds for each fiscal year according to the formula in paragraph (a) this subdivision.

Sec. 16. Minnesota Statutes 1996, section 268.677, subdivision 1, is amended to read:

Subdivision 1. WAGE SUBSIDY, COMPREHENSIVE JOB READINESS, AND JOB RETENTION SERVICES MONEY. To the extent allowable under federal and state law, wage subsidy money, comprehensive job readiness money, and job retention services money must be pooled and used in combination with money from other employment and training services or income maintenance and support services. At least 75 percent of the money appropriated for wage subsidies must be used to pay wages for eligible job applicants. For each eligible job applicant employed, the maximum state contribution from any combination of public assistance grant diversion and employment and training services governed under this chapter, including wage subsidies, is \$4 per hour for wages and \$1 per hour for fringe benefits. The use of wage subsidies is limited as follows:

(a) The wage subsidy is \$2.50 per hour for wages and up to \$1 per hour for reimbursement of employer-paid benefits for health care, child care, or transportation expenses for employers paying an eligible program participant an hourly wage that is \$2 to \$2.99 per hour higher than the minimum wage.

(b) The wage subsidy is \$4 per hour for wages and up to \$1 per hour for reimbursement of employer paid benefits for health care, child care, or transportation expenses for employers paying an eligible program participant an hourly wage that is \$3 or more per hour higher than the minimum wage.

(c) The wage subsidy for each an eligible job applicant placed in private or nonprofit employment, the state may subsidize wages may be paid for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged to use money from other sources to provide increased wages to applicants they employ. Job retention services may be provided to an eligible program participant over a period of 78 weeks.

(b) For each eligible job applicant participating in a job training program and placed in private sector employment, the state may subsidize wages for a maximum of 1,040 hours over a period of 52 weeks.

(e) For each eligible job applicant placed in a community investment program job, the state may provide wage subsidies for a maximum of 780 hours over a maximum of 26 weeks. For an individual placed in a community investment program job, the county share of the wage subsidy shall be 25 percent. Counties may use money from sources other than public assistance and wage subsidies, including private grants, contributions from nonprofit corporations and other units of government, and other state money, to increase the wages or hours of persons employed in community investment programs.

(d) Notwithstanding the limitations of paragraphs (a) and (b), money may be used to provide a state contribution for wages and fringe benefits in private sector jobs for eligi-

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ble applicants who had previously held temporary jobs with eligible government and nonprofit agencies or who had previously held community investment program jobs for which a state contribution had been made, and who are among the priority groups established in section 268.676, subdivision 1. The use of money under this paragraph shall be for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant. An employer of more than four full-time employees shall receive wage subsidies for no more than 25 percent of the employer's full-time workforce.

Sec. 17. Minnesota Statutes 1996, section 268.681, is amended to read:

268.681 BUSINESS EMPLOYMENT.

Subdivision 1. **ELIGIBLE BUSINESSES.** A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with a local service unit county or its contractor designee, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(b) the business has submitted information to the local service unit county or, its contractor designee, or workforce service area (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 268.672 to 268.682, the business is likely to succeed and continue to employ persons hired using wage subsidies;

(c) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, expand, or to fill other open positions but not to fill positions which would be filled even in the absence of wage subsidies;

(e) the business will cooperate with the local service unit county and the commissioner in collecting data to assess the result of wage subsidies and the effectiveness of comprehensive job readiness and job retention services; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Subd. 1a. **INELIGIBLE BUSINESSES.** A business employer is ineligible to participate in the program and is ineligible to receive wage subsidy money if:

(1) the business is a temporary employment agency; or

(2) the business is a restaurant.

For purposes of this subdivision, "temporary employment agency" means a business that hires people to work in temporary positions for employers who are clients of that business.

For purposes of this subdivision, "restaurant" includes, but is not limited to, fast food restaurants.

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Subd. 1b. **DISCHARGE OF PROGRAM PARTICIPANT.** A program participant discharged from employment may challenge the discharge as a violation of subdivision 1.

Subd. 2. **PRIORITIES.** (a) In allocating funds among eligible businesses, the local service unit county or its contractor designee shall give priority to:

(1) businesses that will provide applicants with on-the-job training and marketable job skills;

(2) businesses engaged in manufacturing;

(2) (3) nonretail businesses that are small businesses as defined in section 645.445;
and

(3) (4) businesses that export products outside the state.

(b) In addition to paragraph (a), a local service unit county must give priority to businesses that:

(1) have a high potential for growth and long-term job creation;

(2) are labor intensive;

(3) make high use of local and Minnesota resources;

(4) are under ownership of women and minorities;

(5) make high use of new technology;

(6) produce energy conserving materials or services or are involved in development of renewable sources of energy; and

(7) have their primary place of business in Minnesota.

Subd. 3. **PAYBACK.** (a) A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay.

(b) If an employer dismisses an employee for good cause and works in good faith with the local service unit or its contractor to employ and train another person referred by the local service unit county ~~or, its contractor designee, or workforce service area,~~ the payback formula shall apply as if the original person had continued in employment.

(c) If a business receiving funds under the program reduces the hourly wage after the six-month subsidy, the business must repay a portion of the subsidy in direct proportion to the amount that the hourly wage is reduced.

(d) A repayment schedule shall be negotiated and agreed to by the local service unit county and the business prior to the disbursement of the funds and is subject to renegotiation. The local service unit county shall forward 25 percent of the payments received

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under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may use up to 20 percent of its share of the funds returned retain payments received under this subdivision for any administrative costs associated with the collection of the funds under this subdivision and for entering into new wage subsidy agreements. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the general fund.

(e) If an employer is more than 60 days late in repaying a subsidy as required in this subdivision, the county may engage a licensed collection agency or refer the matter to the department for collection under chapter 16D.

Subd. 4. SUCCESSORSHIP. A contract entered into by an owner, employer, or manager under the wage subsidy program is legally binding on any successor owner, employer, or manager.

Sec. 18. ~~[268.6811]~~ FUND COMBINATIONS.

To the extent allowable under federal law, money for job training under Title II of the Job Training Partnership Act, United States Code, title 29, section 1501 et seq. and money from other employment and training services or income maintenance and support services, except services administered under chapter 116L, may be pooled and used in combination with money to provide subsidized employment, comprehensive job readiness and job retention services under Minnesota Statutes, section 268.6715 to 268.682.

Sec. 19. REPEALER.

Minnesota Statutes 1996, sections 268.672, subdivision 4; 268.673, subdivision 6; 268.676; 268.677, subdivisions 2 and 3; 268.678; and 268.679, subdivision 3, are repealed.

ARTICLE 4

HOUSING

Section 1. LEAD HAZARD REDUCTION; ADVISORY TASK FORCE.

Subdivision 1. PURPOSE; DUTIES. An advisory task force on lead hazard reduction is established to:

- (1) study and propose a program to certify residential rental property as lead-safe;
- (2) study and propose essential maintenance practices and standard treatments to ensure that a residence remains lead-safe after certification;
- (3) identify the current barriers that cause lead liability exclusion riders to be added to property owner insurance liability policies;

New language is indicated by underline, deletions by strikeout.

(4) identify the legal rights and responsibilities of landlords to provide lead-safe housing and the legal rights and responsibilities of both landlords and tenants to maintain lead-safe property; and

(5) study the legal liability of landlords and tenants when a child becomes lead poisoned and propose methods to reduce property owner liability while still protecting the legal rights of children who become lead poisoned.

The task force shall report its findings and proposals to the 1998 legislature.

Subd. 2. MEMBERSHIP. Members of the advisory task force on lead hazard reduction are as follows:

(1) the chairs, or the chairs' designees, of the house of representatives housing and housing finance division, and the family and early childhood education finance division;

(2) the chairs, or the chairs' designees, of the senate jobs, energy, and community development committee, and the family and early childhood education finance division;

(3) one house member from the minority caucus, appointed by the speaker, and one senator from the minority caucus, appointed by the subcommittee on committees of the committee on rules and administration;

(4) the commissioner of commerce or the commissioner's designee;

(5) the commissioner of the housing finance agency or the commissioner's designee;

(6) the commissioner of health or the commissioner's designee; and

(7) up to 15 members appointed jointly by the commissioner of commerce and the commissioner of the housing finance agency to represent the following interests: landlords, tenants, attorneys practicing landlord tenant law, parents of children with lead poisoning, swab teams, insurers, the education association, family physicians and pediatricians, realtors, the Children's Defense Fund, the federal Environmental Protection Agency, building inspectors, the paint and coatings industry, and local boards of health.

Subd. 3. CHAIR. The commissioners of the housing finance agency and the department of commerce shall convene the first meeting of the advisory task force. At the advisory task force's first meeting, the members shall select a member to serve as chair.

Subd. 4. TECHNICAL ASSISTANCE. The commissioners of health, commerce, and the housing finance agency and the attorney general shall provide assistance to the advisory task force, including technical assistance relating to lead hazards and the reduction of lead hazards, insurance, landlord-tenant law, and other assistance as requested by the task force.

Subd. 5. EXPENSES; ADMINISTRATIVE SUPPORT. Members of the advisory task force must receive per diem and expenses, in the amount provided in Minnesota Statutes, section 15.059, subdivision 3. Members' compensation and other administrative expenses of the advisory task force must be paid for by the Minnesota housing finance agency.

Subd. 6. EFFECTIVE DATE; EXPIRATION. This section is effective the day following final enactment and expires June 30, 1998.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1996, section 268.38, subdivision 7, is amended to read:

Subd. 7. **FUNDING COORDINATION.** Grant recipients shall combine funds awarded under this section with other funds from public and private sources. ~~Programs receiving funds under this section are also eligible for assistance under section 462A.05, subdivision 20.~~

Sec. 3. **[366.152] CONDITIONAL USES.**

A manufactured home park, as defined in section 327.14, subdivision 3, is a conditional use in a zoning district that allows the construction or placement of a building used or intended to be used by two or more families.

Sec. 4. Minnesota Statutes 1996, section 394.25, is amended by adding a subdivision to read:

Subd. 3b. **CONDITIONAL USES.** A manufactured home park, as defined in section 327.14, subdivision 3, is a conditional use in a zoning district that allows the construction or placement of a building used or intended to be used by two or more families.

Sec. 5. Minnesota Statutes 1996, section 462.357, is amended by adding a subdivision to read:

Subd. 1b. **CONDITIONAL USES.** A manufactured home park, as defined in section 327.14, subdivision 3, is a conditional use in a zoning district that allows the construction or placement of a building used or intended to be used by two or more families.

Sec. 6. Minnesota Statutes 1996, section 462A.05, subdivision 14d, is amended to read:

Subd. 14d. **ACCESSIBILITY LOAN PROGRAM.** Rehabilitation loans authorized under subdivision 14 may be made to eligible persons and families households without limitations relating to the maximum incomes of the borrowers.

A person or family household is eligible to receive an accessibility loan under the following conditions:

(1) the borrower or a member of an individual residing in the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with mental retardation or related conditions; home has a permanent physical or mental condition that substantially limits one or more major life activities; and

(2) home care is appropriate; and

(3) the improvement to the housing will enable assist the borrower or a member of the borrower's family to reside household in residing in the housing.

Sec. 7. Minnesota Statutes 1996, section 462A.05, subdivision 30, is amended to read:

Subd. 30. **AGENCY INVESTMENT IN CERTAIN NOTES AND MORTGAGES.** It may invest in, purchase, acquire, and take assignments of existing notes and

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mortgages not closed for the purpose of sale to the agency, from lenders that are nonprofit or nonprofit entities, as defined in the agency's rules, provided that: (1) the notes and mortgages evidence loans for the construction, rehabilitation, purchase, improvement, or refinancing of residential housing intended for occupancy and occupied by low- and moderate-income persons and families; and (2) the loan sellers utilize the funds derived from the purchases in accordance with the authority contained in section 462A.07, subdivision 12, for the purposes and objectives of sections 462A.02, 462A.03, 462A.05, 462A.07, and 462A.21; and (3) the purchases are subject to security and limitations on the costs and expenses of the loan sellers incidental to the utilization of the purchase proceeds as the agency may determine. The proceeds of the purchases authorized by this subdivision shall not be subject to the limitations of section 462A.21, subdivisions 4k, 6, 9, and 12 6 and 9. In addition, it may invest in, purchase, acquire, and take assignments of existing federally insured mortgages for multifamily housing, not closed for the purpose of sale to the agency, from any banking institution, savings association, or other lender or financial intermediary approved by the members; provided that the multifamily housing is benefited by contracts for federal housing assistance payments.

Sec. 8. Minnesota Statutes 1996, section 462A.05, subdivision 39, is amended to read:

Subd. 39. EQUITY TAKE-OUT LOANS. The agency may make equity take-out loans to owners of section 8 project-based and section 236 rental property upon which the agency holds a first mortgage. The owner of a section 8 project-based rental property must agree to participate in the section 8 program and extend the low-income affordability restrictions on the housing for the maximum term of the section 8 contract. The owner of section 236 rental property must agree to participate in the section 236 interest reduction payments program, to extend any existing low-income affordability restrictions on the housing, and to extend any rental assistance payments for the maximum term permitted under the agreement for rental assistance payments. The equity take-out loan must be secured by a subordinate loan on the property and may include additional appropriate security determined necessary by the agency.

Sec. 9. Minnesota Statutes 1996, section 462A.05, is amended by adding a subdivision to read:

Subd. 41. DEMONSTRATION GRANTS. The agency may make demonstration grants to owners or managers of multifamily rental property upon which the agency holds a mortgage for the purpose of developing or coordinating services that promote the tenant's ability to live independently, support the tenant's self-sufficiency, improve the relationship between the tenants and the community, or that otherwise strengthen the community.

Sec. 10. Minnesota Statutes 1996, section 462A.13, is amended to read:

462A.13 BONDS AND NOTES; PURCHASE AND CANCELLATION BY AGENCY.

The agency, subject to such agreements with noteholders or bondholders as may then exist, shall have power out of any funds available therefor to purchase notes or bonds of the agency, ~~which shall thereupon be canceled,~~ either at initial issuance or at a subsequent date, for cancellation or as an investment of funds of the agency until required for its authorized purposes. If so purchased, the notes or bonds shall be purchased at a price

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not exceeding (a) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the ~~next interest payment date thereon~~ purchase date, or (b) if the notes or bonds are not redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such the purchase date.

Sec. 11. Minnesota Statutes 1996, section 462A.201, subdivision 2, is amended to read:

Subd. 2. **LOW-INCOME HOUSING.** (a) The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units, including temporary and transitional housing, and homes for ownership. Loans or grants for residential housing for migrant farmworkers may be made under this section. No more than 20 percent of available funds may be used for home ownership projects.

(b) A rental or limited equity cooperative permanent housing project must meet one of the following income tests:

(1) at least 75 percent of the rental and cooperative units must be rented to or cooperatively owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2; or

(2) all of the units funded by the housing trust fund account must be used for the benefit of persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2.

The median family income may be adjusted for families of five or more.

(c) Homes for ownership must be owned or purchased by persons and families whose income does not exceed 50 percent of the metropolitan area median income, adjusted for family size.

(d) In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt rules for awarding grants and loans under this subdivision.

Sec. 12. Minnesota Statutes 1996, section 462A.205, is amended to read:

462A.205 RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROJECT.

Subdivision 1. **FAMILY STABILIZATION DEMONSTRATION PROJECT.** The agency, in consultation with the department of human services, may establish a rent assistance for family stabilization demonstration project. The purpose of the project is to provide rental assistance to families who, at the time of initial eligibility for rental assistance under this section, were receiving public assistance, and had a caretaker parent participating in a self-sufficiency program and at least one minor child and to provide rental

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assistance to families who, at the time of initial eligibility for rental assistance under this section, were receiving public assistance, and had a caretaker parent who had earned income and with at least one minor child. The demonstration project is limited to counties with high average housing costs. The program must offer two options: a voucher option and a project-based voucher option. The funds may be distributed on a request for proposal basis.

Subd. 2. **DEFINITIONS.** For the purposes of this section, the following terms have the meanings given them.

(a) "Caretaker parent" means a parent, relative caretaker, or minor caretaker as defined by the aid to families with dependent children program, sections 256.72 to 256.87, or its successor program.

(b) "County agency" means the agency designated by the county board to implement financial assistance for current public assistance programs and for the Minnesota family investment program statewide.

(c) "Counties with high average housing costs" means counties whose average federal section 8 fair market rents as determined by the Department of Housing and Urban Development are in the highest one-third of average rents in the state.

(e) (d) "Designated rental property" is rental property (1) that is made available by a self-sufficiency program for use by participating families and meets federal section 8 existing quality standards, or (2) that has received federal, state, or local rental rehabilitation assistance since January 1, 1987, and meets federal section 8 existing housing quality standards.

(e) "Earned income" for a family receiving rental assistance under this section means cash or in-kind income earned through the receipt of wages, salary, commissions, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, and any other profit from activity earned through effort or labor.

(f) "Family or participating family" means:

(1) a family with a caretaker parent who is participating in a self-sufficiency program and with at least one minor child;

(2) a family that, at the time it began receiving rent assistance under this section, had a caretaker parent participating in a self-sufficiency program and had at least one minor child;

(3) a family with a caretaker parent who is receiving public assistance and has earned income and with at least one minor child; or

(4) a family that, at the time it began receiving rent assistance under this section, had a caretaker parent who had earned income and at least one minor child.

(d) (g) "Gross family income" for a family receiving rental assistance under this section means the gross amount of the wages, salaries, social security payments, pensions, workers' compensation, reemployment insurance, public assistance payments, alimony, child support, and income from assets received by the family.

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(e) (h) "Local housing organization" means the agency of local government responsible for administering the Department of Housing and Urban Development's section 8 existing voucher and certificate program or a nonprofit or for-profit organization experienced in housing management.

(f) (i) "Public assistance" means aid to families with dependent children, or its successor program, family general assistance, or its successor program, or family work readiness, or its successor program.

(g) (j) "Self-sufficiency program" means a program operated by a certified an employment and training service provider as defined in section 256.736, subdivision 1a, paragraph (e) chapter 256J, an employability program administered by a community action agency, or courses of study at an accredited institution of higher education pursued with at least half-time student status.

Subd. 3. **LOCAL HOUSING ORGANIZATION.** The agency may contract with a local housing organization to administer the rent assistance under this section. The agency may pay the local housing organization an administrative fee. The administrative fee may not exceed \$40 per unit per month.

Subd. 4. **AMOUNT AND PAYMENT OF RENT ASSISTANCE.** (a) This subdivision applies to both the voucher option and the project-based voucher option.

(b) Within the limits of available appropriations, eligible families may receive monthly rent assistance for a 36-month period starting with the month the family first receives rent assistance under this section. The amount of the family's portion of the rental payment is equal to at least 30 percent of gross income.

(c) The rent assistance must be paid by the local housing organization to the property owner.

(d) Subject to the limitations in paragraph (e), the amount of rent assistance is the difference between the rent and the family's portion of the rental payment.

(e) In no case:

(1) may the amount of monthly rent assistance be more than \$250 for housing located within the metropolitan area, as defined in section 473.121, subdivision 2, or more than \$200 for housing located outside of the metropolitan area;

(2) may the owner receive more rent for assisted units than for comparable unassisted units; nor

(3) may the amount of monthly rent assistance be more than the difference between the family's portion of the rental payment and the fair market rent for the unit as determined by the Department of Housing and Urban Development.

Subd. 4a. **ADDITIONAL AUTHORIZED EXPENSES.** In addition to the monthly rent assistance authorized under subdivision 4, rent assistance may include up to \$200 for a security deposit for housing located outside the metropolitan area, as defined in section 473.121, subdivision 2, and up to \$250 for a security deposit for housing located within the metropolitan area.

Subd. 5. **VOUCHER OPTION.** At least one-half of the appropriated funds must be made available for a voucher option. Under the voucher option, the Minnesota hous-

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ing finance agency, in consultation with the department of human services, will award a number of vouchers to self-sufficiency program administrators for participating families and to county agencies for participating families with earned income. Families may use the voucher for any rental housing that is certified by the local housing organization as meeting section 8 existing housing quality standards.

Subd. 6. PROJECT-BASED VOUCHER OPTION. A portion of the appropriated funds must be made available for a project-based voucher option. Under the project-based voucher option, the Minnesota housing finance agency, in consultation with the department of human services, will award a number of vouchers to self-sufficiency program administrators and to county agencies for participating families who live in designated rental property that is certified by a local housing organization as meeting section 8 existing housing quality standards. The Minnesota housing finance agency and local housing organizations must work with self-sufficiency program administrators to identify rental property that has received rental rehabilitation assistance since January 1, 1987. The agency may set aside a portion of the funds to be used in connection with rental rehabilitation projects which will be completed by July 1, 1992.

Subd. 7. PROPERTY OWNER. In order to receive rent assistance payments, the property owner must enter into a standard lease agreement with the family which includes a clause providing for good cause evictions only. Otherwise, the lease may be any standard lease agreement. The agency and local housing organizations must make model lease agreements available to participating families and property owners.

Subd. 8. AUTHORIZED LEVERAGE OF MONEY. The agency may leverage federal program money with program money from the family stabilization demonstration project authorized under this section.

Subd. 9. VOUCHERS FOR FAMILIES WITH A CARETAKER PARENT WITH EARNED INCOME. (a) Applications to provide the rental assistance for families with a caretaker parent with earned income under either the voucher or project-based option must be submitted jointly by a local housing organization and a county agency. The application must include a description of how the caretaker parent participants will be selected.

(b) County agencies awarded vouchers must select the caretaker parents with earned income whose families will receive the rent assistance. The county agency must notify the local housing organization and the agency if:

(1) the caretaker parent no longer has earned income and is not in compliance with the caretaker parent's employment plan or job search plan; and

(2) for a period of six months, the caretaker parent has no earned income and has failed to comply with the job search support plan or employment plan.

(c) The county agency must provide the caretaker parent who has no earned income and is not in compliance with the job search support plan or employment plan with the notice specified in Minnesota Rules, part 4900.3379. The county agency must send a subsequent notice to the caretaker parent, the local housing organization, and the Minnesota housing finance agency 60 days before the termination of rental assistance.

(d) If the local housing organization receives notice from a county agency that a caretaker parent whose initial eligibility for rental assistance was based on the receipt of

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earned income no longer has earned income and for a period of six months after the termination of earned income has failed to comply with the caretaker parent's job search plan or employment plan, the local housing organization must notify the property owner that rental assistance may terminate and notify the caretaker parent of the termination of rental assistance under Minnesota Rules, part 4900.3380.

(e) The county agency awarded vouchers for families with a caretaker parent with earned income must comply with the provisions of Minnesota Rules, part 4900.3377.

(f) For families whose initial eligibility for rental assistance was based on the receipt of earned income, rental assistance must be terminated under any of the following conditions:

(1) the family is evicted from the property for cause;

(2) the caretaker parent no longer has earned income and, after six months, is not in compliance with the parent's job search or employment plan;

(3) 30 percent of the family's gross income equals or exceeds the amount of the housing costs for two or more consecutive months;

(4) the family has received rental assistance under this section for a 36-month period; or

(5) the rental unit no longer meets federal section 8 existing housing quality standards, the owner refused to make necessary repairs or alterations to bring the rental unit into compliance within a reasonable time, and the caretaker parent refused to relocate to a qualifying unit.

(g) If a county agency determines that a caretaker parent no longer has earned income and is not in compliance with the parent's job search or employment plan, the county agency must notify the caretaker parent of that determination. The notice must be in writing and must explain the effect of not having earned income or failing to be in compliance with the job search or employment plan will have on the rental assistance. The notice must:

(1) state that rental assistance will end six months after earned income has ended;

(2) specify the date the rental assistance will end;

(3) explain that after the date specified, the caretaker parent will be responsible for the total housing costs;

(4) describe the actions the caretaker parent may take to avoid termination of rental assistance; and

(5) inform the caretaker parent of the caretaker parent's responsibility to notify the county agency if the caretaker parent has earned income.

Sec. 13. Minnesota Statutes 1996, section 462A.206, subdivision 2, is amended to read:

Subd. 2. **AUTHORIZATION.** The agency may make grants or loans to cities or nonprofit organizations for the purposes of construction, acquisition, rehabilitation, demolition, permanent financing, refinancing, gap financing of single or multifamily hous-

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ing, or full cycle home ownership services, as defined in section 462A.209, subdivision 2. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. The agency shall take into account the amount of money that the city or nonprofit organization leverages from other sources in awarding grants and loans. The agency shall also consider the extent to which the grant or loan recipient will coordinate use of the funds with its other housing-related efforts or other housing-related efforts in the recipient's geographic area. The city or nonprofit organization must indicate in its application how the proposed project is consistent with the consolidated housing plan. Not less than ten days before submitting its application to the agency, a nonprofit organization must notify the city in which the project will be located of its intent to apply for funds. The city may submit to the agency its written comments on the nonprofit organization's application and the agency shall consider the city's comments in reviewing the application. Cities and nonprofit organizations may use the grants and loans to establish revolving loan funds and to provide grants and loans to eligible mortgagors. The city or nonprofit organization may determine the terms and conditions of the grants and loans. An agency loan may only be used by a city or nonprofit organization to make loans.

Sec. 14. Minnesota Statutes 1996, section 462A.206, subdivision 4, is amended to read:

Subd. 4. **DESIGNATED AREAS.** For the purposes of focusing resources, a city or a nonprofit organization located in a metropolitan statistical area must designate neighborhoods within which the grants or loans may be used, and a city or nonprofit organization located outside of a metropolitan statistical area must designate a geographic area within which the grants or loans may be used.

Sec. 15. **[462A.2065] REPORT ON LOSS OF HOUSING.**

Each year, the commissioner shall report to the chair of the house of representatives housing and housing finance division and to the chair of the senate jobs, energy, and community development committee, the information provided in the reports made to the commissioner under section 469.0305.

Sec. 16. Minnesota Statutes 1996, section 462A.207, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The agency shall, within the limits of available appropriations, establish a mortgage foreclosure prevention and ~~emergency~~ rental assistance program to provide assistance to low-income and moderate-income persons who are facing the loss of their housing due to circumstances beyond their control. Priority for assistance under this section must be given to persons and families at or below 60 percent of area median income, adjusted for family size, as determined by the department of housing and urban development.

Sec. 17. Minnesota Statutes 1996, section 462A.207, subdivision 2, is amended to read:

Subd. 2. **ADMINISTRATION.** The agency may contract with community-based, nonprofit organizations that meet the requirements specified in this section to provide either mortgage foreclosure assistance or rental assistance, or both. Preference must be

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given to nonprofit organizations that demonstrate the greatest ability to leverage program money with other sources of funding, or to organizations serving areas without access to mortgage foreclosure assistance or rental assistance. The agency may require an organization to match program money with other money or resources.

Sec. 18. Minnesota Statutes 1996, section 462A.207, subdivision 3, is amended to read:

Subd. 3. **ORGANIZATION ELIGIBILITY.** A nonprofit organization must be able to demonstrate that it is qualified to deliver program services, has relevant expertise in mortgage foreclosure prevention or landlord and tenant procedures, and is able to perform the duties required under the program. An organization must provide the agency with a detailed description of how the proposed program would be administered, including the qualifications of staff. An organization may not be part of, nor affiliated with, a mortgage lender nor provide assistance to a household which occupies a housing unit owned or managed by the organization.

Sec. 19. Minnesota Statutes 1996, section 462A.207, subdivision 4, is amended to read:

Subd. 4. **SELECTION CRITERIA.** The agency shall take the following criteria into consideration when determining whether an organization is qualified to administer the program:

- (1) the prior experience of the nonprofit organization in establishing, administering, and maintaining a mortgage foreclosure prevention or a rental assistance program;
- (2) the documented familiarity of the organization regarding mortgage foreclosure prevention procedures, landlord and tenant procedures, and other services available to assist with preventing the loss of housing;
- (3) the reasonableness of the proposed budget in meeting the program objectives;
- (4) the documented ability of the organization to provide financial assistance; and
- (5) the documented ability of the organization to provide mortgage foreclosure prevention or other financial or tenant counseling.

Sec. 20. Minnesota Statutes 1996, section 462A.207, subdivision 6, is amended to read:

Subd. 6. **ASSISTANCE.** (a) Program assistance includes general information, screening, assessment, referral services, case management, advocacy, and financial assistance to borrowers who are delinquent on mortgage, or contract for deed, or rent payments.

(b) Not more than one-half of program funding may be used for mortgage or financial counseling services.

(c) Financial assistance consists of:

(1) payments for delinquent mortgage or contract for deed payments, future mortgage or contract for deed payments for a period of up to six months, property taxes, assessments, utilities, insurance, home improvement repairs, future rent payments for a period of up to six months, and relocation costs if necessary, or other costs necessary to prevent foreclosure; or

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~~(2) delinquent rent payments, utility bills, any fees or costs necessary to redeem the property, future rent payments for a period of up to six months, and relocation costs if necessary.~~

(d) An individual or family may receive the lesser of six months or \$4,500 of financial assistance.

Sec. 21. Minnesota Statutes 1996, section 462A.21, subdivision 12a, is amended to read:

Subd. 12a. **PROGRAM MONEY TRANSFER.** Grants authorized under section 462A.05, subdivision 20, may be made only with specific appropriations by the legislature, but Unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.

Sec. 22. [469.0305] REPORT ON LOSS OF HOUSING.

Subdivision 1. **EFFECTS OF WELFARE REFORM.** A public agency administering a public housing program or a rent subsidy program shall report to the commissioner of the housing finance agency by February 1, each year, beginning in 1998, the reduction in the number of units or section 8 certificates or vouchers during the year and an assessment of the reasons for the reduction, including whether it is due to the state's welfare reform initiatives.

Subd. 2. **REDUCTION IN LOW-INCOME HOUSING UNITS.** A public agency that acquires and demolishes housing occupied by persons whose incomes are less than 50 percent of the area median income shall report the number of units demolished to the commissioner of the housing finance agency. The report must be submitted to the commissioner of the housing finance agency no later than March 15 of the following year.

Sec. 23. REPEALER.

Minnesota Statutes 1996, sections 268.39; 462A.05, subdivision 20; 462A.206, subdivision 5; 462A.21, subdivisions 4k, 12, and 14, are repealed.

Sec. 24. EFFECTIVE DATE.

Section 1 is effective as provided in that section. The remainder of this article is effective July 1, 1997.

New language is indicated by underline, deletions by strikeout.

ARTICLE 5

CAPITAL INVESTMENT

Section 1. Minnesota Statutes 1996, section 268.917, is amended to read:

268.917 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.

The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for Head Start, early childhood and family education facilities programs, other early childhood intervention programs, or demonstration family service centers housing multiagency collaboratives, with priority to centers in counties or municipalities with the highest number of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries or child visitation centers. The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner shall prescribe the terms and conditions of the leases. A grant for an individual facility must not exceed \$200,000 for each program that is housed in the facility, up to a maximum of \$500,000 for a facility that houses three programs or more. The commissioner shall give priority to grants that involve collaboration among sponsors of programs under this section. At least 25 percent of the amounts appropriated for these grants must be used in conjunction with the youth employment and training programs operated by the commissioner. Eligible programs must consult with appropriate labor organizations to deliver education and training.

Sec. 2. Minnesota Statutes 1996, section 446A.04, subdivision 5, is amended to read:

Subd. 5. **FEES.** (a) The authority may set and collect fees for costs incurred by the authority for audits, arbitrage accounting, and payment of fees charged by the state board of investment. The authority may also set and collect fees for costs incurred by the commissioner, the department of health, and the pollution control agency, including costs for personnel and administrative services, for its financings and the establishment and maintenance of reserve funds. Fees charged directly to borrowers upon executing a loan agreement must not exceed one-half of one percent of the loan amount. Servicing fees assessed to loan repayments must not exceed two percent of the loan repayment. The disposition of fees collected for costs incurred by the authority is governed by section 446A.11, subdivision 13. The authority shall enter into interagency agreements to transfer funds into appropriate administrative accounts established for fees collected under this subdivision for costs incurred by the commissioner, the department of health, or the pollution control agency must be credited to the general fund.

(b) The authority shall annually report to the chairs of the finance and appropriations committees of the legislature on:

- (1) the amount of fees collected under this subdivision for costs incurred by the authority;
- (2) the purposes for which the fee proceeds have been spent; and
- (3) the amount of any remaining balance of fee proceeds.

New language is indicated by underline, deletions by strikeout.

Sec. 3. Minnesota Statutes 1996, section 446A.081, subdivision 1, is amended to read:

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

(b) "Act" means the federal Safe Drinking Water Infrastructure Financing Act Amendments of 1996, Public Law Number 104-182.

(c) "Department" means the department of health.

Sec. 4. Minnesota Statutes 1996, section 446A.081, subdivision 4, is amended to read:

Subd. 4. **CAPITALIZATION GRANT AGREEMENT.** The authority shall enter into an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants for the fund. The authority and the department shall enter into an operating agreement with the administrator of the United States Environmental Protection Agency to satisfy the criteria in the act to operate the fund. The authority and the department may exercise the powers necessary to comply with the requirements specified in the agreement agreements and to ensure that loan recipients comply with all applicable federal and state requirements.

Sec. 5. Minnesota Statutes 1996, section 446A.081, subdivision 9, is amended to read:

Subd. 9. **OTHER USES OF FUND.** The drinking water revolving loan fund may be used as provided in the act, including the following uses:

(1) to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where such debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;

(2) to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority, the department of trade and economic development, and the department for conducting activities as authorized and required under the act up to the limits authorized under the act; and

(7) to develop and administer programs for water system supervision, source water protection, and related programs required under the act.

Sec. 6. Minnesota Statutes 1996, section 446A.12, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **BONDING AUTHORITY.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$450,000,000 \$850,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 7. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

ARTICLE 6

ECONOMIC SECURITY MISCELLANEOUS PROVISIONS

Section 1. Laws 1997, chapter 85, article 1, section 39, subdivision 4, is amended to read:

Subd. 4. **EMPLOYMENT AND TRAINING SERVICE PROVIDER.** "Employment and training service provider" means:

(1) a public, private, or nonprofit employment and training agency certified by the commissioner of economic security under sections 268.0122, subdivision 3, and 268.871, subdivision 1, or is approved under section 256J.51 and is included in the county plan submitted under section 256J.50, subdivision 7; or

~~(2) a public, private, or nonprofit agency that is not certified by the commissioner under clause (1), but with which a county has contracted to provide employment and training services and which is included in the county's plan submitted under section 256J.50, subdivision 7; or~~

~~(3) a county agency, if the county has opted is certified under clause (1) to provide employment and training services and the county has indicated that fact in the plan submitted under section 256J.50, subdivision 7.~~

Notwithstanding section 268.871, an employment and training services provider meeting this definition may deliver employment and training services under this chapter.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective July 1, 1997.

Presented to the governor May 27, 1997

Signed by the governor May 30, 1997, 1:32 p.m.

New language is indicated by underline, deletions by strikeout.