or agreement with the holders of the bonds. Sections 16A.672 and 16A.675 apply to the bonds.

Sec. 4. **APPROPRIATION.**

$38,000,000 is appropriated from the pension building fund created in Minnesota Statutes, section 356.89, to design, construct, furnish, and equip a new facility to be jointly occupied by the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association, as provided in section 356.89.

Sec. 5. **REPORT.**

The executive directors of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association must jointly report to the legislature by July 15, 2001, on a plan to consolidate administrative services for the three pension systems if the systems share a building.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

Presented to the governor May 21, 1999

Signed by the governor May 25, 1999, 11:39 a.m.

CHAPTER 223—H.F.No. 2390

An act relating to state government; appropriating money for economic development and certain agencies of state government; establishing and modifying programs; regulating activities and practices; modifying fees; making conforming changes; requiring reports; providing criminal penalties; amending Minnesota Statutes 1998, sections 45.0295; 53A.03; 53A.05, subdivision 1; 60A.14, subdivision 1; 60A.23, subdivision 8; 60A.71, subdivision 7; 60K.06; 65B.48, subdivision 3; 70A.14, subdivision 4; 72B.04, subdivision 10; 79.255, subdivision 10; 82A.08, subdivision 2; 82A.16, subdivisions 2 and 6; 116J.415, subdivision 5; 116J.421, subdivisions 2, 3, and by adding subdivisions; 116J.63, subdivision 4; 116J.8745, subdivisions 1 and 2; 116L.03, subdivisions 1, 2, and 5; 116L.04, subdivision 1a; 116L.06, subdivision 4; 175.17; 176.181, subdivision 2a; 216C.41, subdivisions 1 and 2; 268.022; 268.666, by adding a subdivision; 268.98, subdivision 3; 268A.13; 268A.14; 298.22, subdivisions 2 and 6; 298.2213, subdivision 4; 298.223, subdivision 2; 326.105, if enacted; 326.86, subdivision 1; 383B.79, subdivision 4; 446A.072, subdivision 4; 462A.20, subdivision 2, and by adding a subdivision; 462A.204, by adding a subdivision; 462A.205, subdivision 3; 462A.209; 462A.21, by adding a subdivision; and 473.251; Laws 1998, chapter 404, section 13, subdivision 5; Laws 1998, First Special Session chapter 1, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapters 82B; 116J; 245; 268; 462A; and 473; repealing Minnesota Statutes 1998, sections 44A.001; 44A.01; 44A.02; 44A.023; 44A.025; 44A.031; 44A.0311; 44A.06; 44A.08; 44A.11; 341.01; 341.02; 341.04; 341.045; 341.05; 341.06; 341.07; 341.08; 341.09; 341.10; 341.11; 341.115; 341.12; 341.13; 341.15; 462A.28; 469.305; 469.306; 469.307; 469.308; and 469.31; Laws 1999, chapter 137, section 5.

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 specified in this act, to be available for the fiscal years indicated for each purpose. The figures "2000" and "2001," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2000, or June 30, 2001, respectively. The term "first year" means the fiscal year ending June 30, 2000, and "second year" means the fiscal year ending June 30, 2001.

SUMMARY BY FUND

	1999	2000	2001	TOTAL
General	$ 21,000	$ 224,507,000	$ 184,543,000	$ 409,071,000
Petroleum Tank Cleanup		1,015,000	1,045,000	2,060,000
Environmental Fund		700,000	700,000	1,400,000
TANF		6,000,000	4,000,000	10,000,000
Trunk Highway		745,000	766,000	1,511,000
Workers' Compensation		22,217,000	22,439,000	44,656,000
Special Revenue		100,000	-0-	100,000
Workforce Development Fund		17,993,000	12,557,000	30,550,000
TOTAL	$ 21,000	$ 273,277,000	$ 226,050,000	$ 499,348,000

APPROPRIATIONS
Available for the Year
Ending June 30

			2000	2001
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT				
Subdivision 1. Total Appropriation			56,880,000	46,056,000
Summary by Fund				
General	42,985,000	32,590,000		
Trunk Highway	745,000	766,000		
TANF	1,500,000	1,500,000		
Environmental Fund	700,000	700,000		

Workforce Development Fund	10,950,000	10,500,000	

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

Subd. 2. Business and Community Development		38,488,000	28,186,000
Summary by Fund			
General	25,338,000	15,486,000	
TANF	1,500,000	1,500,000	
Environmental Fund	700,000	700,000	
Workforce Development Fund	10,950,000	10,500,000	

$5,017,000 the first year and $4,017,000 the second year are for Minnesota investment fund grants. Of this amount, $1,000,000 in the first year is a one–time appropriation and is not added to the agency's budget base.

$400,000 the first year is for a one–time grant 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.

$14,067,000 the first year and $14,073,000 the second year are for the job skills partnership program. If the appropriation for either year is insufficient, the appropriation for the other year is available. Of this appropriation, $10,000,000 in each year is a one–time appropriation from the workforce development fund. It is the intention of the legislature that this program base funding be $5,931,000 per year in the 2002–2003 biennium. This appropriation does not cancel.

$500,000 the first year and $500,000 the second year are one–time appropriations from the workforce development fund for the pathways program.

$1,500,000 the first year and $1,500,000 the second year are appropriated from the state's federal TANF block grant under Title I of Public Law Number 104–193 to the commissioner of human services, to be transferred to the commissioner of trade and economic development for the pathways program under Minnesota Statutes, section 116L.04, subdivision 1a. It is the intention of the legislature that the general fund base funding to the pathways program be $1,500,000 per year in the 2002–2003 biennium.

$500,000 the first year is for a one–time grant to the city of Fridley for costs of the design and construction of infrastructure improvements required by a large business campus development in the Moore lakes area of the city.

$551,000 the first year and $565,000 the second year are from fees collected under Minnesota Statutes, section 446A.04, subdivision 5, to administer the programs of the public facilities authority.

$500,000 in the first year is for a one–time grant to the community resources program under Minnesota Statutes, chapter 466A.

$200,000 the first year is for a one–time grant to the board of the rural policy and development center for operation of the center. This appropriation is available as matched in cash on a dollar–for–dollar basis from nonstate sources.

$155,000 the first year and $155,000 the second year are for grants to the metropolitan economic development association. This is a one–time appropriation and is not added to the agency's budget base.

$265,000 the first year and $265,000 the second year are for grants to WomenVenture. WomenVenture must implement a program to encourage and assist women to enter nontraditional careers in the trades and technical occupations. The program shall consist of outreach to women and girls and training, job placement, and job retention support that meet women's specific needs. The program must be accessible to low-income working mothers, including MFIP recipients.

$450,000 the first year is for a one-time grant 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. This appropriation is from the workforce development fund.

$250,000 is for a grant to the city of Windom to provide loans to assist an expanding business. This is a one-time appropriation and is not added to the agency's budget base.

$350,000 is for the biennium ending June 30, 2001, for a grant to the Camp Heartland center. The grant may be used for phase II capital expenditures including, without limitation, a septic system upgrade and bath/shower house construction, construction of a family lodge, renovation of a medical facility, construction of staff housing and offices, or expansion and upgrade of the dining room and kitchen. This is a one-time appropriation and is not added to the agency's budget base.

$4,800,000 the first year and $2,800,000 the second year are for purposes of the contamination cleanup and development grant program under Minnesota Statutes, sections 116J.551 to 116J.558. Of this appropriation, $2,000,000 is a one-time appropriation and is not added to the agency's budget base.

$75,000 is for a grant to the city of Lake Benton for planning costs associated with a new visitor center and railroad depot building. This is a one-time appropriation and is not added to the agency's budget base.

$220,000 the first year and $220,000 the second year are for microenterprise technical assistance under Minnesota Statutes, section

116J.8745. This is a one–time appropriation and is not added to the agency's budget base.

$50,000 in 2000 is for a grant to the Chatfield brass band music lending library. The money must be used for computer hardware and software to catalog the music collection and create a Web site. This is a one–time appropriation and must not be added to the agency's budget base.

$50,000 in fiscal year 2000 is for a one–time grant to the Duluth Economic Development Authority for the purchase and installation of railroad ties to improve the Lake Superior Mississippi Railroad scenic railway along the St. Louis Bay in Duluth.

$100,000 is appropriated for a grant to the city of Lanesboro for predevelopment costs for the Root River Regional Arts Center. This is a one–time appropriation and is not added to the agency's budget base.

$50,000 the first year is for a one–time grant to county and district agricultural societies and associations that are eligible to receive aid under Minnesota Statutes, section 38.02. The commissioner shall administer this appropriation pursuant to a need–based competitive grant process.

$216,000 in the first year is for one–time rural job creation grants under Minnesota Statutes, section 469.309.

$450,000 is for a grant to the city of Duluth to support the development of the Duluth Technology Village. The grant shall be used to establish international partnerships, attract software businesses, recruit and train workers for the software industry, and support a software business incubator facility. This is a one–time appropriation and is not part of the agency base budget. This appropriation is not available unless matched by nonstate money.

$150,000 the first year is for a grant to the suburban Hennepin regional park district for restoration of the Grimm farmstead.

$150,000 in the first year is for a one–time grant to the city of Ely for rehabilitation of the Ely technical building.

$50,000 in the first year is for a one–time grant to the Highland Park district council for the enhancement of the West Seventh Street/Gateway area, which serves as a major transportation and commercial corridor for visitors from the Minneapolis–St. Paul International Airport, Mall of America, and other destinations. The appropriation may be used to make improvements to the public right–of–way including, but not limited to, landscaping, lighting, signage, and roadway improvements. This appropriation must be matched one–for–one by nonstate funds.

$3,000,000 in the first year is for the redevelopment account under Minnesota Statutes, sections 116J.561 to 116J.567. The appropriation is available for the biennium ending June 30, 2001. This is a one–time appropriation and is not added to the agency's budget base.

$75,000 in the first year is for a one–time grant to Perham Business Technology Center to equip the training center with interactive television and for program funds to implement the business plan.

$300,000 in the first year is for a one–time grant to the city of Owatonna for city infrastructure improvements.* **(The preceding text beginning "$300,000 in the first year" was vetoed by the governor.)**

Subd. 3. Minnesota Trade Office
2,275,000 2,318,000

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

	10,805,000	10,910,000
	Summary by Fund	
General	10,060,000	10,144,000
Trunk Highway	745,000	766,000

To develop maximum private sector involvement in tourism, $3,500,000 the first year and $3,500,000 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.

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.

This appropriation may be used for a grant to Minnesota Festivals and Events Association for the following purposes:

(1) for a partnership with the University of Minnesota's tourism center to build the methodology for a low-cost economic impact model that will allow festival and event managers to conduct research independently in their own communities;

(2) to promote regional workshops to increase production value and professionalism

for events in the state, increase event service and entertainment value for local residents, build community awareness of opportunities to generate new tourism, and assure production of high quality, safe, and meaningful tourism products that are in line with the vision, mission, and growth goals of individual towns and cities in Minnesota;

(3) for a partnership with the University of Minnesota's tourism center to enhance professionalism via its certified festival manager program, training event managers and volunteer staff to implement value-added festivals and events for visitors to the state;

(4) for a partnership with the Minnesota office of tourism to publish a pull-out mini-magazine advertising the statewide festivals and events calendar for the year; and

(5) to expand the Minnesota Festivals and Events Association website, to provide travel planners with more festival and event intensive links to communities hosting such activities.

$250,000 in the first year is for a one-time grant for the purpose of the Upper Red Lake business loan program.

$829,000 the first year and $829,000 the second year are for the Minnesota film board. $329,000 of this appropriation in each year 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. Of this amount, $500,000 the first year and $500,000 the second year are 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, 1999.

$100,000 the first year is for a grant to promote tourism in the Mille Lacs area. This is a one-time appropriation and is not added to the agency's budget base.

$100,000 the first year is for a one–time grant to promote tourism in the areas near the northern border of Minnesota, including the Northwest Angle.

$37,000 the first year is for a grant to the Mississippi River parkway commission.

Subd. 5. Administration
3,897,000 3,192,000

$750,000 the first year is appropriated for enhancements to the journey travel destination system. The funds are available only if matched in cash on at least a dollar–for–dollar basis from other sources. This is a one–time appropriation and is available until spent.

Subd. 6. Information and Analysis
1,415,000 1,450,000

Sec. 3. MINNESOTA TECHNOLOGY, INC. 6,425,000 7,225,000

$4,605,000 the first year and $6,105,000 the second year are for transfer from the general fund to the Minnesota Technology, Inc. fund.

$70,000 the first year and $70,000 the second year are for grants to Minnesota Inventors Congress. This is a one–time appropriation and is not added to the agency's budget base.

$100,000 the first year and $100,000 the second year are for grants to the Minnesota cold weather research center. By January 15, 2001, the center will report to the legislature on (1) the sources and amounts of its nonstate matching funds, and (2) the effectiveness of its program in achieving quantifiable economic development benefits to the state. This is a one–time appropriation and is not added to the agency's budget base.

$700,000 the first year and $500,000 the second year are for grants to Minnesota Project Innovation. The legislature intends for Minnesota Project Innovation to move toward economic self–sufficiency. This is a one–time appropriation and is not added to the agency's budget base.

$850,000 the first year and $450,000 the second year are for grants to the Natural Resources Research Institute. This is a one–time appropriation and is not added to the agency's budget base.

$100,000 the first year is for a one–time grant to the Minnesota Council for Quality.

Sec. 4. ECONOMIC SECURITY

Subdivision 1. Total Appropriation		46,015,000	38,674,000
Summary by Fund			
General	39,287,000	37,446,000	
TANF Block Grant	500,000	-0-	
Workforce Development Fund	6,228,000	1,228,000	
Subd. 2. Rehabilitation Services		22,578,000	22,089,000
Summary by Fund			
General	21,902,000	21,913,000	
TANF	500,000	-0-	
Workforce Development Fund	176,000	176,000	

$1,850,000 the first year and $1,850,000 the second year are for centers for independent living. The commissioner shall review the allocation of this appropriation among the centers for independent living and consider whether unequal allocation might be appropriate in subsequent years.

$500,000 the first year is to provide welfare–to–work extended employment services to welfare recipients with severe impairment to employment, as defined in Minnesota Statutes, section 268A.15, subdivision 1a. Of this appropriation, up to 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, 2003. This appropriation is from the state's federal TANF block grant under Public Law Number 104–193 to the commissioner of human services, to be transferred to the commissioner of economic security. This appropriation is available until June 30, 2001.

$825,000 the first year and $827,000 the second year are for employment support services for persons with mental illness authorized under Minnesota Statutes, section 268A.13.

$250,000 the first year and $250,000 the second year are for a grant to the Minnesota employment center for deaf and hard–of–hearing people. Of this appropriation, $50,000 each year is a one–time appropriation from the workforce development fund. It is the intention of the legislature that base funding for this program be $250,000 in the 2002–2003 biennium.

In fiscal year 2000 and fiscal year 2001, $975,000 is to increase the reimbursement rates for extended employment services. Effective for services rendered on or after July 1, 1999, the commissioner shall increase by ten percent all reimbursement rates under Minnesota Rules, part 3300.2035, subpart 6, item A, for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. This amount is added to the agency's budget base.

$126,000 the first year and $126,000 the second year are for a grant to Advocating Change Together, Inc., (ACT). This appropriation is from the workforce development fund. The grant must be used for the training of individuals with developmental and other mental health disabilities, the maintenance of related data, or technical assistance for work advancement or additional workforce training. No part of this grant may be applied to litigation costs, or used for legal advocacy or legal assistance purposes. This is a one–time appropriation and is available until June 30, 2001.* **(The preceding text beginning "$126,000 the first year" was vetoed by the governor.)**

Subd. 3. State Services for the Blind
6,114,000 4,817,000

$1,400,000 the first year is appropriated to convert the communication center to digital technology and move the radio talking book program to a different frequency. The funds are available only if matched in cash on at least a dollar-for-dollar basis from private sources. This is a one-time appropriation and is available until June 30, 2001.

The appropriation in the second year is not available until the commissioners of finance and economic security have reviewed the operation of the state services for the blind, determined why a budget deficiency occurred in fiscal year 1999 and what steps should be taken to prevent a future deficiency and reported their findings to the legislature.

Subd. 4. Workforce Preparation
17,273,000 11,718,000

Summary by Fund

General	11,221,000	10,666,000
Workforce Development Fund	6,052,000	1,052,000

$775,000 the first year and $775,000 the second year are for job training programs under Minnesota Statutes, sections 268.60 to 268.64. This appropriation is from the workforce development fund.

$2,049,000 the first year and $2,054,000 the second year are for displaced homemaker programs under Minnesota Statutes, section 268.96. Of this appropriation, $227,000 each year is a one-time appropriation from the workforce development fund. The commissioner shall prepare and report to the legislature a plan for a sliding scale fee structure for this program. Of this amount, $100,000 the first year and $100,000 the second year are for one-time grants to the St. Paul district 5 planning council.* **(The preceding sentence beginning "Of this amount," was vetoed by the governor.)** 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 empower mentors whose responsibility will be to conduct the meeting. 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.

$5,000,000 the first year is a one-time appropriation from the workforce development fund to match available United States Department of Labor Welfare-to-Work funds. The commissioner shall explore sources of noncash match for these funds. To the extent this appropriation is not needed for these purposes, the balance is available for the Welfare-to-Work program.

$1,425,000 the first year and $1,425,000 the second year are 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 programs in underserved areas. Of this appropriation, $3,750 is for a grant to the Minnesota Youth Intervention Programs Association (YIPA) to provide collaborative training and technical assistance to community-based grantees of the program.

$851,000 the first year and $852,000 the second year are for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. Of this amount, $100,000 in the first year and $100,000 in the second year are one-time appropriations from the workforce development fund for the YOUTHBUILD technical program under Minnesota Statutes, section 268.368. 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.

$116,000 the first year and $116,000 the second year are appropriated for youth violence prevention programs to match the federal juvenile accountability incentive block grant. This is a one–time appropriation.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund on June 25, 1999, $29,000,000 of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1. This paragraph is effective the day following final enactment.

$572,000 in the first year is for enterprise zone incentive grants under Minnesota Statutes, section 469.305.

Subd. 5. Workforce Exchange
50,000 50,000

The commissioner of economic security is directed to prepare a plan to reduce the number of line managers and reduce the costs of operation in workforce centers. The legislature finds it unacceptable to have up to five managers in individual workforce centers.

$50,000 the first year and $50,000 the second year are for asset preservation and facility repair.

$348,625 the first year is for systems development for electronic commerce to improve communication with customers of the job service and reemployment insurance program. In accordance with Minnesota Statutes, section 268.194, subdivision 5, this money is a one–time appropriation from federal money made available specifically for that purpose under United States Code, title

42, section 1103, also known as the "Reed Act." This appropriation is available for the biennium ending June 30, 2001.

$2,000,000 the first year and $2,000,000 the second year is for systems development for electronic commerce in the reemployment insurance program to improve communication with employers. In accordance with Minnesota Statutes, section 268.194, subdivision 5, this money is a one–time appropriation from federal money to be made available specifically for that purpose under United States Code, title 42, section 1103, also known as the "Reed Act," and section 5403 of the federal Balanced Budget Act of 1997. Each annual appropriation is available for the biennium ending June 30, 2001.

Sec. 5. HOUSING FINANCE AGENCY		74,770,000	45,770,000
Summary by Fund			
General	70,770,000	43,270,000	
TANF	4,000,000	2,500,000	

Subdivision 1. Total Appropriation

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

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.

Subd. 2. Challenge Program

$20,000,000 is appropriated for transfer to the housing development fund for the economic development and housing challenge program created by Minnesota Statutes, section 462A.33. This is a one–time appropriation and is not added to the agency's permanent base.

Subd. 3. Rental Assistance for Mentally Ill

$1,700,000 the first year and $1,700,000 the second year are 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.

Subd. 4. Family Homeless Prevention

$3,250,000 the first year and $3,250,000 the second year is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204, and is available until June 30, 2001. Of this amount, $1,875,000 the first year and $375,000 the second year is from the state's federal TANF block grant under Title I of Public Law Number 104–193 to the commissioner of human services, to reimburse the housing development fund for assistance under this program for families receiving TANF assistance under the MFIP program. The commissioner of human services shall make monthly reimbursements to the housing development fund. The commissioner of human services shall not make any reimbursement which the commissioner determines would be subject to a penalty under Code of Federal Regulations, section 262.1. $100,000 of the total grants made to Hennepin county from this appropriation is for grants to organizations providing case management for persons that need assistance to rehabilitate their rent history and find rental housing. Case management services include, but are not limited to, assisting tenants in correcting tenant screening reports, providing intensive training and certification for tenants, creating a bonding program to encourage landlords to accept high–risk tenants with poor rent histories, paying security deposits for high–risk tenants, and agreeing to pay landlord expenses for filing unlawful detainer actions. If the appropriation in either year is insufficient, the appropriation for the other year is available. It is the intention of the legislature that the general fund base funding to this program be $6,500,000 for the 2002–2003 biennium.

Subd. 5. Mortgage Foreclosure Prevention

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

Subd. 6. Rental Assistance for Family Stabilization

$2,125,000 the first year and $2,125,000 the second year are appropriated from the state's federal TANF block grant under Title I of Public Law Number 104–193 to the commissioner of human services, to reimburse the housing development fund for rent subsidies provided to families receiving TANF assistance from the MFIP program under the rent assistance for family stabilization program under Minnesota Statutes, section 462A.205. The commissioner of human services shall make monthly reimbursements to the housing development fund. The commissioner of human services shall not make any reimbursement which the commissioner determines would be subject to a penalty under Code of Federal Regulations, section 262.1. If the appropriation in either year is insufficient, the appropriation for the other year is available. It is the intention of the legislature that the general fund base funding for this program be $2,000,000 per year for the 2002–2003 biennium.

Subd. 7. Housing Trust Fund

$2,348,000 the first year and $2,348,000 the second year are 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.

Subd. 8. Affordable Rental Investment Fund

$21,493,000 the first year and $21,493,000 the second year are for the affordable rental investment fund program under Minnesota

Statutes, section 462A.21, subdivision 8b. Of this amount, $15,000,000 the first year and $15,000,000 the second year are to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39. The owner of the federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable properties to properties with the longest remaining term under an agreement for federal rental assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization. Of this appropriation, $5,000,000 in each year is a one-time appropriation and is not added to the agency's permanent base.

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.

Subd. 9. Urban Indian Housing Program

No appropriation is made for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15. It is the intention of the legislature that the agency will use accumulated reserves to fund this program in the 2000-2001 biennium. The base of $187,000 per year is intended to be restored in fiscal year 2002 and beyond.

Subd. 10. Tribal Indian Housing Program

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

Subd. 11. Rural and Urban Homesteading

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

Subd. 12. Capacity Building Grants

$240,000 the first year and $240,000 the second year are for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Subd. 13. Community Rehabilitation Program

$6,175,000 the first year and $6,175,000 the second year are for the community rehabilitation program under Minnesota Statutes, section 462A.206. Of this appropriation, $1,000,000 in each year is a one-time appropriation and is not added to the agency's budget base.

Priority will be given to a proposal from a community in which the existing housing is predominantly manufactured housing and the proposal seeks funds to revitalize the community through the use of improved manufactured housing and to leverage available federal funds. Of this appropriation, $50,000 the first year and $50,000 the second year must be used to make grants to a statewide organization that advocates on behalf of persons with mental retardation or related conditions. The grants must be used to provide entry cost assistance, prepurchase and postpurchase counseling to persons with various disabilities who are participating in the Fannie Mae Homechoice demonstration project and other projects designed to encourage home ownership among persons with disabilities.

Of this appropriation, $275,000 the first year and $275,000 the second year are for full-cycle home ownership and purchase-rehabilitation lending initiatives under Minnesota Statutes, section 462A.21, subdivision 26.

Subd. 14. Housing Rehabilitation and Accessibility

$4,287,000 the first year and $4,287,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

Subd. 15. Home Ownership Assistance Fund

$900,000 the first year and $900,000 the second year are for the home ownership assistance fund under Minnesota Statutes, section 462A.21, subdivision 8.

Subd. 16. Employer Matching Grants

$800,000 in the first year and $800,000 in the second year are for the employer matching grant program under Minnesota Statutes, section 462A.2092.

Subd. 17. School Stability Project

$1,000,000 the first year is for the school stability project under Minnesota Statutes, section 462A.204, subdivision 8. This is a one-time appropriation and is not added to the agency's permanent base.

Subd. 18. Innovative and Inclusionary Housing Program

$8,000,000 the first year is for innovative and inclusionary housing programs. $4,000,000 of this appropriation is for the nonmetropolitan innovative and inclusionary housing program under Minnesota Statutes, section 462A.2093. $4,000,000 of this appropriation is for transfer to the metropolitan council for deposit in the inclusionary housing account created in Minnesota Statutes, section 473.251. The metropolitan council may use this transfer only for projects that are consistent with Minnesota Statutes, section 473.255. This is a one–time appropriation and is not added to the agency's permanent base.

Subd. 19. Cancellations

The unobligated and unencumbered balance in the contract for deed guarantee account under Minnesota Statutes, section 462A.2091 is transferred to the full cycle homeownership services program under section 462A.209.

The unobligated and unencumbered balance appropriated to the advisory task force on lead hazard reduction established under Laws 1997, chapter 200, article 4, section 1, is transferred to the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a, for use in the emergency loan fund. Priority for the use of these funds shall be given to emergency loans and grants for lead hazard reduction.

The unobligated and unencumbered balance appropriated to the community rehabilitation fund account under Laws 1997, chapter 200, article 1, section 6, for grants to acquire, demolish, and remove substandard multiple–unit residential property or acquire, rehabilitate, and reconfigure multiple–unit residential rental property is transferred on July 1, 2000, to the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b.

Sec. 6. COMMERCE

Subdivision 1. Total Appropriation		18,927,000	17,460,000

Summary by Fund

General	17,245,000	15,831,000
Petro Cleanup	1,015,000	1,045,000

Workers' Compensation	567,000	584,000
Special Revenue	100,000	-0-

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

Subd. 2. Financial Examinations
3,963,000 4,052,000

Subd. 3. Registration and Insurance
4,916,000 4,934,000

Summary by Fund

General	4,249,000	4,350,000
Workers' Compensation	567,000	584,000
Special Revenue	100,000	-0-

$100,000 the first year is from the real estate education, research, and recovery account for the purposes of an educational campaign aimed at stopping the fraudulent practice known commonly as mortgage flipping. The department is directed to develop a public awareness campaign targeted to the communities hardest hit by this practice. The department is further directed to solicit contributions to this campaign from trade organizations, banks, mortgage companies, and foundations to supplement the program. The materials shall be prepared in multiple languages as necessary. The appropriation is available until expended and any contributions received are available for the educational campaign described in this section.

Subd. 4. Enforcement and Licensing
4,355,000 4,296,000

Subd. 5. Petroleum Tank Release Cleanup Board
1,015,000 1,045,000

This appropriation is from the petroleum tank release cleanup fund.

Subd. 6. Administrative Services
4,678,000 3,133,000

$1,400,000 the first year is a one-time appropriation to redesign and re-engineer the department's data base.

$90,000 the first year is a one–time appropriation for expanding website capabilities.

Sec. 7. BOARD OF ACCOUNTANCY	607,000	624,000
Sec. 8. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN	770,000	794,000

$21,000 is appropriated from the general fund and is added to the appropriations in Laws 1997, chapter 200, section 9, for board operations. This added appropriation is effective the day following final enactment.

Sec. 9. BOARD OF BARBER EXAMINERS	144,000	149,000
Sec. 10. BOARD OF BOXING	84,000	–0–

Sec. 11. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	24,608,000	24,962,000

Summary by Fund

General	3,736,000	3,913,000
Workers' Compensation	20,107,000	20,270,000
Workforce Development Fund	765,000	779,000

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

Subd. 2. Workers' Compensation
10,586,000 10,833,000

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.

Subd. 3. Workplace Services
7,476,000 7,759,000

Summary by Fund

General	2,672,000	2,844,000
Workers' Compensation	4,039,000	4,136,000
Workforce Development Fund	765,000	779,000

$204,000 the first year and $204,000 the second year are for labor education and advancement program grants. The commissioner must report to the legislature by February 15, 2000, on the success of the program in placing and retaining participants. This appropriation is from the workforce development fund.

Subd. 4. General Support
6,546,000 6,370,000

Summary by Fund

General	1,064,000	1,069,000
Workers' Compensation	5,482,000	5,301,000

Sec. 12. BUREAU OF MEDIATION SERVICES

Subdivision 1. Total Appropriation	2,130,000	2,180,000

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

Subd. 2. Mediation Services
1,712,000 1,759,000

Subd. 3. Labor Management Cooperation Grants
302,000 302,000

$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
116,000 119,000

Sec. 13. WORKERS' COMPENSATION COURT OF APPEALS	1,543,000	1,585,000

This appropriation is from the workers' compensation fund.

Sec. 14. LABOR INTERPRETIVE CENTER	200,000	200,000

It is the intention of the legislature that the Center will increase the nonstate share of its operating budget.* **(The preceding section was vetoed by the governor.)**

Sec. 15. PUBLIC UTILITIES COMMISSION	3,781,000	3,880,000
Sec. 16. DEPARTMENT OF PUBLIC SERVICE		
Subdivision 1. Total Appropriation	9,604,000	9,814,000

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

Subd. 2. Telecommunications
962,000 980,000

Subd. 3. Weights and Measures
3,138,000 3,207,000

Subd. 4. Information and Operations Management
1,584,000 1,627,000

Subd. 5. Energy
3,920,000 4,000,000

$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 children, families, and learning 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. 17. MINNESOTA HISTORICAL SOCIETY		
Subdivision 1. Total Appropriation	24,934,000	27,794,000

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

Subd. 2. Education and Outreach	12,669,000	12,812,000

$80,000 the first year is for partial operating expenses at the Northwest Fur Company Post.

Subd. 3. Preservation and Access
9,318,000 9,479,000

$25,000 the first year and $25,000 the second year are for historic site repair and maintenance.

Subd. 4. Information Program Delivery
2,341,000 2,155,000

Subd. 5. Fiscal Agent
General 606,000 348,000

(a) Sibley House Association
88,000 88,000

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

(c) Minnesota Air National Guard Museum
19,000 –0–

(d) Institute for Learning and Teaching – Project 120
110,000 110,000

(e) Minnesota Military Museum
29,000 –0–

(f) Farmamerica
100,000 100,000

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

(g) Winona County Historical Society
10,000 –0–

This is a one–time appropriation and is not added to the agency's budget base.

(h) Historic Building Relocation
100,000

$100,000 is for a grant to the city of Maplewood for the costs of acquiring land, developing a site, relocating certain buildings onto the site, and renovating the buildings. The buildings to be acquired, relocated, and renovated are the home, barn, granary, and windmill on the Bruentrup farm site, the last working farm in Ramsey county. The grant must not be made until the director of the

Minnesota historical society has determined that an equal amount in cash or in–kind has been committed from nonstate sources and the city of Maplewood has passed a resolution approving the project. The appropriation is available the day following final enactment and until June 30, 2000.

(i) Fishing Museum
50,000

$50,000 is for a grant to the city of Little Falls for planning in connection with the establishment of a museum of fishing–related artifacts, equipment, and memorabilia and an environmental education center. This appropriation is available until spent. This is a one–time appropriation and is not added to the agency's budget base.

(j) $50,000 is to refurbish the Fridley historical museum in Fridley. This is a one–time appropriation and is not added to the agency's budget base.

(k) 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. 18. MINNESOTA MUNICIPAL BOARD	162,000	–0–
Sec. 19. COUNCIL ON BLACK MINNESOTANS	320,000	329,000

$25,000 each year is for expenses associated with the Dr. Martin Luther King Day activities.

Sec. 20. COUNCIL ON CHICANO–LATINO AFFAIRS	314,000	324,000
Sec. 21. COUNCIL ON ASIAN–PACIFIC MINNESOTANS	277,000	286,000
Sec. 22. INDIAN AFFAIRS COUNCIL	551,000	567,000
Sec. 23. OFFICE OF STRATEGIC AND LONG–RANGE PLANNING	161,000	327,000

To assume administrative responsibilities resulting from the sunset of the municipal

board under Laws 1997, chapter 202, article 5, section 8.		
Sec. 24. 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 skill" 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. 25. ADMINISTRATION	20,000	-0-
To the commissioner of administration for the low-income energy task force study and report required by article 2, section 75.		

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1998, section 45.0295, is amended to read:

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

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

~~(7)~~ (2) 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. 2. Minnesota Statutes 1998, section 53A.03, is amended to read:

53A.03 **APPLICATION FOR LICENSE; FEES.**

(a) An application for a license must be in writing, under oath, and in the form prescribed and furnished by the commissioner and must contain the following:

(1) the full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member, and the name and business address if the applicant is a corporation;

(2) the county and municipality, with street and number, if any, of all currency exchange locations operated by the applicant; and

(3) the applicant's occupation or profession, for the ten years immediately preceding the application; present or previous connection with any other currency exchange in this or any other state; whether the applicant has ever been convicted of any crime; and the nature of the applicant's occupancy of the premises to be licensed; and if the applicant is a partnership or a corporation, the information specified in this paragraph must be supplied for each partner and each officer and director of the corporation. If the applicant is a partnership or a nonpublicly held corporation, the information specified in this paragraph must be required of each partner and each officer, director, and stockholders owning in excess of ten percent of the corporate stock of the corporation.

(b) The application shall be accompanied by a nonrefundable fee of ~~$250~~ $1,000 for the review of the initial application. Upon approval by the commissioner, an additional license fee of ~~$50~~ $500 must be paid by the applicant as an annual license fee for the remainder of the calendar year. An annual license fee of ~~$50~~ $500 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before September 1. Fees must be deposited in the state treasury and credited to the general fund. Upon payment of the required annual license fee, the commissioner shall issue a license for the year beginning January 1.

(c) The commissioner shall require the applicant to submit to a background investigation conducted by the bureau of criminal apprehension as a condition of licensure. As part of the background investigation, the bureau of criminal apprehension shall conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant.

(d) For purposes of this section, "applicant" includes an employee who exercises management or policy control over the company, a director, an officer, a limited or general partner, a manager, or a shareholder holding more than ten percent of the outstanding stock of the corporation.

Sec. 3. Minnesota Statutes 1998, section 53A.05, subdivision 1, is amended to read:

Subdivision 1. **NAME OR LOCATION.** If a licensee proposes to change the name or location of any or all of its currency exchanges, the licensee shall file an application for approval of the change with the commissioner. The commissioner shall not approve a change of location if the requirements of sections 53A.02, subdivision 2, and 53A.04 have not been satisfied. If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A ~~$50~~ $100 fee must be paid for the amended license.

Sec. 4. Minnesota Statutes 1998, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **FEES OTHER THAN EXAMINATION FEES.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation $25 and amendments thereto, $10;

(2) for filing annual statements, $15;

(3) for each annual certificate of authority, $15;

(4) for filing bylaws $25 and amendments thereto, $10.

(b) by other domestic and foreign companies including fraternals and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, $100;

(2) for filing annual statement, $225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, $100;

(4) for filing bylaws, $75 or amendments thereto, $75;

(5) for each company's certificate of authority, $575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, $25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and $2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, $575;

(4) for valuing the policies of life insurance companies, one cent per $1,000 of insurance so valued, provided that the fee shall not exceed $13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, $50;

(6) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit $5 and all other insurers shall remit $3;

(7) for filing forms and rates, ~~$50~~ $75 per filing;

(8) for annual renewal of surplus lines insurer license, $300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 5. Minnesota Statutes 1998, 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 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 li-

cense 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 ~~$500~~ $1,000 for the initial application and ~~$500~~ $1,000 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 administering 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. 6. Minnesota Statutes 1998, section 60A.71, subdivision 7, is amended to read:

Subd. 7. **FEES.** Each applicant for a reinsurance intermediary license shall pay to the commissioner a fee of ~~$160~~ $200 for an initial two-year license and a fee of ~~$120~~ $150 for each renewal. Applications shall be submitted on forms prescribed by the commissioner.

Sec. 7. Minnesota Statutes 1998, section 60K.06, is amended to read:

60K.06 **FEES.**

Subdivision 1. **RENEWAL FEES.** (a) Each agent licensed pursuant to section 60K.03 shall pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by subdivision 2.

(b) Every agent, corporation, limited liability company, and partnership renewal license is valid for a period of 24 months. The commissioner may stagger the implementation of the 24–month licensing program so that approximately one–half of the licenses will expire on October 31 of each even–numbered year and the other half on October 31 of each odd–numbered year. Those licensees who will receive a 12–month license on November 1, 1994, because of the staggered implementation schedule, will pay for the license a fee reduced by an amount equal to one–half the fee for renewal of the license.

(c) 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. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, 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 by October 15.

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~~ <u>$80</u> per license for an initial license issued to an individual agent, and a fee of ~~$60~~ <u>$80</u> for each renewal;

(2) a fee of ~~$160~~ <u>$200</u> for an initial license issued to a partnership, limited liability company, or corporation, and a fee of ~~$120~~ <u>$150</u> 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.

(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.

Subd. 3. **INITIAL LICENSE EXPIRATION; FEE REDUCTION.** If an initial license issued under subdivision 2, paragraph (a), expires less than 12 months after issuance, the license fee must be reduced by an amount equal to one–half the fee for a renewal of the license.

Sec. 8. Minnesota Statutes 1998, 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~~ $1,500 and an annual renewal fee of ~~$100~~ $400 for political subdivisions and ~~$250~~ $500 for nonpolitical entities.

Sec. 9. Minnesota Statutes 1998, section 70A.14, subdivision 4, is amended to read:

Subd. 4. **DURATION.** Licenses issued pursuant to this section shall remain in effect until the licensee withdraws from the state or until the license is suspended or revoked. The fee for each license shall be ~~$1,000~~ $3,000, payable every three years.

Sec. 10. Minnesota Statutes 1998, section 72B.04, subdivision 10, is amended to read:

Subd. 10. **FEES.** A fee of ~~$40~~ $80 is imposed for each initial license or temporary permit and ~~$25~~ $80 for each renewal thereof or amendment thereto. 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.

Sec. 11. Minnesota Statutes 1998, section 79.255, subdivision 10, is amended to read:

Subd. 10. **FEE.** A registration or exemption certificate fee of ~~$50~~ $100 shall be paid.

Sec. 12. Minnesota Statutes 1998, section 82A.08, subdivision 2, is amended to read:

Subd. 2. **FEE.** Every annual report filed pursuant to this section shall be accompanied by a fee of ~~$100~~ $500.

Sec. 13. Minnesota Statutes 1998, section 82A.16, subdivision 2, is amended to read:

Subd. 2. **FEE AND CONTENTS.** A salesperson or broker may apply for a license by filing a fee of ~~$25~~ $50 and an application with the commissioner which includes the following information:

(1) the applicant's name, age, residence address, and, in the case of a salesperson, the name and place of business of the membership camping operator or broker on whose behalf the salesperson will be acting;

(2) the applicant's date and place of birth;

(3) a statement whether or not the applicant within the past ten years has been convicted of a misdemeanor or felony involving theft, fraud, or dishonesty or whether or not the applicant within the past ten years has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any securities, land sales, camping, or consumer protection statutes;

(4) a statement whether or not the applicant is named as a defendant in a pending criminal indictment or proceeding involving fraud, theft, or dishonesty or is a defendant in a pending lawsuit arising out of alleged violations of securities, land sales, camping, or consumer protection statutes. A copy of the charge, complaint, or lawsuit shall be provided to the commissioner;

(5) a statement describing the applicant's employment history for the past five years and whether or not any termination of employment during the last five years was occasioned by a theft, fraud, or act of dishonesty;

(6) an affidavit certifying that the applicant is knowledgeable concerning the provisions of this section and sections 82A.05, 82A.13, and 82A.14, and any rules adopted under those sections;

(7) a statement whether or not the applicant has ever been licensed by this state or its political subdivisions to engage in any other business or profession; whether any such license has been denied, suspended, or revoked and, if so, the circumstances of the denial, suspension, or revocation;

(8) such other information as the commissioner may reasonably deem necessary to administer the provisions of sections 82A.01 to 82A.26, by rule or order.

Sec. 14. Minnesota Statutes 1998, section 82A.16, subdivision 6, is amended to read:

Subd. 6. **RENEWAL.** The license of a salesperson and broker shall be renewed annually by the filing of a form prescribed by the commissioner and payment of a fee of ~~$10~~ $25.

Sec. 15. **[82B.201] CRIMINAL PENALTY.**

A person is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the person:

(1) violates section 82B.20, subdivision 2, clause (4);

(2) performs unlicensed activities, if a license is required under this chapter; or

(3) violates any order issued by the commissioner related to conduct prohibited by clause (1).

Sec. 16. **[116J.036] DEPARTMENT MAY NOT OPERATE AS TRAVEL AGENCY.**

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

The department may not operate or provide a travel reservation system in competition with private sector travel agents, but may make referrals to private sector travel agents.

Sec. 17. **[116J.037] CERTIFICATION OF ELECTRONIC-COMMERCE-READY CITIES AND COUNTIES.**

A county or statutory or home rule charter city of Minnesota shall be designated an electronic-commerce-ready city or county by the department of trade and economic development and may be annually recertified as an electronic-commerce-ready city or county if it:

(1) has formed effective public-private partnerships with communication providers, the business community, banks, schools, health care, government, and nonprofit social and service organizations to become electronic commerce ready;

(2) makes available training and continuing education to develop an electronic-commerce-ready workforce;

(3) develops a plan for electronic commerce readiness that reflects resource integration across economic and government sectors, including current and future investments by business, government, education, and health care to achieve cooperative community and economic development benefits;

(4) uses local funding sources to catalyze and sustain information technology investments to adapt to new business priorities as electronic commerce grows; and

(5) maintains public access sites to ensure access to electronic commerce applications and community networking tools, such as electronic mail.

Sec. 18. Minnesota Statutes 1998, section 116J.415, subdivision 5, is amended to read:

Subd. 5. **LOAN CRITERIA.** The following criteria apply to loans made under the challenge grant program:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them;

(3) the minimum loan is $5,000 and the maximum is ~~$100,000~~ $200,000;

(4) a loan may not exceed 50 percent of the total cost of an individual project;

(5) a loan may not be used for a retail development project; and

(6) a business applying for a loan, except a microenterprise loan under subdivision 6, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Sec. 19. Minnesota Statutes 1998, section 116J.421, subdivision 2, is amended to read:

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 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;

(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.

The board shall appoint one additional member to the board of directors who shall represent the general public.

Sec. 20. Minnesota Statutes 1998, section 116J.421, subdivision 3, is amended to read:

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

(1) research and 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.

Sec. 21. Minnesota Statutes 1998, section 116J.421, is amended by adding a subdivision to read:

Subd. 6. **USE OF APPROPRIATION.** State appropriations to the board, whether from the general fund or the rural policy and development fund, may, at the discretion of the board, be expended for administration of the center and to carry out its duties under this section or under other law.

Sec. 22. Minnesota Statutes 1998, section 116J.421, is amended by adding a subdivision to read:

Subd. 7. **BOARD COMPENSATION.** Compensation and expense reimbursement of board members is as provided in section 15.0575, subdivision 3.

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

Sec. 23. **[116J.423] MINNESOTA MINERALS 21ST CENTURY FUND.**

Subdivision 1. **CREATED.** The Minnesota minerals 21st century fund is created as a separate account in the treasury. Money in the account is appropriated to the commissioner of trade and economic development for the purposes of this section. All money earned by the account, loan repayments of principal and interest, and earnings on investments must be credited to the account. For the purpose of this section, "fund" means the Minnesota minerals 21st century fund. The commissioner shall operate the account as a revolving account.

Subd. 2. **USE OF FUND.** The commissioner shall use money in the fund to make loans or equity investments in mineral processing facilities including, but not limited to, taconite processing, direct reduction processing, and steel production. The commissioner must, prior to making any loans or equity investments and after consultation with industry and public officials, develop a strategy for making loans and equity investments that assists the Minnesota mineral industry in becoming globally competitive. Money in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 3. **REQUIREMENTS PRIOR TO COMMITTING FUNDS.** The commissioner, prior to making a commitment for a loan or equity investment must, at a minimum, conduct due diligence research regarding the proposed loan or equity investment, including contracting with professionals as needed to assist in the due diligence.

Subd. 4. **REQUIREMENTS FOR FUND DISBURSEMENTS.** The commissioner may make conditional commitments for loans or equity investments but disbursements of funds pursuant to a commitment may not be made until commitments for the remainder of a project's funding are made that are satisfactory to the commissioner and disbursements made from the other commitments sufficient to protect the interests of the state in its loan or investment.

Subd. 5. **COMPANY CONTRIBUTION.** The commissioner may provide loans or equity investments that match, in a proportion determined by the commissioner, an investment made by the owner of a facility.

Sec. 24. **[116J.424] IRRRB CONTRIBUTION.**

The commissioner of the iron range resources and rehabilitation board with approval of the board shall provide an equal match for any loan or equity investment made for a facility located in the tax relief area defined in section 273.134 by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of trade and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

Sec. 25. Minnesota Statutes 1998, section 116J.63, subdivision 4, is amended to read:

Subd. 4. The office of tourism may market tourism-related publications, trade, and media ~~promotional material~~ promotion and advertising programs and information distribution to businesses and organizations. The proceeds from the marketing must be placed in a special ~~account~~ revenue accounts and are appropriated to the commissioner to ~~prepare and distribute the office's publications and media promotional materials~~ implement the programs for which the revenue is collected.

Sec. 26. Minnesota Statutes 1998, section 116J.8745, subdivision 1, is amended to read:

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~~ to support the startup and growth of self–employment and microbusinesses. Eligible businesses are microenterprises employing under five people plus the owner and requiring under $25,000 or no capital to start or expand the business.

Sec. 27. Minnesota Statutes 1998, section 116J.8745, subdivision 2, is amended to read:

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; and

(7) project goals identifying the number of eligible businesses to be assisted with the state funds awarded under the grant.

Sec. 28. **[116J.9665] WORLD TRADE CENTER.**

Subdivision 1. **DEFINITIONS.** For purposes of this section, the following terms have the meaning given them:

(1) "Conference and service center" means the approximately 20,000 square feet of space on the third and fourth floors of the Minnesota world trade center that the state of Minnesota has the right to possess, occupy, and use subject to the terms and conditions of the development agreement.

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(2) "Development agreement" means the agreement entered into by and between the world trade center board, as agent of the state of Minnesota, and Oxford Development Minnesota, Inc. dated July 27, 1984, and the amendments to that agreement, for development and construction of a world trade center at a designated site in Minnesota.

(3) "Minnesota world trade center" means the facility constructed in accordance with the development agreement or other facilities meeting the membership requirements of the World Trade Centers Association.

Subd. 2. **GENERALLY.** The commissioner shall facilitate and support Minnesota world trade center programs and services and promote the Minnesota world trade center. These activities are not subject to chapters 14, 16A, 16B, and 16C.

Subd. 3. **POWERS.** In furtherance of the goals set forth in subdivision 2, and in addition to the powers granted by sections 116J.035 and 116J.966, the commissioner may:

(1) define, formulate, administer, and deliver programs and services through the world trade center;

(2) set and collect fees for services and programs;

(3) adopt membership requirements for an association of members of the Minnesota world trade center;

(4) participate jointly with private persons, firms, corporations, or organizations or with public entities in appropriate programs or projects and enter into contracts to spend money to carry out those programs or projects;

(5) enter into contracts or agreements with a federal or state agency, individual, business entity, or other organization;

(6) acquire and dispose of real property or an interest in real property; and

(7) hold and maintain membership for the Minnesota world trade center in the World Trade Centers Association.

Subd. 4. **DUTIES.** The commissioner shall:

(1) promote and market the Minnesota world trade center and membership in the World Trade Center Association;

(2) sponsor conferences or other promotional events in the conference and service center;

(3) sponsor, develop, and conduct educational programs related to international trade;

(4) establish and maintain an office in the Minnesota world trade center; and

(5) not duplicate programs or services provided by the commissioner of agriculture.

Subd. 5. **PROMOTIONAL EXPENSES.** The commissioner may expend money to carry out this section. Promotional expenses include, but are not limited to, expenses for the food, lodging, and travel of consultants and speakers, and publications and other forms of advertising.

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

Subd. 6. **WORLD TRADE CENTER ACCOUNT.** The world trade center account is in the special revenue fund. All money received from the use of the conference and service center or appropriated under this section must be deposited in the account. Money in the account including interest earned is appropriated to the commissioner and must be used exclusively for the purposes of this section.

Subd. 7. **SERVICE INFORMATION; CLASSIFICATION OF DATA.** (a) Service information, including databases, purchased by the commissioner or developed by the commissioner for sale pursuant to this section, is not subject to chapter 13.

(b) For purposes of this subdivision, "business transaction" means a transaction between parties other than the commissioner. The following data received or developed by the commissioner is private with respect to data on individuals and nonpublic with respect to data not on individuals:

(1) data relating to the financial condition of individuals or businesses receiving or performing services by or on behalf of the commissioner in furtherance of this section;

(2) at the request of either party to the transaction data on business transactions; and

(3) at the request of the person or business seeking the information, the identities of persons or businesses requesting business or trade information from the commissioner, and the nature of the trade information.

Sec. 29. Minnesota Statutes 1998, section 116L.03, subdivision 5, is amended to read:

Subd. 5. **TERMS.** The terms of appointed members shall be for four years except for the initial appointments. The initial appointments of the governor shall have the following terms: two members each for one, two, three, and four years. Compensation for board members is as provided in section 15.0575, subdivision 3.

Sec. 30. Minnesota Statutes 1998, section 116L.04, subdivision 1a, is amended 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 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 pathway 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 workforce 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~~ $400,000.

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. 31. Minnesota Statutes 1998, section 116L.06, subdivision 4, is amended to read:

Subd. 4. **LOAN TERMS.** Loans may be secured or unsecured, shall be for a term of no more than ~~two~~ five 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.

Sec. 32. Minnesota Statutes 1998, section 175.17, is amended to read:

175.17 **POWERS AND DUTIES, COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY.**

(1) The commissioner shall administer the laws relating to workers' compensation and the laws governing employees of the state, a county, or other governmental subdivisions who contract tuberculosis;

(2) The commissioner shall adopt reasonable and proper rules governing rules of practice before the workers' compensation division in matters which are not before a compensation judge;

(3) The commissioner shall collect, collate, and publish statistical and other information relating to work under the department's jurisdiction and make public reports the commissioner judges necessary, including such other reports as may be required by law;

(4) The commissioner shall establish and maintain branch offices as needed for the conduct of the affairs of the workers' compensation division;

(5) The commissioner may:

(i) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources; and

(ii) apply for, accept, and disburse grants and other aids from public and private sources.

Sec. 33. Minnesota Statutes 1998, 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

~~$2,500~~ $4,000. 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~~ $400 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~~ $500.

Sec. 34. Minnesota Statutes 1998, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) The definitions in this subdivision apply to this section.

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after June 30, 1997, and before July 1, 1999; ~~or~~

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) located within one county and owned by a natural person who owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a nonprofit organization; or

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation; or

(3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:

(i) is owned by a cooperative organized under chapter 308A; and

(ii) all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where the wind energy production facilities of the cooperative are located.

Sec. 35. Minnesota Statutes 1998, section 216C.41, subdivision 2, is amended to read:

Subd. 2. **INCENTIVE PAYMENT.** Incentive payments shall be made according to this section to the owner or operator of a qualified hydropower facility or qualified wind energy conversion facility for electric energy generated and sold by the facility or, for a publicly owned hydropower facility, for electric energy that is generated by the facility and used by the owner of the facility outside the facility. Payment may only be made upon

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receipt by the commissioner of finance of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application shall be in a form and submitted at a time the commissioner establishes. There is annually appropriated from the general fund sums sufficient to make the payments required under this section.

Sec. 36. **[245.4705] EMPLOYMENT SUPPORT SERVICES AND PROGRAMS.**

The commissioner of human services shall cooperate with the commissioner of economic security in the operation of a statewide system, as provided in section 268A.14, to reimburse providers for employment support services for persons with mental illness.

Sec. 37. **[268.368] YOUTHBUILD TECH.**

Subdivision 1. **GENERALLY.** A pilot program is established within the department to make grants to eligible organizations for programs which are available to students who have completed at least four months in a program funded under section 268.362. Programs funded under this section must provide participants with the knowledge and skills necessary to obtain entry–level jobs in the computer industry, including core computer classes and job–specific education.

Subd. 2. **GRANTS.** The provisions of section 268.361; 268.362, subdivision 2; 268.3625; and 268.366 shall apply to grants under this section.

Sec. 38. Minnesota Statutes 1998, section 268.666, is amended by adding a subdivision to read:

Subd. 5. **INTERPRETER.** Workforce centers in areas that have a significant number of residents for whom English is not the primary language must attempt to provide outreach services to those residents.

Sec. 39. Minnesota Statutes 1998, section 268.98, subdivision 3, is amended to read:

Subd. 3. **COST LIMITATIONS.** (a) For purposes of sections 268.9781 and 268.9782, funds allocated to a grantee are subject to the following limitations:

(1) a maximum of 15 percent for administration in a worker adjustment services plan and ten percent in a dislocation event services grant;

(2) a minimum of 50 percent for provision of training assistance;

(3) ~~a minimum of ten percent and maximum of 30 percent for provision of support services; and~~ no more than ten percent statewide may be allocated annually for support services, as defined in section 268.975, subdivision 13; and

(4) the balance used for provision of basic readjustment assistance.

(b) A waiver of the cost limitation on providing training assistance may be requested. The waiver may not permit less than 30 percent of the funds be spent on training assistance.

(c) The commissioner shall prescribe the form and manner for submission of an application for a waiver under paragraph (b). Criteria for granting a waiver shall be established by the commissioner in consultation with the workforce development council.

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Sec. 40. Minnesota Statutes 1998, section 268A.13, is amended to read:

268A.13 **EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH MENTAL ILLNESS.**

The commissioner of economic security, in cooperation with the commissioner of human services, shall develop a statewide program of grants <u>as outlined in section 268A.14</u> to provide services for persons with mental illness in supported employment. Projects funded under this section must: (1) assist persons with mental illness in obtaining and retaining employment; (2) emphasize individual community placements for clients; (3) ensure interagency collaboration at the local level between vocational rehabilitation field offices, county service agencies, community support programs operating under the authority of section 245.4712, and community rehabilitation providers, in assisting clients; and (4) involve clients in the planning, development, oversight, and delivery of support services. Project funds may not be used to provide services in segregated settings such as the center–based employment subprograms as defined in section 268A.01.

The commissioner of economic security, in consultation with the commissioner of human services, shall develop a request for proposals which is consistent with the requirements of this section <u>and section 268A.14</u> and which specifies the types of services that must be provided by grantees. ~~Projects shall be funded for state fiscal year 1995 and~~ Priority for funding shall be given to organizations with experience in developing innovative employment support services for persons with mental illness. Each applicant for funds under this section shall submit an evaluation protocol as part of the grant application.

Sec. 41. Minnesota Statutes 1998, section 268A.14, is amended to read:

268A.14 **~~PLAN FOR A~~ STATEWIDE REIMBURSEMENT SYSTEM <u>FOR EMPLOYMENT SUPPORT SERVICES</u>.**

<u>Subdivision 1.</u> **EMPLOYMENT SUPPORT SERVICES AND PROGRAMS.** The commissioner of economic security, in cooperation with the commissioner of human services, shall ~~develop a detailed plan for establishing~~ <u>operate</u> a statewide system to reimburse providers for employment support services for persons with mental illness. ~~The plan must include the following: (1) protocols for certifying eligible providers; (2) standards for determining client eligibility for the service; (3) a list of reimbursable services with the proposed reimbursement level for each service; and (4) a description of the systems, including necessary computer systems, that will be used by the state agency for payment of reimbursement to eligible providers. The plan must also include projected total biennial costs for the new reimbursement system, recommendations on the nature of appeal rights which shall be provided to clients and providers, and recommendations on the necessity for agency rulemaking prior to implementation of the new reimbursement system.~~ <u>The system shall be operated to support employment programs and services where:</u>

<u>(1) services provided are readily accessible to all persons with mental illness so they can make progress toward economic self–sufficiency;</u>

<u>(2) services provided are made an integral part of all treatment and rehabilitation programs for persons with mental illness to ensure that they have the ability and opportunity to consider a variety of work options;</u>

(3) programs help persons with mental illness form long range plans for employment that fit their skills and abilities by ensuring that ongoing support, crisis management, placement, and career planning services are available;

(4) services provided give persons with mental illness the information needed to make informed choices about employment expectations and options, including information on the types of employment available in the local community, the types of employment services available, the impact of employment on eligibility for governmental benefits, and career options;

(5) programs assess whether persons with mental illness being serviced are satisfied with the services and outcomes. Satisfaction assessments shall address at least whether persons like their jobs, whether quality of life is improved, whether potential for advancement exists, and whether there are adequate support services in place;

(6) programs encourage persons with mental illness being served to be involved in employment support services issues by allowing them to participate in the development of individual rehabilitation plans and to serve on boards, committees, task forces, and review bodies that shape employment services policies and that award grants, and by encouraging and helping them to establish and participate in self–help and consumer advocacy groups;

(7) programs encourage employers to expand employment opportunities for persons with mental illness and, to maximize the hiring of persons with mental illness, educate employers about the needs and abilities of persons with mental illness and the requirements of the Americans with Disabilities Act;

(8) programs encourage persons with mental illness, vocational rehabilitation professionals, and mental health professionals to learn more about current work incentive provisions in governmental benefits programs;

(9) programs establish and maintain linkages with a wide range of other programs and services, including educational programs, housing programs, economic assistance services, community support services, and clinical services to ensure that persons with mental illness can obtain and maintain employment;

(10) programs participate in ongoing training across agencies and service delivery systems so that providers in human services systems understand their respective roles, rules, and responsibilities and understand the options that exist for providing employment and community support services to persons with mental illness; and

(11) programs work with local communities to expand system capacity to provide access to employment services to all persons with mental illness who want them.

Subd. 2. **REPORT.** Before preparing a biennial budget request, the commissioner of economic security, in cooperation with the commissioner of human services, must report on the status and evaluation of the grants currently funded under section 268A.14 to the chairs of the policy and finance committees of the legislature having jurisdiction. The report must also include a determination of the unmet needs of persons with mental illness who require employment services and provide recommendations to expand the program to meet the identified needs.

Sec. 42. Minnesota Statutes 1998, section 298.22, subdivision 2, is amended to read:

Subd. 2. **IRON RANGE RESOURCES AND REHABILITATION BOARD.** There is hereby created the iron range resources and rehabilitation board, consisting of ~~11~~

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13 members, five of whom are state senators appointed by the subcommittee on committees of the rules committee of the senate, and five of whom are representatives, appointed by the speaker of the house of representatives. The remaining members shall be appointed one each by the senate majority leader, the speaker of the house of representatives, and the governor and must be nonlegislators who reside in a tax relief area as defined in section 273.134. The members shall be appointed in January of every odd–numbered year, except that the initial nonlegislator members shall be appointed by July 1, 1999, and shall serve until January of the next odd–numbered year. ~~The 11th member of the board is the commissioner of natural resources.~~ Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a tax relief area as defined in section 273.134. All expenditures and projects made by the commissioner of iron range resources and rehabilitation shall first be submitted to the iron range resources and rehabilitation board for approval by ~~at least eight board members~~ a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even–numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

Sec. 43. Minnesota Statutes 1998, section 298.22, subdivision 6, is amended to read:

Subd. 6. **~~EQUITY~~ PRIVATE ENTITY PARTICIPATION.** The board may acquire an equity interest in any project for which it provides funding. The commissioner may establish, participate in the management of, and dispose of the assets of charitable foundations and nonprofit corporations associated with any project for which it provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Sec. 44. Minnesota Statutes 1998, section 298.2213, subdivision 4, is amended to read:

Subd. 4. **PROJECT APPROVAL.** The board shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

(1) the project will materially assist, directly or indirectly, the creation of additional long–term employment opportunities;

(2) the prospective benefits of the expenditure exceed the anticipated costs; and

(3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by ~~at least eight~~ a majority of the iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

Sec. 45. Minnesota Statutes 1998, section 298.223, subdivision 2, is amended to read:

Subd. 2. **ADMINISTRATION.** The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon approval by ~~at least eight~~ a majority of the members of the iron range resources and rehabilitation board, this list shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

Sec. 46. Minnesota Statutes 1998, 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~~ $100 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.~~

Sec. 47. Minnesota Statutes 1998, section 383B.79, subdivision 4, is amended to read:

Subd. 4. **ADMINISTRATION.** The board of county commissioners shall administer the program and funds and bond for projects in this section either as a county board or a housing and redevelopment authority. The board of county commissioners may acquire property in connection with the ~~project known as the Humboldt Avenue Greenway from~~ projects in this section with any funds under its control. Any sale, lease, or development of such property by the board of county commissioners shall be conducted in accordance with section 469.029.

Sec. 48. Minnesota Statutes 1998, section 446A.072, subdivision 4, is amended to read:

Subd. 4. **FUNDING LEVEL.** (a) The authority shall provide supplemental assistance for essential project component costs as certified by the commissioner of the pollution control agency under section 116.182, subdivision 4.

(b) Except as provided in paragraph (c), a municipality may not receive more than $4,000,000 under this section unless specifically approved by law. If a project would be eligible for more than $4,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(c) A sanitary district or multijurisdictional wastewater treatment district may receive an additional $1,000,000 for each municipality participating up to a maximum grant of $8,000,000, unless a higher amount is specifically approved by law. If a project would be eligible for more than $8,000,000 under paragraph (e), the authority shall include a description of the project and the financing plan in its report on needs in subdivision 11.

(d) The authority shall provide supplemental assistance for up to one–half of the eligible grant funding level determined by the United States Department of Agriculture Rural Development funding for projects listed on the agency's project priority list, in priority order. For municipalities that are not eligible for United States Department of Agriculture Rural Development funding for wastewater, the authority shall provide supplemental assistance for: (1) essential project component costs calculated by first determining the amount needed to reduce a municipality's annual residential sewer costs to 1.4 percent of the municipality's median household income or $25 per month per household, whichever is greater, and then multiplying that amount by 80 percent to determine the actual award amount to supplement loans under section 446A.07; and (2) up to 50 percent of the incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.

~~(d)~~ (e) Notwithstanding paragraph (b), in the event that a municipality's monthly residential sewer service charges average above $50, the authority will provide 90 percent of the grant amount needed to reduce the average monthly sewer service charge to $50, provided the project is ranked in the top 50 percentile of the agency's intended use plan.

~~(e) Notwithstanding paragraphs (b), (c), and (d), a municipality with an annual median household income of $40,000 or greater shall not be eligible for a grant, except for incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.~~

(f) The authority shall provide supplemental assistance to a municipality that would not otherwise qualify for supplemental assistance if:

(1) the municipality voluntarily accepts a sewer connection from another governmental unit to serve residential, industrial, or commercial developments that were completed before March 1, 1996, or are on lots whose plats were recorded before that date; and

(2) fees charged by the municipality for the connection must take into account state and federal grants used by the municipality for the construction of the treatment plant.

The amount of supplemental assistance under this paragraph must be sufficient to reduce debt service payments under section 446A.07 to an extent equivalent to a zero percent loan in an amount up to the other governmental unit's project costs necessary for connection. Eligibility for supplemental assistance under this paragraph ends three years after the agency certifies that the connection has met the operational performance standards established by the agency.

Sec. 49. Minnesota Statutes 1998, section 462A.20, subdivision 2, is amended to read:

Subd. 2. **WHICH MONEY IN FUND.** There shall be paid into the housing development fund:

(a) Any moneys appropriated and made available by the state for the purposes of the fund;

(b) Any moneys which the agency receives in repayment of advances made from the fund;

(c) Any other moneys which may be made available to the agency for the purpose of the fund from any other source or sources;

(d) All fees and charges collected by the agency;

(e) All interest or other income not required by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund~~; but the agency shall not expend money for its cost of general administration of agency programs in any fiscal year in excess of such limit for such fiscal year as may be established by law. "Cost of general administration of agency programs" does not include debt service, amortization of deferred financing costs, loan origination costs, professional and other contractual services, any deposit or expenditure required to be made by the provisions of a bond or note resolution or indenture, or any deposit or expenditure made to preserve the security for the bonds or notes~~.

Sec. 50. Minnesota Statutes 1998, section 462A.20, is amended by adding a subdivision to read:

Subd. 3. **OPERATING COSTS REPORT.** On or before February 15 of each year, the agency shall deliver a report to the chairs of the finance and appropriations committees of the legislature on the costs of operating the agency in the previous fiscal year. The report shall include the expenditures for salaries and benefits, rent, professional and technical services, general agency administration, and agency's audited financial statements which include information on expenditures and receipts relating to debt issuance and administration and loan origination and administration. The report shall include a budget plan for salaries and benefits, rent, professional and technical services, and general administration for the current fiscal year, including estimates of changes in costs from the previous fiscal year. If it appears that the costs in the current fiscal year will exceed the budget plan contained in the report submitted under this subdivision, the agency must notify the chairs of the legislative committees or divisions with jurisdiction over the agency's budget that the costs in the current fiscal year will exceed the submitted budget plan and the reasons for the changes in costs and must submit a revised budget plan to the commissioner of finance and obtain the commissioner's concurrence with the revised plan. The agency must also notify the chairs of the legislative committees or divisions with jurisdiction over the agency's budget when the agency is considering an expansion of agency activities that were not contemplated in the submitted budget plan.

Sec. 51. Minnesota Statutes 1998, section 462A.204, is amended by adding a subdivision to read:

Subd. 8. **SCHOOL STABILITY.** (a) The agency in consultation with the interagency task force on homelessness may establish a school stability project under the family homeless prevention and assistance program. The purpose of the project is to secure stable housing for families with school–age children who have moved frequently and for unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors who are leaving foster care or juvenile correctional facilities, or minors who meet the definition of a child in need of services or protection under section 260.015, subdivision 2a, but for whom no court finding has been made pursuant to that statute.

(b) The agency shall make grants to family homeless prevention and assistance projects in communities with a school or schools that have a significant degree of student mobility.

(c) Each project must be designed to reduce school absenteeism; stabilize children in one home setting, or at a minimum, in one school setting; and reduce shelter usage. Each project must include plans for the following:

(1) targeting of families with children under age 12 who, in the last 12 months have either: changed schools or homes at least once or been absent from school at least 15 percent of the school year and who have either been evicted from their housing; are living in overcrowded conditions in their current housing; or are paying more than 50 percent of their income for rent;

(2) targeting of unaccompanied youth in need of an alternative residential setting;

(3) connecting families with the social services necessary to maintain the family's stability in their home; and

(4) one or more of the following:

(i) provision of rental assistance for a specified period of time, which may exceed 24 months; or

(ii) development of permanent supportive housing or transitional housing.

(d) Notwithstanding subdivision 2, grants under this section may be used to acquire, rehabilitate, or construct transitional or permanent housing.

(e) Each grantee under the project must include representatives of the local school district or targeted schools, or both, and of the local community correction agencies on its advisory committee.

Sec. 52. Minnesota Statutes 1998, section 462A.205, subdivision 3, is amended to read:

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.~~

Sec. 53. Minnesota Statutes 1998, section 462A.209, is amended to read:

462A.209 **HOME OWNERSHIP ASSISTANCE.**

Subdivision 1. **FULL CYCLE HOME OWNERSHIP SERVICES.** The full cycle home ownership services program shall be used to fund nonprofit organizations and political subdivisions providing, building capacity to provide, or supporting full cycle lending for home ownership to low and moderate income home buyers and homeowners, including seniors. The purpose of the program is to encourage private investment in affordable housing and collaboration of nonprofit organizations and political subdivisions with each other and private lenders in providing full cycle lending services.

Subd. 2. **DEFINITION.** "Full cycle home ownership services" means supporting eligible home buyers and owners through all phases of purchasing and keeping a home, by providing prepurchase home buyer education, prepurchase counseling and credit repair, prepurchase property inspection and technical and financial assistance to buyers in rehabilitating the home, postpurchase ~~and~~ counseling, including home equity conversion loan counseling, mortgage default counseling, postpurchase assistance with home maintenance, entry cost assistance, and access to flexible loan products.

Subd. 3. **ELIGIBILITY.** The agency shall establish eligibility criteria for nonprofit organizations and political subdivisions to receive funding under this section. The eligibility criteria must require the nonprofit organization or political subdivision to provide, to build capacity to provide, or support full cycle home ownership services for eligible home buyers. The agency may fund a nonprofit organization or political subdivision that will provide full cycle home ownership services by coordinating with one or more other organizations that will provide specific components of full cycle home ownership services. The agency may make exceptions to providing all components of full cycle lending if justified by the application. If there are more applicants requesting funding than there are funds available, the agency shall award the funds on a competitive basis and also assure an equitable geographic distribution of the available funds. The eligibility criteria must require the nonprofit organization or political subdivision to have a demonstrated involvement in the local community and to target the housing affordability needs of the local community or to have demonstrated experience with counseling older persons on housing, or both. Partnerships and collaboration with innovative, grass roots, or community–based initiatives shall be encouraged. The agency shall give priority to nonprofit organizations and political subdivisions that provide matching funds. Applicants for funds under section 462A.057 may also apply funds under this program.

Subd. 4. **ENTRY COST HOME OWNERSHIP OPPORTUNITY PROGRAM.** The agency may establish an entry cost home ownership opportunity program, on terms and conditions it deems advisable, to assist individuals with downpayment and closing costs to finance the purchase of a home.

Sec. 54. **[462A.2093] INNOVATIVE AND INCLUSIONARY HOUSING PROGRAM.**

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

(a) "Municipality" means a town or a statutory or home rule city.

(b) "Nonmetropolitan" means the area of the state outside of the metropolitan area defined in section 473.121, subdivision 2.

(c) "Inclusionary housing development" means a new construction development including owner–occupied or rental housing, or a combination of both, with a variety of prices and designs which serve families with a range of incomes and housing needs.

Subd. 2. **APPLICATION CRITERIA.** The commissioner must give preference to economically viable proposals to the degree that they: (1) use innovative building techniques or materials to lower construction costs while maintaining high quality construction and livability; (2) are located in communities that have demonstrated a willingness to waive local restrictions which otherwise would increase costs of construction; and (3)

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include units affordable to households with incomes at or below 80 percent of the greater of state or area median income.

Cost savings from regulatory incentives must be reflected in the sale of all residences in an inclusionary housing development.

Sec. 55. Minnesota Statutes 1998, section 462A.21, is amended by adding a subdivision to read:

Subd. 26. **FULL CYCLE HOME OWNERSHIP SERVICES.** The agency may spend money for the purposes of section 462A.209 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 56. **[462A.33] ECONOMIC DEVELOPMENT AND HOUSING CHALLENGE PROGRAM.**

Subdivision 1. **CREATED.** The economic development and housing challenge program is created to be administered by the agency.

The program shall provide grants or loans for the purpose of construction, acquisition, rehabilitation, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to support economic development activities or job creation within a community or region by meeting locally identified housing needs.

Subd. 2. **ELIGIBLE RECIPIENTS.** Challenge grants or loans may be made to a city, a private developer, a nonprofit organization, or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21. Preference shall be given to challenge grants or loans for home ownership. To the extent practicable, grants and loans shall be made so that an approximately equal number of housing units are financed in the metropolitan area, as defined in section 473.121, subdivision 2, and in the nonmetropolitan area.

Subd. 3. **CONTRIBUTION REQUIREMENT; REGULATORY FLEXIBILITY.** Challenge grants or loans must be used for economically viable homeownership or rental housing proposals that:

(1) include a financial or in-kind contribution from an area employer and either a unit of local government or a private philanthropic, religious, or charitable organization; and

(2) address the housing needs of the local work force.

For the purpose of this subdivision, an employer contribution may consist partially or wholly of federal housing tax credits. Preference for grants and loans shall be given to comparable proposals that include regulatory changes that result in identifiable cost avoidance or cost reductions, such as increased density, flexibility in site development standards, or zoning code requirements.

Preference for grants and loans shall also be given to comparable proposals that include a financial or in-kind contribution from a unit of local government, an area employer, and a private philanthropic, religious, or charitable organization.

Subd. 4. **STATE AND LOCAL GOVERNMENT COOPERATION.** In making challenge grants or loans, the commissioner must develop a joint application process and coordinate funding with funding available to the commissioner of trade and economic development and local governments for housing and infrastructure construction and repair.

Subd. 5. **INCOME LIMITS.** Households served through challenge grants or loans must not have incomes that exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Subd. 6. **LARGE-SCALE PROJECTS.** At least one proposal funded under this section must provide sufficient resources to make a significant impact on the housing needs and economic development activities within a community.

Subd. 7. **GRANTS AND LOANS TO INDIVIDUALS.** Preference shall be given to grants and loans that provide down payments and other assistance to individuals to purchase a home. The commissioner must coordinate home ownership assistance provided to individuals under this section with other programs administered by or through the commissioner.

Sec. 57. Minnesota Statutes 1998, section 473.251, is amended to read:

473.251 **METROPOLITAN LIVABLE COMMUNITIES FUND.**

The metropolitan livable communities fund is created and consists of the following accounts:

(1) the tax base revitalization account;

(2) the livable communities demonstration account; ~~and~~

(3) the local housing incentives account; and

(4) the inclusionary housing account.

Sec. 58. **[473.255] INCLUSIONARY HOUSING ACCOUNT.**

Subdivision 1. **DEFINITIONS.** (a) "Inclusionary housing development" means a new construction development, including owner-occupied or rental housing, or a combination of both, with a variety of prices and designs which serve families with a range of incomes and housing needs.

(b) "Municipality" means a statutory or home rule charter city or town participating in the local housing incentives program under section 473.254.

Subd. 2. **APPLICATION CRITERIA.** The metropolitan council must give preference to economically viable proposals to the degree that they: (1) use innovative building techniques or materials to lower construction costs while maintaining high quality construction and livability; (2) are located in communities that have demonstrated a willingness to waive local restrictions which otherwise would increase costs of construction; and (3) include units affordable to households with incomes at or below 80 percent of area median income.

Priority shall be given to proposals where at least 15 percent of the owner-occupied units are affordable to households at or below 60 percent of the area annual median in-

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come and at least ten percent of the rental units are affordable to households at or below 30 percent of area annual median income.

An inclusionary housing development may include resale limitations on its affordable units. The limitations may include a minimum ownership period before a purchaser may profit on the sale of an affordable unit.

Cost savings from regulatory incentives must be reflected in the sale of all residences in an inclusionary development.

Subd. 3. **INCLUSIONARY HOUSING INCENTIVES.** The metropolitan council may work with municipalities and developers to provide incentives to inclusionary housing developments such as waiver of service availability charges and other regulatory incentives that would result in identifiable cost avoidance or reductions for an inclusionary housing development.

Subd. 4. **INCLUSIONARY HOUSING GRANTS.** The council shall use funds in the inclusionary housing account to make grants or loans to municipalities to fund the production of inclusionary housing developments that are located in municipalities that offer incentives to assist in the production of inclusionary housing. Such incentives include but are not limited to: density bonuses, reduced setbacks and parking requirements, decreased roadwidths, flexibility in site development standards and zoning code requirements, waiver of permit or impact fees, fast–track permitting and approvals, or any other regulatory incentives that would result in identifiable cost avoidance or reductions that contribute to the economic feasibility of inclusionary housing.

Subd. 5. **GRANT APPLICATION.** A grant application must at a minimum include the location of the inclusionary development, the type of housing to be produced, the number of affordable units to be produced, the monthly rent, or purchase price of the affordable units, and the incentives provided by the municipality to achieve development of the affordable units.

Sec. 59. 1999 S.F. No. 1485, section 1, if enacted, is amended to read:

Section 1. **[326.105] FEES.**

~~(a)~~ The fee for licensure or renewal of licensure as an architect, professional engineer, land surveyor, landscape architect, or geoscience professional is ~~$120~~ $104 per biennium. The fee for certification as a certified interior designer or for renewal of the certificate is ~~$120~~ $104 per biennium. The fee for an architect applying for original certification as a certified interior designer is $50 per biennium. The initial license or certification fee for all professions is ~~$120~~ $104. The renewal fee shall be paid biennially on or before June 30 of each even–numbered year. The renewal fee, when paid by mail, is not timely paid unless it is postmarked on or before June 30 of each even–numbered year.

~~(b) The application fee is $25 for in–training applicants and $75 for professional license applicants.~~

~~(c)~~ The fee for monitoring licensing examinations for applicants is $25, payable by the applicant.

Sec. 60. Laws 1998, chapter 404, section 13, subdivision 5, is amended to read:

Subd. 5. Labor Interpretive Center	6,000,000
For renovation and upgrades to the East Building of the Science Museum for use for	

the Minnesota Labor Interpretive Center.
The balance of the cost of the project is to be
paid with funds from nonstate sources.

Sec. 61. Laws 1998, First Special Session chapter 1, article 3, section 8, is amended to read:

Sec. 8. **JUDY GARLAND CHILDREN'S MUSEUM.**

The appropriation in Laws 1997, chapter 200, article 1, section 2, subdivision 2, to the commissioner of trade and economic development for the Judy Garland Children's Museum is available until and may be matched until June 30, ~~1999~~ 2000.

Sec. 62. **GRANT COUNTY.**

A grant by the commissioner of trade and economic development to Grant county for community infrastructure improvements needed to develop value-added agriprocessing facilities is not subject to the maximum grant limitation of Minnesota Statutes, section 116J.8731, subdivision 5, or agency policy regarding maximum grant per job created.

Sec. 63. **REPORT TO LEGISLATURE.**

The commissioner of the Minnesota housing finance agency shall report to the legislature by February 1, 2001, on current and proposed strategies related to HIV/AIDS for coordinating local, state, and federal housing resources to address identified opportunities and needs, plans for future implementation, and recommendations for future legislative action. The commissioner shall consult with the commissioners of health and human services and representatives of affected populations in preparing this report.

Sec. 64. **REPORT TO LEGISLATURE.**

The board of electricity, in consultation with the commissioner of finance, shall report to the legislature by January 15, 2000, on:

(1) the board's efforts to control its administrative costs;

(2) the board's efforts to involve the members of its citizen board in its business activities;

(3) the progress of the board's computer system improvements; and

(4) a proposal for codification of the board's fee schedule, including any changes to the schedule that the board deems appropriate.

The commissioner of finance shall oversee the board's activities under clauses (1) to (4) and related activities.

Sec. 65. **FEE INCREASES PROHIBITED.**

The board of electricity shall not, prior to July 1, 2000, increase any handling or inspection fees set pursuant to Minnesota Statutes, section 326.244, subdivision 2, paragraph (b).

Sec. 66. **MEMBERSHIP AGREEMENT.**

The commissioner shall request the executive board of the World Trade Centers Association to transfer the membership of the Minnesota world trade center corporation

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in the World Trade Centers Association to the department of trade and economic development, Minnesota trade office.

Sec. 67. **TRANSFERS.**

All of the rights and obligations of the Minnesota World Trade Center Corporation under the development agreement and all existing contracts related to the approximately 20,000 square feet to which the world trade center corporation is a party or beneficiary is transferred to the state of Minnesota, department of trade and economic development, Minnesota trade office. All other property of the world trade center corporation is transferred and appropriated to the commissioner per Minnesota Statutes 1998, section 15.039.

Sec. 68. **TRANSFER.**

The unobligated balance as of July 1, 1999, of the amount appropriated to the department of trade and economic development for a grant to the Minnesota World Trade Center Corporation in Laws 1992, chapter 513, article 4, section 17, subdivision 2, is transferred to the world trade center account in the special revenue fund in the state treasury for world trade center activities.

Sec. 69. **TRANSFER OF POSITIONS AND EMPLOYEES.**

All positions and employees of the World Trade Center Corporation are transferred to the executive branch of the state government under the department of trade and economic development on July 1, 1999, under the following conditions.

The commissioner of employee relations will determine which positions are to be placed in the classified service and which are placed in the unclassified service of the state in accordance with appropriate provisions of Minnesota Statutes, chapter 43A. The commissioner will allocate positions to appropriate classes in the state classification plan. Positions transferred with their incumbents do not create vacancies in state service.

Employees transferred to unlimited classified positions are transferred to state service without examinations. Those transferred to positions in the managerial plan pursuant to Minnesota Statutes, section 43A.18, subdivision 3, who have completed 12 months of service in their position and all others who have completed six months of service in their positions are transferred with permanent status. Employees transferred to managerial positions with less than 12 months of service in their positions are transferred with probationary status. However, all time spent by these employees in the positions must be credited toward meeting the probationary period requirement of the contract or plan governing the classification to which their positions have been assigned.

Employees transferred to limited classified positions or to temporary unclassified positions shall receive emergency, temporary, or temporary unclassified appointments under provisions of Minnesota Statutes, section 43A.15, subdivisions 2 and 3, or Minnesota Statutes, section 43A.08, subdivision 2a, as appropriate.

The appointing authority and incumbent employees of unlimited positions whose positions have been assigned by the department of employee relations to classes in the state classification plan shall have access to the provisions of Minnesota Statutes, section 43A.07, subdivision 3, regarding protested allocation of their positions effective July 1, 1999, and for 30 days thereafter.

Sec. 70. **REPORT; REGULATION OF RISK-BEARING ENTITIES.**

The commissioners of commerce and health shall study the issues involved in consistent regulation of all entities that assume financial risks related to health coverage in this state. The study must consider all such entities, regardless of current licensure or regulation. The study must include a plan for consistent regulation that can be implemented in a cost neutral manner for such entities and their enrollees and does not result in dual regulation. The commissioners must consider laws recently enacted by the state of Ohio on this subject and any relevant model laws or regulations adopted or under consideration by the National Association of Insurance Commissioners. The commissioners shall provide a written report, with recommendations, to the legislature in compliance with Minnesota Statutes, section 3.195, no later than January 15, 2000.

Sec. 71. **DIRECT REDUCTION IRON PROCESSING FACILITIES APPROPRIATION TRANSFER.**

The appropriation of $10,000,000 made to the commissioner of trade and economic development for direct reduction iron processing facilities by Laws 1998, chapter 404, section 23, subdivision 3, is transferred and appropriated to the Minnesota minerals 21st century fund created by Minnesota Statutes, section 116J.423. The matching requirements of Minnesota Statutes, section 116J.424, do not apply to expenditures from the appropriation transferred by this section.

Sec. 72. **UPPER RED LAKE BUSINESS LOAN PROGRAM.**

The commissioner of trade and economic development must make loans to businesses in the Upper Red Lake area that have been severely affected by the significant decline of the walleye fishing resource in Upper Red Lake. The loans may only be made to businesses that operated in 1998. A business must submit an application to the commissioner on forms provided by the commissioner. The application must include a business plan for continued operation, with the assistance of the loan, until the walleye fishing resource recovers. The commissioner shall allocate available loan funds to a business based on the commissioner's evaluation of the probable success of its business plan. A loan shall be for a maximum amount of $75,000 and a duration of ten years from the date of the loan and shall be interest free. Repayment of a loan in monthly payments of 1/120 of the original principal amount must begin no later than one year after walleye fishing on Upper Red Lake is allowed by the department of natural resources. Any principal balance remaining at the end of the ten-year period shall be forgiven if the business continues in operation for the ten-year period. Loan repayments shall be deposited in the general fund.

Sec. 73. **PIPESTONE INDIAN SCHOOL AUTHORIZATION.**

Notwithstanding Minnesota Statutes, section 16A.695, the board of trustees of the Minnesota state colleges and universities may convey by quitclaim deed, at no cost, the state's interest in the historic Pipestone Indian school superintendent's house and gymnasium at the Pipestone campus of Minnesota West community and technical college. The conveyance shall be in a form approved by the attorney general.

The deed must reserve to the state all minerals and mineral rights and provide that the property shall revert to the state if the grantee:

(1) fails to provide the use intended on the property;

(2) allows a public use other than the use agreed to by the board without the written approval of the board; or

(3) abandons the use of the property.

Sec. 74. **PASS THROUGH GRANT EVALUATION PROCESS.**

This act makes various appropriations that are commonly referred to as pass through appropriations. The director of the Minnesota office of strategic and long–range planning shall evaluate the following entities to determine the extent to which their programs (i) are effective in accomplishing the mission of the entity receiving the grant; (ii) leverage additional funds from nonstate sources; and (iii) are consistent with the mission of the state agency by which the grant is administered. The director shall report the results of the evaluation to the legislative finance divisions or committees having jurisdiction over the appropriations in this act. The entities to be evaluated are:

(1) Advantage Minnesota, Inc.;

(2) Rural policy and development center;

(3) metropolitan economic development association;

(4) WomenVenture;

(5) Minnesota Inventor's Congress;

(6) Minnesota Project Innovation;

(7) Natural Resources Research Institute;

(8) Minnesota Council for Quality;

(9) Minnesota Cold Weather Research Center;

(10) Center for Victims of Torture;

(11) St. Paul Rehabilitation Center;

(12) Microenterprise Assistance;

(13) NeighborLink Community Program; and

(14) Neighborhood Development Corporation.

Sec. 75. **LOW–INCOME ENERGY TASK FORCE.**

The management analysis division of the department of administration, in consultation with the appropriate commissioners, shall report to the legislature by January 15, 2000, on the future of low–income energy assistance. The report shall be developed with the input of appropriate consumer advocates, energy providers of various fuel types, energy assistance delivery organizations and other interested parties.

The report shall analyze and make recommendations in the following areas:

(1) improvements necessary in the administration of low–income energy assistance programs to develop a uniform statewide assistance network, including outreach efforts, eligibility determination, and areas for technological improvements;

(2) development of an accurate and consistent method to determine the number of Minnesotans who should be eligible for energy assistance and the level of assistance which should be provided; and

(3) analyze funding level and revenue options for low-income energy assistance programs consistent with competitive electric and gas energy markets.

Sec. 76. **STATE MARKETING PLAN.**

The commissioner of the department of trade and economic development shall develop a comprehensive marketing plan for the state's trade, tourism, and economic development activities. The plan shall include a strategy for integrating the various marketing activities of the state, including, but not limited to, the Minnesota trade office, the office of tourism, the Minnesota film board, Advantage Minnesota, the Minnesota historical society, and the department of natural resources. The commissioner shall consult with other state agencies that market Minnesota for economic development and tourism purposes and incorporate those activities into a comprehensive "Marketing Minnesota" plan. The commissioner shall propose consolidation, mergers, and other mechanisms that may be necessary to accomplish this task. The commissioner shall submit recommendations to the senate economic development budget division and the house jobs and economic development finance committee by February 1, 2000.

Sec. 77. **REPORT.**

The commissioner of trade and economic development shall submit a report to the legislature reviewing business regulations contained in Minnesota Statutes and Minnesota Rules that have a positive or negative impact on the business climate in Minnesota. The commissioner shall submit the report to the legislature under Minnesota Statutes, section 3.195, by February 15, 2000.

Sec. 78. **TASK FORCE CREATED.**

The governor's airport community stabilization funding task force is created. The task force shall identify and recommend funding sources for implementation of noise mitigation measures identified in the MSP Noise Mitigation Program Report dated November 1996, and the low noise frequency policy committee convened by the metropolitan airports commission, the metropolitan council, and the city of Richfield in February 1998.

Recommendations shall be provided to the governor and legislature by January 15, 2000. Funding sources shall include, but not be limited to, federal, state, metropolitan airports commission, and local sources. The task force shall, to the extent possible, identify all federal revenue sources that will mitigate noise impacts from the north/south runway.

The governor shall appoint task force members that include representatives from the following:

(1) the metropolitan airports commission chair or designee and one other metropolitan airports commission board member;

(2) one member from the governor's staff;

(3) the commissioner of finance or the commissioner's designee;

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(4) representatives designated by the governing boards of the following cities:

(i) Bloomington;

(ii) Minneapolis;

(iii) Burnsville;

(iv) Eagan; and

(v) Richfield;

(5) two at-large designees appointed by the governor; and

(6) the commissioner of the department of trade and economic development or the commissioner's designee.

The task force shall be administered and supported by the department of trade and economic development.

The first meeting of the task force must be convened no later than July 31, 1999.

Sec. 79. **PUBLIC UTILITIES COMMISSION RIGHT-OF-WAY COST ALLOCATION.**

The public utilities commission shall use available general fund appropriations made during the biennium ending June 30, 1999, to pay for up to $30,000 of the costs allocated and assessed to local units of government for right-of-way rulemaking proceedings. The allocation and assessment of costs to the local units of government shall be canceled to the extent paid pursuant to this section.

Sec. 80. **REPEALER.**

(a) Minnesota Statutes 1998, sections 44A.001; 44A.01; 44A.02; 44A.023; 44A.025; 44A.031; 44A.0311; 44A.06; 44A.08; 44A.11; and 462A.28, are repealed.

(b) Minnesota Statutes 1998, sections 469.305; 469.306; 469.307; 469.308; and 469.31, are repealed.

(c) Minnesota Statutes 1998, sections 341.01; 341.02; 341.04; 341.045; 341.05; 341.06; 341.07; 341.08; 341.09; 341.10; 341.11; 341.115; 341.12; 341.13; and 341.15, are repealed.

(d) Minnesota Statutes, section 82B.201, as added by Laws 1999, chapter 137, section 5, is repealed effective retroactively to the day following final enactment of Laws 1999, chapter 137, so that Minnesota Statutes, section 82B.201, as so added, never takes effect.

Sec. 81. **EFFECTIVE DATES.**

Section 48 is effective March 1, 2000.

Sections 59, 61, 62, 64, 65, and 79 are effective the day following final enactment.

Section 67 is effective June 30, 1999.

Section 80, paragraph (a), is effective July 1, 1999.

Section 80, paragraph (b), is effective July 1, 2000.

Section 80, paragraph (c), is effective July 1, 2001.

ARTICLE 3

WORKFORCE DEVELOPMENT AND TRAINING

Section 1. Minnesota Statutes 1998, section 116L.03, subdivision 1, is amended to read:

Subdivision 1. **MEMBERS.** The partnership shall be governed by a board of ~~11~~ 12 directors.

Sec. 2. Minnesota Statutes 1998, section 116L.03, subdivision 2, is amended to read:

Subd. 2. **APPOINTMENT.** The Minnesota job skills partnership board consists of: ~~eight~~ nine members appointed by the governor, the commissioner of trade and economic development, the commissioner of economic security, and the chancellor, or the chancellor's designee, of the Minnesota state colleges and universities. If the chancellor makes a designation under this subdivision, the designee must have experience in technical education. Two of the appointed members must be representatives from organized labor.

Sec. 3. Minnesota Statutes 1998, section 268.022, is amended to read:

268.022 **WORKFORCE ~~INVESTMENT~~ DEVELOPMENT FUND.**

Subdivision 1. **DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.** (a) In addition to all other taxes, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of taxes is liable for a special assessment levied at the rate of one–tenth of one percent per year until June 30, 2000, and seven–hundredths of one percent per year on and after July 1, 2000, on all taxable wages, as defined in section 268.04, subdivision 25b. The assessment shall become due and be paid by each employer to the department on the same schedule and in the same manner as other taxes.

(b) The special assessment levied under this section shall not affect the computation of any other taxes, assessments, or payment obligations due under this chapter.

~~(c) Notwithstanding any provision to the contrary, if on June 30 of any year the unobligated balance of the special assessment fund under this section is greater than $30,000,000, the special assessment for the following year only shall be levied at a rate of 1/20th of one percent on all taxable wages.~~

Subd. 2. **DISBURSEMENT OF SPECIAL ASSESSMENT FUNDS.** (a) The money collected under this section shall be deposited in the state treasury and credited to ~~a dedicated~~ the workforce development fund to provide for ~~the~~ employment and training programs ~~established under sections 268.975 to 268.98; including vocational guidance, training, placement, and job development.~~ The workforce development fund is created as a special account in the state treasury.

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

(b) All money in the ~~dedicated~~ fund not otherwise appropriated or transferred is appropriated to the commissioner who must act as the fiscal agent for the money and must disburse ~~the~~ that money for the purposes of this section, not allowing the money to be used for any other obligation of the state. All money in the ~~dedicated~~ workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other ~~dedicated funds~~ special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) No more than five percent of the ~~dedicated~~ funds collected in each fiscal year may be used by the department of economic security for its administrative costs.

(d) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(e) The ~~dedicated~~ funds appropriated to the commissioner, less amounts under paragraphs (c) and (d) shall be allocated as follows:

(1) 40 percent to be allocated annually to substate grantees for provision of expeditious response activities under section 268.9771 and worker adjustment services under section 268.9781; and

(2) 60 percent to be allocated to activities and programs authorized under sections 268.975 to 268.98.

(f) Any funds not allocated, obligated, or expended in a fiscal year shall be available for allocation, obligation, and expenditure in the following fiscal year.

Sec. 4. **COMPREHENSIVE WORKFORCE DEVELOPMENT ANALYSIS.**

The commissioner of the department of economic security, the commissioner of trade and economic development, the chancellor of the Minnesota state colleges and universities, and the director of the Minnesota office of strategic and long–range planning shall conduct a multi–agency study of strategic consolidation of workforce training in the state and submit their report to the governor and the legislature by January 15, 2000. The purpose of the study is to identify workforce training programs administered by state agencies and to recommend any program changes or consolidations which would serve to encourage the growth of high–skill, high–wage jobs while ensuring that the state has an adequate number of workers with the skills necessary to succeed in those jobs. The study will address the extent to which consolidations or program changes would achieve the following objectives:

(1) effective and efficient training, retraining, and upgrading of the workforce to succeed in high–skill, high–wage jobs;

(2) encouragement to those not currently in the workforce to enter or reenter the labor market;

(3) increasing access to information about jobs and the labor market;

(4) facilitation of efficient job placement;

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

(5) encouragement and facilitation of productivity enhancements in the public and private sectors.

Sec. 5. **TRANSFER OF DISLOCATED WORKER PROGRAM FUNCTION TO DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT.**

The responsibility of the department of economic security for the dislocated workers program under Minnesota Statutes, sections 268.022 and 268.975 to 268.98, is transferred pursuant to Minnesota Statutes, section 15.039 to the jobs skills partnership board.

Sec. 6. **WORKFORCE DEVELOPMENT FUND; SUCCESSOR IN INTEREST.**

The workforce development fund is a renaming of the workforce investment fund and all money in the workforce investment fund shall be transferred to the workforce development fund.

Sec. 7. **APPROPRIATION.**

$29,000,000 is appropriated on July 1, 1999, from the general fund to the Minnesota workforce development fund, created under Minnesota Statutes, section 268.022.

Sec. 8. **EFFECTIVE DATE.**

Sections 1, 2, and 5 are effective July 1, 2000.

Presented to the governor May 21, 1999

Signed by the governor May 25, 1999, 3:43 p.m.