

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4355

03/17/2022 Authored by Noor
The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

04/19/2022 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

04/27/2022 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
Referred to the Chief Clerk for Comparison with S. F. No. 4091

04/28/2022 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to state government; appropriating money for economic development,

1.3 labor and industry, energy, and commerce; making policy and technical changes;

1.4 requiring reports; authorizing rulemaking; providing penalties; amending Minnesota

1.5 Statutes 2020, sections 13.43, subdivision 6; 13.719, by adding a subdivision;

1.6 16B.32, subdivisions 1, 1a; 16C.137, subdivision 1; 45.0135, subdivisions 2a, 2b;

1.7 45.25, subdivisions 12, 13, by adding subdivisions; 45.31, subdivisions 2, 3; 46.131,

1.8 subdivisions 2, 4, 11; 47.08; 47.16, subdivisions 1, 2; 47.172, subdivision 2; 47.28,

1.9 subdivision 3; 47.30, subdivision 5; 48A.15, subdivision 1; 53.03, subdivisions 1,

1.10 5; 53C.02; 55.10, subdivision 1; 56.02; 60A.033, subdivisions 8, 9, by adding

1.11 subdivisions; 60A.954, subdivision 1; 61A.02, by adding a subdivision; 62Q.733,

1.12 subdivision 1; 62Q.735, subdivisions 1, 5; 62Q.76, by adding a subdivision; 62Q.78,

1.13 by adding a subdivision; 62Q.79, by adding a subdivision; 65B.84, subdivisions

1.14 1, 2; 72A.20, by adding a subdivision; 72A.2031, subdivisions 8, 10, by adding

1.15 subdivisions; 72A.2032, subdivisions 4, 6, 7, 8, by adding subdivisions; 72A.2033;

1.16 72A.2034; 72A.2035, subdivision 1; 72A.2036; 80A.61; 80C.05, subdivision 2;

1.17 80C.08, subdivision 1; 80G.01, subdivision 3, by adding a subdivision; 80G.02,

1.18 subdivisions 1, 4; 80G.03, subdivision 2; 80G.04, subdivision 1; 80G.05,

1.19 subdivision 1; 80G.06, subdivision 2; 80G.07, subdivision 1; 82B.03, by adding

1.20 a subdivision; 82B.19, by adding a subdivision; 82C.17, subdivision 2; 116C.779,

1.21 subdivision 1; 116J.55, subdivision 5; 116J.552, subdivision 6; 116J.8747;

1.22 116J.8770; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision

1.23 1; 116L.98, subdivisions 2, 3; 160.08, subdivision 7; 168.27, by adding a

1.24 subdivision; 175.16, subdivision 1; 177.26; 177.27, subdivisions 2, 4, 7; 178.01;

1.25 178.011, subdivision 7; 178.03, subdivision 1; 178.11; 179.86, subdivisions 1, 3,

1.26 by adding subdivisions; 179A.041, by adding a subdivision; 181.032; 181.14,

1.27 subdivision 1; 181.635, subdivisions 1, 2, 3, 4, 6; 181.85, subdivisions 2, 4; 181.86,

1.28 subdivision 1; 181.87, subdivisions 2, 3, 7; 181.88; 181.89, subdivision 2, by

1.29 adding a subdivision; 181.942, subdivision 1; 181.9435, subdivision 1; 181.9436;

1.30 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 216B.16, subdivision

1.31 13; 216B.1611, by adding a subdivision; 216B.1641; 216B.1645, subdivision 2;

1.32 216B.1691, subdivision 9; 216B.17, subdivision 1; 216B.2422, subdivisions 1, 3,

1.33 5, 7, by adding subdivisions; 216B.2425, subdivision 8; 216B.243, subdivision 8;

1.34 216B.50, subdivision 1; 216C.264, subdivision 5, by adding a subdivision;

1.35 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision;

1.36 216E.01, subdivision 9a; 216E.03, subdivisions 1, 5, 7, 10, 11; 216E.04, subdivision

1.37 2; 216F.04; 239.761, subdivisions 3, 4; 239.791, subdivision 2a; 256J.561, by

1.38 adding a subdivision; 256J.95, subdivisions 3, 11; 268.19, subdivision 1; 296A.01,

2.1 subdivision 23; 325E.21, by adding subdivisions; 326B.103, subdivision 13, by
 2.2 adding subdivisions; 326B.106, subdivisions 1, 4, by adding a subdivision;
 2.3 326B.145; 326B.153, by adding a subdivision; 326B.163, subdivision 5, by adding
 2.4 a subdivision; 326B.164, subdivision 13; 326B.36, subdivision 7; 332.33,
 2.5 subdivision 3, by adding a subdivision; 336.9-510; 336.9-516; 341.21, subdivisions
 2.6 2a, 2c, 7; 341.221; 341.25; 341.28; 341.30, subdivision 4; 341.32, subdivision 2;
 2.7 341.321; 341.33; 341.355; 515B.3-102; 549.30, subdivisions 3, 6, 15, 19, by adding
 2.8 subdivisions; 549.31; 549.32; 549.34; 609.5316, subdivision 3; Minnesota Statutes
 2.9 2021 Supplement, sections 16C.135, subdivision 3; 62J.26, subdivision 2; 80G.06,
 2.10 subdivision 1; 80G.11; 82B.25, subdivision 2; 116C.7792; 116J.8749; 116J.9924,
 2.11 subdivision 4; 216C.375, subdivision 1; 256P.01, subdivision 3; 326B.092,
 2.12 subdivision 7; 326B.153, subdivision 1; Laws 2021, First Special Session chapter
 2.13 10, article 1, sections 2, subdivision 2; 5; Laws 2021, First Special Session chapter
 2.14 14, article 11, section 42; proposing coding for new law in Minnesota Statutes,
 2.15 chapters 13; 45; 58B; 62Q; 116C; 116J; 177; 179; 181; 182; 214; 216B; 216C;
 2.16 325F; 332; 336; 341; 500; 549; proposing coding for new law as Minnesota Statutes,
 2.17 chapter 268B; repealing Minnesota Statutes 2020, sections 16B.323, subdivisions
 2.18 1, 2; 16B.326; 45.25, subdivisions 2a, 14; 60A.033, subdivision 3; 62Q.56,
 2.19 subdivision 1a; 72A.2031, subdivisions 3, 9, 11; 72A.2032, subdivisions 1, 2, 3,
 2.20 5; 181.9413; 216B.16, subdivision 10; Minnesota Statutes 2021 Supplement,
 2.21 section 116J.9924, subdivision 6; Laws 2017, chapter 5, section 1.

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

2.23 **ARTICLE 1**

2.24 **ECONOMIC DEVELOPMENT APPROPRIATIONS**

2.25 Section 1. **APPROPRIATIONS.**

2.26 The sums shown in the columns under "Appropriations" are added to the appropriations
 2.27 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The
 2.28 appropriations are from the general fund, or another named fund, and are available for the
 2.29 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
 2.30 mean that the appropriations listed under them are available for the fiscal year ending June
 2.31 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,
 2.32 2022, are effective the day following final enactment. If an appropriation in this act is
 2.33 enacted more than once during the 2022 regular session, the appropriation is to be given
 2.34 effect only once.

2.35 **APPROPRIATIONS**

2.36 **Available for the Year**

2.37 **Ending June 30**

2.38 **2022** **2023**

2.39 **Sec. 2. DEPARTMENT OF EMPLOYMENT**

2.40 **AND ECONOMIC DEVELOPMENT**

2.41 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **217,097,000**

3.1	<u>Appropriations by Fund</u>		
3.2		<u>2022</u>	<u>2023</u>
3.3	<u>General Fund</u>	<u>-0-</u>	<u>191,347,000</u>
3.4	<u>Workforce</u>		
3.5	<u>Development</u>	<u>-0-</u>	<u>25,750,000</u>

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

3.9	<u>Subd. 2. Business and Community Development</u>	<u>-0-</u>	<u>134,300,000</u>
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3.10 (a) \$20,000,000 in fiscal year 2023 is for the
 3.11 Main Street Economic Revitalization Program
 3.12 under Minnesota Statutes, section 116J.8749.

3.13 This is a onetime appropriation and is
 3.14 available until June 30, 2025.

3.15 (b) \$45,000,000 in fiscal year 2023 is for
 3.16 deposit in the spark small business loan
 3.17 program account under Minnesota Statutes,
 3.18 section 116J.9926. Of this amount,
 3.19 \$10,000,000 is for loans to community
 3.20 businesses as defined in Minnesota Statutes,
 3.21 section 116J.8751. Beginning in fiscal year
 3.22 2024, the base amount is \$3,000,000.

3.23 (c) \$20,000,000 in fiscal year 2023 is for
 3.24 deposit in the emerging developer fund
 3.25 account in the special revenue fund. Of this
 3.26 amount, up to five percent is for the
 3.27 administration and monitoring of the emerging
 3.28 developer fund program under Minnesota
 3.29 Statutes, section 116J.9926. Beginning in
 3.30 fiscal year 2024, the base amount is
 3.31 \$1,000,000.

3.32 (d) \$7,500,000 in fiscal year 2023 is for the
 3.33 Canadian border counties economic relief
 3.34 program. This is a onetime appropriation.

4.1 (e) \$35,000,000 in fiscal year 2023 is for the
4.2 small business recovery grant program. This
4.3 is a onetime appropriation and is available
4.4 until June 30, 2024.

4.5 (f) \$800,000 in fiscal year 2023 is for a grant
4.6 to Enterprise Minnesota, Inc., for the small
4.7 business growth acceleration program under
4.8 Minnesota Statutes, section 116O.115. This
4.9 is a onetime appropriation.

4.10 (g) \$1,000,000 in fiscal year 2023 is for Join
4.11 Us Minnesota campaign to market the state of
4.12 Minnesota to businesses and potential workers.
4.13 This appropriation is available until June 30,
4.14 2024. Of this amount, up to five percent is for
4.15 administration and monitoring of the program.
4.16 Beginning in fiscal year 2024, the base amount
4.17 is \$500,000.

4.18 (h) \$2,000,000 in fiscal year 2023 is for a
4.19 grant to the Center for Economic Inclusion for
4.20 strategic, data-informed investments in job
4.21 creation strategies that respond to the needs
4.22 of underserved populations statewide. Of this
4.23 amount, up to ten percent may be used for the
4.24 center's technical assistance and administrative
4.25 costs. This is a onetime appropriation.

4.26 (i)(1) \$1,000,000 in fiscal year 2023 is for a
4.27 grant to the Coalition of Asian American
4.28 Leaders to address employment and economic
4.29 disparities for Asian Minnesotan communities
4.30 in response to the COVID-19 pandemic and
4.31 incidents of bias by conducting and
4.32 disseminating research and by providing
4.33 grants, outreach, and technical assistance to
4.34 Asian Minnesotan individuals, small
4.35 businesses, and nonprofit organizations to

5.1 navigate state programs and grants related to
 5.2 COVID-19 pandemic health and economic
 5.3 recovery challenges. This is a onetime
 5.4 appropriation and is available until December
 5.5 31, 2024.

5.6 (2) The Coalition of Asian American Leaders
 5.7 must issue a report on the outcomes of the
 5.8 grant to the commissioner of employment and
 5.9 economic development by December 15, 2024.

5.10 (j) \$2,000,000 in fiscal year 2023 is for a grant
 5.11 to Women's Foundation of Minnesota to invest
 5.12 in economic structures that educate, mobilize,
 5.13 and equip Black women with the necessary
 5.14 tools to build, retain, and strengthen the
 5.15 capacity to build generational wealth. This is
 5.16 a onetime appropriation.

5.17 **Subd. 3. Employment and Training Programs** -0- 52,450,000

<u>Appropriations by Fund</u>		
5.18 <u>General Fund</u>	<u>-0-</u>	<u>26,700,000</u>
5.19 <u>Workforce</u>		
5.20 <u>Development Fund</u>	<u>-0-</u>	<u>25,750,000</u>

5.22 (a) \$1,000,000 in fiscal year 2023 is for grants
 5.23 to organizations providing support services to
 5.24 new Americans in order to facilitate successful
 5.25 community integration and entry into the
 5.26 workforce. Services may include case
 5.27 management, job training and employment
 5.28 services, education programs, and legal
 5.29 services. Of this amount:

5.30 (1) \$325,000 is for a grant to the International
 5.31 Institute of Minnesota;

5.32 (2) \$325,000 is for a grant to the Minnesota
 5.33 Council of Churches;

6.1 (3) \$223,000 is for a grant to Arrive
6.2 Ministries; and

6.3 (4) \$127,000 is for a grant to Catholic
6.4 Charities of the Diocese of Winona, Inc.

6.5 This is a onetime appropriation.

6.6 (b) \$750,000 in fiscal year 2023 is from the
6.7 workforce development fund for a grant to the
6.8 Minneapolis Park and Recreation Board's Teen
6.9 Teamworks youth employment and training
6.10 programs. This is a onetime appropriation and
6.11 is available until spent.

6.12 (c)(1) \$20,000,000 in fiscal year 2023 is from
6.13 the workforce development fund for grants to
6.14 Minnesota's 16 local workforce development
6.15 boards for strategies identified in local
6.16 Workforce Innovation and Opportunity Act
6.17 plans to address Minnesota's current workforce
6.18 shortages by supporting training for
6.19 unemployed and underemployed Minnesotans
6.20 and the earning of industry-recognized
6.21 credentials to equip workers with in-demand
6.22 skills. Allowable uses of money include but
6.23 are not limited to helping job seekers prepare
6.24 for and find jobs, providing services to
6.25 employers, supporting CareerForce locations,
6.26 and conducting marketing and outreach for
6.27 CareerForce services. Grant money must not
6.28 be used for administrative costs. Grants shall
6.29 be distributed consistent with the distribution
6.30 and utilization of money under federal
6.31 legislation regarding job training and related
6.32 services. This is a onetime appropriation and
6.33 is available until expended.

7.1 (2) By January 15 of each year that grant
7.2 money is used, beginning in 2023, all grant
7.3 recipients shall submit a report to the
7.4 governor's Workforce Development Board
7.5 that details the use of grant money, including
7.6 the number of businesses, job seekers, and
7.7 other stakeholders served.

7.8 (d) \$5,000,000 in fiscal year 2023 is from the
7.9 workforce development fund for a youth
7.10 technology competitive training grant program
7.11 to prepare people who are Black, Indigenous,
7.12 people of color, or women to meet the growing
7.13 labor needs in Minnesota's technology
7.14 industry. This is a onetime appropriation and
7.15 money is available until June 30, 2024. Of this
7.16 amount, up to five percent is for administration
7.17 and monitoring of the program. Grant money
7.18 must be used to:

7.19 (1) provide career education, wraparound
7.20 support services, and job skills training for
7.21 high school aged youth in the technology
7.22 industry;

7.23 (2) increase the number of summer internship
7.24 opportunities in the technology industry;

7.25 (3) support outreach activities to businesses
7.26 and create pathways for employment and
7.27 internships for youth in the technology
7.28 industry; and

7.29 (4) increase the number of young adults
7.30 employed in the technology industry and
7.31 ensure that they reflect Minnesota's diverse
7.32 workforce.

7.33 Programs and services supported by grant
7.34 money must give priority to individuals and

8.1 groups that are economically disadvantaged
 8.2 or historically underrepresented in the
 8.3 technology industry, including but not limited
 8.4 to women, veterans, and members of minority
 8.5 and immigrant groups.

8.6 (e) \$470,000 in fiscal year 2023 is for
 8.7 activities associated with the Office for New
 8.8 Americans in Minnesota Statutes, section
 8.9 116J.4231. Beginning in fiscal year 2024, the
 8.10 base amount is \$500,000.

8.11 (f) \$25,230,000 in fiscal year 2023 is for the
 8.12 targeted community capital project grant
 8.13 program under Minnesota Statutes, section
 8.14 116J.9924. This is a onetime appropriation.

8.15 Subd. 4. **Paid Family and Medical Leave** -0- 30,347,000

8.16 (a) \$30,347,000 in fiscal year 2023 is for
 8.17 purposes of Minnesota Statutes, chapter 268B.
 8.18 This is a onetime appropriation.

8.19 (b) The base for the family and medical benefit
 8.20 insurance account in the special revenue fund
 8.21 is \$37,215,000 in fiscal year 2024 and
 8.22 \$453,290,000 in fiscal year 2025.

8.23 Sec. 3. **DEPARTMENT OF LABOR AND**
 8.24 **INDUSTRY** \$ -0- \$ 536,000

8.25 (a) \$536,000 in fiscal year 2023 is for
 8.26 purposes of Minnesota Statutes, chapter 268B.
 8.27 This is a onetime appropriation.

8.28 (b) The base for the family and medical benefit
 8.29 insurance account in the special revenue fund
 8.30 is \$436,000 in fiscal year 2024 and \$559,000
 8.31 in fiscal year 2025.

8.32 Sec. 4. **DEPARTMENT OF HUMAN**
 8.33 **SERVICES** \$ -0- \$ 1,066,000

10.1 Sec. 11. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2,
 10.2 is amended to read:

10.3			44,741,000
10.4	Subd. 2. Business and Community Development	208,015,000	<u>58,741,000</u>

10.5 Appropriations by Fund			
10.6			41,941,000
10.7	General	205,215,000	<u>55,941,000</u>
10.8	Remediation	700,000	700,000
10.9	Workforce		
10.10	Development	2,100,000	2,100,000

10.11 (a) \$1,787,000 each year is for the greater
 10.12 Minnesota business development public
 10.13 infrastructure grant program under Minnesota
 10.14 Statutes, section 116J.431. This appropriation
 10.15 is available until June 30, 2025.

10.16 (b) \$8,425,000 in the first year and ~~\$1,425,000~~
 10.17 \$6,425,000 in the second year are for the
 10.18 small business partnership grant program
 10.19 formerly known as the business development
 10.20 competitive grant program. Of this amount,
 10.21 up to five percent is for administration and
 10.22 monitoring of the ~~business development~~
 10.23 ~~competitive grant~~ program and \$7,000,000 in
 10.24 the first year ~~is~~ \$5,000,000 in the second
 10.25 year are for technical assistance to small
 10.26 businesses. Funding for technical assistance
 10.27 to small businesses in the second year shall
 10.28 be divided proportionately between program
 10.29 grantees from the first year. Except for awards
 10.30 for technical assistance for small businesses,
 10.31 all grant awards shall be for two consecutive
 10.32 years. ~~Grants~~ and shall be awarded in the first
 10.33 year. The small business partnership grant
 10.34 program shall also provide business
 10.35 development assistance and services to
 10.36 commercial cooperatives, employee-owned

- 11.1 businesses, and commercial land trusts.
- 11.2 Beginning in fiscal year 2024, the base amount
- 11.3 is \$4,925,000 of which \$1,500,000 is for
- 11.4 technical assistance to small businesses
- 11.5 participating in the spark small business loan
- 11.6 program under Minnesota Statutes, section
- 11.7 116J.8751.
- 11.8 (c) \$1,772,000 each year is for contaminated
- 11.9 site cleanup and development grants under
- 11.10 Minnesota Statutes, sections 116J.551 to
- 11.11 116J.558. This appropriation is available until
- 11.12 expended.
- 11.13 (d) \$700,000 each year is from the remediation
- 11.14 fund for contaminated site cleanup and
- 11.15 development grants under Minnesota Statutes,
- 11.16 sections 116J.551 to 116J.558. This
- 11.17 appropriation is available until expended.
- 11.18 (e) \$139,000 each year is for the Center for
- 11.19 Rural Policy and Development.
- 11.20 (f) \$25,000 each year is for the administration
- 11.21 of state aid for the Destination Medical Center
- 11.22 under Minnesota Statutes, sections 469.40 to
- 11.23 469.47.
- 11.24 (g) \$875,000 each year is for the host
- 11.25 community economic development program
- 11.26 established in Minnesota Statutes, section
- 11.27 116J.548.
- 11.28 (h)(1) \$2,500,000 each year is the first year
- 11.29 and \$6,500,000 the second year are for grants
- 11.30 to local communities to increase the number
- 11.31 of quality child care providers to support
- 11.32 economic development. This appropriation is
- 11.33 available through June 30, 2023. Fifty percent
- 11.34 of grant funds must go to communities located

12.1 outside the seven-county metropolitan area as
12.2 defined in Minnesota Statutes, section
12.3 473.121, subdivision 2. In fiscal year 2024
12.4 and beyond, the base amount is \$1,500,000.

12.5 (2) Grant recipients must obtain a 50 percent
12.6 nonstate match to grant funds in either cash
12.7 or in-kind contribution, unless the
12.8 commissioner waives the requirement. Grant
12.9 funds available under this subdivision must
12.10 be used to implement projects to reduce the
12.11 child care shortage in the state, including but
12.12 not limited to funding for child care business
12.13 start-ups or expansion, training, facility
12.14 modifications, direct subsidies or incentives
12.15 to retain employees, or improvements required
12.16 for licensing, and assistance with licensing
12.17 and other regulatory requirements. In awarding
12.18 grants, the commissioner must give priority
12.19 to communities that have demonstrated a
12.20 shortage of child care providers.

12.21 (3) Within one year of receiving grant funds,
12.22 grant recipients must report to the
12.23 commissioner on the outcomes of the grant
12.24 program, including but not limited to the
12.25 number of new providers, the number of
12.26 additional child care provider jobs created, the
12.27 number of additional child care slots, and the
12.28 amount of cash and in-kind local funds
12.29 invested. Within one month of all grant
12.30 recipients reporting on program outcomes, the
12.31 commissioner must report the grant recipients'
12.32 outcomes to the chairs and ranking members
12.33 of the legislative committees with jurisdiction
12.34 over early learning and child care and
12.35 economic development.

13.1 (i) \$1,500,000 each year is for a grant to the
13.2 Minnesota Initiative Foundations. This
13.3 appropriation is available until June 30, 2025.
13.4 In fiscal year 2024 and beyond, the base
13.5 amount is \$1,000,000. The Minnesota
13.6 Initiative Foundations must use grant funds
13.7 under this section to:

13.8 (1) facilitate planning processes for rural
13.9 communities resulting in a community solution
13.10 action plan that guides decision making to
13.11 sustain and increase the supply of quality child
13.12 care in the region to support economic
13.13 development;

13.14 (2) engage the private sector to invest local
13.15 resources to support the community solution
13.16 action plan and ensure quality child care is a
13.17 vital component of additional regional
13.18 economic development planning processes;

13.19 (3) provide locally based training and technical
13.20 assistance to rural child care business owners
13.21 individually or through a learning cohort.
13.22 Access to financial and business development
13.23 assistance must prepare child care businesses
13.24 for quality engagement and improvement by
13.25 stabilizing operations, leveraging funding from
13.26 other sources, and fostering business acumen
13.27 that allows child care businesses to plan for
13.28 and afford the cost of providing quality child
13.29 care; and

13.30 (4) recruit child care programs to participate
13.31 in quality rating and improvement
13.32 measurement programs. The Minnesota
13.33 Initiative Foundations must work with local
13.34 partners to provide low-cost training,
13.35 professional development opportunities, and

14.1 continuing education curricula. The Minnesota
14.2 Initiative Foundations must fund, through local
14.3 partners, an enhanced level of coaching to
14.4 rural child care providers to obtain a quality
14.5 rating through measurement programs.

14.6 The Minnesota Initiative Foundations are
14.7 authorized to subgrant their allocation to
14.8 partner organizations who are assisting in their
14.9 child care work.

14.10 (j) \$8,000,000 each year is for the Minnesota
14.11 job creation fund under Minnesota Statutes,
14.12 section 116J.8748. Of this amount, the
14.13 commissioner of employment and economic
14.14 development may use up to three percent for
14.15 administrative expenses. This appropriation
14.16 is available until expended.

14.17 (k) \$10,029,000 the first year and \$10,028,000
14.18 the second year are for the Minnesota
14.19 investment fund under Minnesota Statutes,
14.20 section 116J.8731. Of this amount, the
14.21 commissioner of employment and economic
14.22 development may use up to three percent for
14.23 administration and monitoring of the program.

14.24 In fiscal year 2024 and beyond, the base
14.25 amount is \$12,370,000. This appropriation is
14.26 available until expended. Notwithstanding
14.27 Minnesota Statutes, section 116J.8731, money
14.28 appropriated to the commissioner for the
14.29 Minnesota investment fund may be used for
14.30 the redevelopment program under Minnesota
14.31 Statutes, sections 116J.575 and 116J.5761, at
14.32 the discretion of the commissioner. Grants
14.33 under this paragraph are not subject to the
14.34 grant amount limitation under Minnesota
14.35 Statutes, section 116J.8731.

- 15.1 (l) ~~\$0 each~~ \$5,000,000 in the second year is
15.2 for the redevelopment program under
15.3 Minnesota Statutes, sections ~~116J.575~~
15.4 116J.571 and 116J.5761. This appropriation
15.5 is available until spent. In fiscal year 2024 and
15.6 beyond, the base amount is ~~\$2,246,000~~
15.7 \$3,496,000.
- 15.8 (2) For funding in fiscal year 2023, the
15.9 commissioner shall prioritize applications
15.10 from development authorities located in
15.11 low-income areas, defined as:
- 15.12 (i) a census tract that has a poverty rate of at
15.13 least 20 percent, as reported by the United
15.14 States Bureau of the Census in the most recent
15.15 American Community Survey;
- 15.16 (ii) a qualified census tract, as defined under
15.17 United States Code, title 26, section 42; or
- 15.18 (iii) a census tract, city, township, or county
15.19 in which ten percent of the population have
15.20 an annual income of 200 percent or less of the
15.21 federal poverty level.
- 15.22 (3) Notwithstanding any other law to the
15.23 contrary, no local matching funds are required
15.24 from development authorities located in
15.25 low-income areas in fiscal year 2023 and state
15.26 funds may be used for 100 percent of the cost
15.27 of the projects.
- 15.28 (m) \$1,000,000 each year is for the Minnesota
15.29 emerging entrepreneur loan program under
15.30 Minnesota Statutes, section 116M.18. Funds
15.31 available under this paragraph are for transfer
15.32 into the emerging entrepreneur program
15.33 special revenue fund account created under
15.34 Minnesota Statutes, chapter 116M, and are

16.1 available until expended. Of this amount, up
16.2 to four percent is for administration and
16.3 monitoring of the program.

16.4 (n) \$325,000 each year is for the Minnesota
16.5 Film and TV Board. The appropriation in each
16.6 year is available only upon receipt by the
16.7 board of \$1 in matching contributions of
16.8 money or in-kind contributions from nonstate
16.9 sources for every \$3 provided by this
16.10 appropriation, except that each year up to
16.11 \$50,000 is available on July 1 even if the
16.12 required matching contribution has not been
16.13 received by that date.

16.14 (o) \$12,000 each year is for a grant to the
16.15 Upper Minnesota Film Office.

16.16 (p) \$500,000 each year is for a grant to the
16.17 Minnesota Film and TV Board for the film
16.18 production jobs program under Minnesota
16.19 Statutes, section 116U.26. This appropriation
16.20 is available until June 30, 2025.

16.21 (q) \$4,195,000 each year is for the Minnesota
16.22 job skills partnership program under
16.23 Minnesota Statutes, sections 116L.01 to
16.24 116L.17. If the appropriation for either year
16.25 is insufficient, the appropriation for the other
16.26 year is available. This appropriation is
16.27 available until expended.

16.28 (r) \$1,350,000 each year from the workforce
16.29 development fund is for jobs training grants
16.30 under Minnesota Statutes, section 116L.41.

16.31 (s) \$2,500,000 each year is for Launch
16.32 Minnesota. This appropriation is available
16.33 until June 30, 2025. The base in fiscal year
16.34 2026 is \$0. Of this amount:

- 17.1 (1) \$1,500,000 each year is for innovation
17.2 grants to eligible Minnesota entrepreneurs or
17.3 start-up businesses to assist with their
17.4 operating needs;
- 17.5 (2) \$500,000 each year is for administration
17.6 of Launch Minnesota; and
- 17.7 (3) \$500,000 each year is for grantee activities
17.8 at Launch Minnesota.
- 17.9 (t) \$1,148,000 the first year is for a grant to
17.10 the Northeast Entrepreneur Fund, a small
17.11 business administration microlender and
17.12 community development financial institution
17.13 operating in northern Minnesota. Grant funds
17.14 must be used as capital for accessing
17.15 additional federal lending for small businesses
17.16 impacted by COVID-19 and must be returned
17.17 to the commissioner for deposit in the general
17.18 fund if the Northeast Entrepreneur Fund fails
17.19 to secure such federal funds before January 1,
17.20 2022.
- 17.21 (u) \$80,000,000 the first year is for the Main
17.22 Street Economic Revitalization Loan Program.
17.23 Of this amount, up to \$300,000 is for the
17.24 commissioner's administration and monitoring
17.25 of the program. This appropriation is available
17.26 until June 30, 2025.
- 17.27 (v) \$70,000,000 the first year is for the Main
17.28 Street COVID-19 Relief Grant Program. Of
17.29 this amount, up to:
- 17.30 (1) \$34,950,000 is for grants to the Minnesota
17.31 Initiative Foundations to serve businesses
17.32 outside of the metropolitan area as defined in
17.33 Minnesota Statutes, section 473.121,
17.34 subdivision 2;

18.1 (2) \$34,950,000 is for grants to partner
18.2 organizations to serve businesses inside the
18.3 metropolitan area as defined in Minnesota
18.4 Statutes, section 473.121, subdivision 2; and

18.5 (3) \$100,000 is for the commissioner's
18.6 administration and monitoring of the program.

18.7 (w) \$250,000 each year is for the publication,
18.8 dissemination, and use of labor market
18.9 information under Minnesota Statutes, section
18.10 116J.401.

18.11 (x) \$500,000 each year is for the airport
18.12 infrastructure renewal (AIR) grant program
18.13 under Minnesota Statutes, section 116J.439.
18.14 In awarding grants with this appropriation, the
18.15 commissioner must prioritize eligible
18.16 applicants that did not receive a grant pursuant
18.17 to the appropriation in Laws 2019, First
18.18 Special Session chapter 7, article 1, section 2,
18.19 subdivision 2, paragraph (q).

18.20 (y) \$750,000 each year is from the workforce
18.21 development fund for grants to the
18.22 Neighborhood Development Center for small
18.23 business programs, including:

18.24 (1) training, lending, and business services;
18.25 (2) model outreach and training in greater
18.26 Minnesota; and

18.27 (3) development of new business incubators.

18.28 This is a onetime appropriation.

18.29 (z) \$5,000,000 in the first year is for a grant
18.30 to Lake of the Woods County for the
18.31 forgivable loan program for remote
18.32 recreational businesses. This appropriation is
18.33 available until April 1, 2022.

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

19.2 Sec. 12. Laws 2021, First Special Session chapter 14, article 11, section 42, is amended
19.3 to read:

19.4 Sec. 42. **APPROPRIATION; MEAT PROCESSING BUSINESSES IN**
19.5 **REDEVELOPMENT AREA.**

19.6 Of an appropriation in fiscal year 2022 for the targeted community capital project grant
19.7 program under Minnesota Statutes, section 116J.9924, the commissioner of employment
19.8 and economic development must grant \$6,000,000 ~~for one or more grants to any business~~
19.9 ~~engaged in the meat processing industry and currently conducting operations in a building~~
19.10 ~~or buildings constructed on or before January 1, 1947, and located in a city of the second~~
19.11 ~~class that was designated as a redevelopment area by the United States Department of~~
19.12 ~~Commerce under the Public Works and Economic Development Act of 1965, Public Law~~
19.13 ~~89-136, title IV, section 401(a)(4). This appropriation includes: site acquisition costs;~~
19.14 ~~relocation costs; predesign; design; sewer, water, and stormwater infrastructure; site~~
19.15 ~~preparation; engineering; and the cost of improvements to real property locally zoned to~~
19.16 ~~allow a meat processing land use that are incurred by any qualified business under this~~
19.17 ~~section. A grantee under this section must work in consultation with a local government~~
19.18 ~~unit with jurisdiction over the area where the property is located on activities funded by the~~
19.19 ~~grant. This is a onetime appropriation. A grant issued under this section is not subject to~~
19.20 ~~the grant requirements under Minnesota Statutes, section 116J.9924. to the city of South~~
19.21 ~~St. Paul for economic development, redevelopment, and job creation and retention programs~~
19.22 ~~and projects. This grant is not subject to the requirements under Minnesota Statutes, chapter~~
19.23 ~~116J.~~

19.24 Sec. 13. **CANCELLATION AND APPROPRIATION.**

19.25 (a) All unspent money, estimated to be \$889,000, appropriated under Laws 2015, First
19.26 Special Session chapter 1, article 1, section 2, subdivision 2, paragraphs (k) and (l), is
19.27 canceled to the general fund.

19.28 (b) All money canceled under paragraph (a) is appropriated in fiscal year 2023 to the
19.29 commissioner of employment and economic development for the targeted community capital
19.30 project grant program under Minnesota Statutes, section 116J.9924. This is a onetime
19.31 appropriation.

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

ARTICLE 2

ECONOMIC DEVELOPMENT POLICY

Section 1. [116J.015] REVIEW OF REPORT MANDATES.

The commissioner of employment and economic development shall annually create a list of reports that were mandated by law at least three years prior to the date of the list and that no longer serve a useful purpose. This list, along with suggested legislation for eliminating the listed reports, shall be submitted no later than January 15 each year, beginning in 2023, to the legislative committees with jurisdiction over employment and economic development for the consideration of the legislature.

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

Sec. 2. [116J.4231] OFFICE OF NEW AMERICANS.

Subdivision 1. Office established; purpose. (a) The Office of New Americans is established within the Department of Employment and Economic Development. The governor must appoint an executive director who serves in the unclassified service. The executive director must hire a program manager and an office assistant, as well as any staff necessary to carry out the office's duties under subdivision 2.

(b) The purpose of the office is to serve immigrants and refugees in Minnesota by:

(1) addressing challenges that face immigrants and refugees in Minnesota, and creating access in economic development and workforce programs and services;

(2) providing interstate agency coordination, policy reviews, and guidance that assist in creating access to immigrants and refugees.

Subd. 2. Duties. (a) The office has the duty to:

(1) create and implement a statewide strategy to support immigrant and refugee integration into Minnesota communities;

(2) address the state's workforce needs by connecting employers and job seekers within the immigrant and refugee community;

(3) identify strategies to reduce employment barriers for immigrants and refugees;

(4) ensure equitable opportunities and access to services within state government for immigrants and refugees;

21.1 (5) work with state agencies and community and foundation partners to undertake studies
21.2 and research and analyze economic and demographic trends to better understand and serve
21.3 the state's immigrant and refugee communities;

21.4 (6) coordinate and establish best practices for language access initiatives to all state
21.5 agencies;

21.6 (7) convene stakeholders and make policy recommendations to the governor on issues
21.7 impacting immigrants and refugees;

21.8 (8) promulgate rules necessary to implement and effectuate this section;

21.9 (9) provide an annual report, as required by subdivision 3;

21.10 (10) perform any other activities consistent with the office's purpose.

21.11 Subd. 3. **Reporting.** (a) Beginning January 15, 2024, and each year thereafter, the Office
21.12 of New Americans shall report to the legislative committees with jurisdiction over the
21.13 office's activities during the previous year.

21.14 (b) The report shall contain, at a minimum:

21.15 (1) a summary of the office's activities;

21.16 (2) suggested policies, incentives, and legislation designed to accelerate the achievement
21.17 of the duties under subdivision 2;

21.18 (3) any proposed legislative and policy initiatives;

21.19 (4) the amount and types of grants awarded under subdivision 6; and

21.20 (5) any other information deemed necessary and requested by the legislative committees
21.21 with jurisdiction over the office.

21.22 (c) The report may be submitted electronically and is subject to section 3.195, subdivision
21.23 1.

21.24 Subd. 4. **Interdepartmental Coordinating Council on Immigrant and Refugee**
21.25 **Affairs.** (a) An interdepartmental Coordinating Council on Immigrant and Refugee Affairs
21.26 is established to advise the Office of New Americans.

21.27 (b) The purpose of the council is to identify and establish ways in which state departments
21.28 and agencies can work together to deliver state programs and services effectively and
21.29 efficiently to Minnesota's immigrant and refugee populations. The council shall implement
21.30 policies, procedures, and programs requested by the governor through the state departments
21.31 and offices.

22.1 (c) The council shall be chaired by the executive director of the Office of New Americans
22.2 and shall be comprised of the commissioners, department directors, or designees, from the
22.3 following state departments and offices:

22.4 (1) the governor's office;

22.5 (2) the Department of Administration;

22.6 (3) the Department of Employment and Economic Development;

22.7 (4) the Department of Human Services;

22.8 (5) the Department of Human Services Resettlement Program Office;

22.9 (6) the Department of Labor and Industry;

22.10 (7) the Department of Health;

22.11 (8) the Department of Education;

22.12 (9) the Office of Higher Education;

22.13 (10) the Department of Public Safety;

22.14 (11) the Department of Corrections; and

22.15 (12) the Office of New Americans.

22.16 (d) Each department or office serving as a member of the council shall designate one
22.17 staff member as an immigrant and refugee services liaison. The liaisons' responsibilities
22.18 shall include:

22.19 (1) preparation and dissemination of information and services available to immigrants
22.20 and refugees;

22.21 (2) interfacing with the Office of New Americans on issues that impact immigrants and
22.22 refugees and their communities; and

22.23 (3) where applicable, serving as the point of contact for immigrants and refugees accessing
22.24 resources both within the department and with boards charged with oversight of a profession.

22.25 Subd. 5. **No right of action.** Nothing in this section shall be construed to create any
22.26 right or benefit, substantive or procedural, enforceable at law or in equity by any party
22.27 against the state; its departments, agencies, or entities; its officers, employees, or agents;
22.28 or any other person.

23.1 Subd. 6. Grants. Within the limits of available appropriations, the office may apply for
23.2 grants for interested state agencies, community partners, and stakeholders under this section
23.3 to carry out the duties under subdivision 2.

23.4 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

23.5 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,
23.6 town, federally recognized Tribe, or, in the case of unorganized territory, the county in
23.7 which the site is located.

23.8 Sec. 4. Minnesota Statutes 2020, section 116J.8747, is amended to read:

23.9 **116J.8747 JOB TRAINING PROGRAM GRANT.**

23.10 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified
23.11 job training program from money appropriated for the purposes of this section as follows:

23.12 ~~(1) an \$11,000 placement grant paid to a job training program upon placement in~~
23.13 ~~employment of a qualified graduate of the program; and~~

23.14 ~~(2) an \$11,000 retention grant paid to a job training program upon retention in~~
23.15 ~~employment of a qualified graduate of the program for at least one year.~~

23.16 (1) up to ten percent of the appropriation may be allocated for administrative expenses
23.17 by the program;

23.18 (2) up to 20 percent of the appropriation may be allocated for direct service expenses
23.19 by the program;

23.20 (3) a placement grant paid to a job training program upon placement in employment of
23.21 a qualified graduate of the job training program as follows:

23.22 (i) \$2,500 for placement in part-time employment (20 hours a week or more) of at least
23.23 150 percent of the state minimum wage hourly;

23.24 (ii) \$2,500 for placement in full-time employment (32 hours a week or more) at the state
23.25 minimum wage but below 150 percent of the state minimum wage hourly; and

23.26 (iii) \$5,000 for placement in full-time employment (32 hours a week or more) of at least
23.27 150 percent of the state minimum wage hourly; and

23.28 (4) a retention grant paid to a job training program upon retention in employment of a
23.29 qualified graduate of the job training program for at least one year as follows:

24.1 (i) \$5,000 for one year of retained part-time employment (20 hours a week or more) of
24.2 at least 150 percent of the state minimum wage;

24.3 (ii) \$5,000 for one year of retained full-time employment (32 hours a week or more) at
24.4 the state minimum wage but below 150 percent of the state minimum wage; and

24.5 (iii) \$10,000 for one year of retained full-time employment (32 hours a week or more)
24.6 of at least 150 percent of the state minimum wage hourly.

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

24.9 (1) the program must be operated by a nonprofit corporation that qualifies under section
24.10 501(c)(3) of the Internal Revenue Code;

24.11 (2) the program may spend up to \$5,500 in total training per participant;

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

24.13 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,
24.14 and communications;

24.15 (ii) long-term plans for success including participant coaching for two years after
24.16 placement;

24.17 (iii) soft skills, including skills critical to success on the job; and

24.18 (iv) access to internships, technology training, personal and emotional intelligence skill
24.19 development, and other support services;

24.20 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~
24.21 support services, when needed, to participants for housing, counseling, tuition, and other
24.22 basic needs;

24.23 (5) individuals served by the program must be 18 years of age or older as of the date of
24.24 enrollment, and have household income in the six months immediately before entering the
24.25 program that is 200 percent or less of the federal poverty guideline for Minnesota, based
24.26 on family size; and

24.27 (6) the program must be certified by the commissioner of employment and economic
24.28 development, or the commissioner's designee, as meeting the requirements of this subdivision.

24.29 Subd. 3. ~~Graduation and retention grant~~ Employment requirements. ~~For purposes~~
24.30 ~~of a placement grant under this section, a qualified graduate is a graduate of a job training~~
24.31 ~~program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at~~

25.1 ~~least the current state minimum wage. To qualify for a retention grant under this section for~~
25.2 ~~a retention fee, a job in which the graduate is retained must pay at least the current state~~
25.3 ~~minimum wage.~~ (a) For employment to qualify under subdivision 1, the employment must
25.4 be permanent, unsubsidized, private or public sector employment, eligible for unemployment
25.5 insurance under section 268.035, or otherwise eligible for unemployment insurance under
25.6 section 268.035 if hours were above 32 per week.

25.7 (b) Programs are limited to one placement and one retention payment for a qualified
25.8 graduate in a performance program within the two years following a placement or retention
25.9 payment made under this section.

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

25.12 (b) A program must maintain and provide upon request records for each qualified graduate
25.13 in compliance with state record retention requirements. The records must include information
25.14 sufficient to verify the graduate's eligibility under this section, identify the employer, and
25.15 describe the job including its compensation rate ~~and~~ benefits, and average hours per week.

25.16 (c) A program is subject to the reporting requirements under section 116L.98.

25.17 Sec. 5. Minnesota Statutes 2021 Supplement, section 116J.8749, is amended to read:

25.18 **116J.8749 MAIN STREET ECONOMIC REVITALIZATION PROGRAM.**

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

25.21 (b) "Borrower" means an eligible recipient receiving a loan guaranteed or capitalized
25.22 under this section.

25.23 (c) "Capitalized loan" means a loan for which the state provides up to 20 percent of the
25.24 loan funding with the state funds payment subordinate in the event of default.

25.25 ~~(e)~~ (d) "Commissioner" means the commissioner of employment and economic
25.26 development.

25.27 ~~(d)~~ (e) "Eligible project" means the development, redevelopment, demolition, site
25.28 preparation, predesign, design, engineering, repair, or renovation of real property or capital
25.29 improvements. Eligible projects must be designed to address the greatest economic
25.30 development and redevelopment needs that have arisen in the community surrounding that
25.31 real property since March 15, 2020. Eligible project includes but is not limited to the
25.32 construction of buildings, infrastructure, and related site amenities, landscaping, or

26.1 street-scaping. Eligible project does not include the purchase of real estate or business
26.2 operations or business operating expenses, such as inventory, wages, or working capital.

26.3 ~~(e)~~ (f) "Eligible recipient" means a:

26.4 (1) business;

26.5 (2) nonprofit organization; or

26.6 (3) developer

26.7 that is seeking funding to complete an eligible project. Eligible recipient does not include
26.8 a partner organization or a local unit of government.

26.9 ~~(f)~~ (g) "Guaranteed loan" means a loan guaranteed by the state for 80 percent of the loan
26.10 amount for a maximum period of 15 years from the origination of the loan.

26.11 ~~(g)~~ (h) "Leveraged grant" means a grant that is matched by the eligible recipient's
26.12 commitment to the eligible project of nonstate funds at a level of 200 percent of the grant
26.13 amount. The nonstate match may include but is not limited to funds contributed by a partner
26.14 organization and insurance proceeds.

26.15 ~~(h)~~ (i) "Loan guarantee trust fund" means a dedicated account established under this
26.16 section for the purpose of compensation for defaulted loan guarantees.

26.17 (j) "Low-income area" means a census tract that has a poverty rate of at least 20 percent
26.18 as reported in the most recently completed decennial census published by the United States
26.19 Bureau of the Census.

26.20 ~~(i)~~ (k) "Partner organizations" or "partners" means:

26.21 (1) foundations engaged in economic development;

26.22 (2) community development financial institutions; and

26.23 (3) community development corporations.

26.24 ~~(j)~~ (l) "Program" means the Main Street Economic Revitalization Program under this
26.25 section.

26.26 ~~(k)~~ (m) "Subordinated loan" means a loan secured by a lien that is lower in priority than
26.27 one or more specified other liens.

26.28 Subd. 2. **Establishment.** The commissioner shall establish the Main Street Economic
26.29 Revitalization Program to make grants to partner organizations to fund leveraged grants,
26.30 capitalized loans, and guaranteed loans to specific named eligible recipients for eligible

27.1 projects that are designed to address the greatest economic development and redevelopment
27.2 needs that have arisen in the surrounding community since March 15, 2020.

27.3 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to
27.4 partner organizations to provide leveraged grants, capitalized loans, and guaranteed loans
27.5 to eligible recipients using criteria, forms, applications, and reporting requirements developed
27.6 by the commissioner.

27.7 (b) To be eligible for a grant, a partner organization must:

27.8 (1) outline a plan to provide leveraged grants, capitalized loans, and guaranteed loans
27.9 to eligible recipients for specific eligible projects that represent the greatest economic
27.10 development and redevelopment needs in the surrounding community. This plan must
27.11 include an analysis of the economic impact of the eligible projects the partner organization
27.12 proposes to make these investments in;

27.13 (2) establish a process of ensuring there are no conflicts of interest in determining awards
27.14 under the program; and

27.15 (3) demonstrate that the partner organization has raised funds for the specific purposes
27.16 of this program to commit to the proposed eligible projects or will do so within the 15-month
27.17 period following the encumbrance of funds. Existing assets and state or federal funds may
27.18 not be used to meet this requirement.

27.19 (c) Grants shall be made in up to three rounds:

27.20 (1) a first round with an application date before September 1, 2021, during which no
27.21 more than 50 percent of available funds will be granted;

27.22 (2) a second round with an application date after September 1, 2021, but before March
27.23 1, 2022; and

27.24 (3) a third round with an application date after June 30, 2023, if any funds remain after
27.25 the first two rounds.

27.26 A partner may apply in multiple rounds for projects that were not funded in earlier rounds
27.27 or for new projects.

27.28 (d) Up to four percent of a grant under this subdivision may be used by the partner
27.29 organization for administration and monitoring of the program.

27.30 Subd. 4. **Award criteria.** In awarding grants under this section, the commissioner shall
27.31 give funding preference to applications that:

28.1 (1) have the greatest regional economic impact under subdivision 3, paragraph (b), clause
28.2 (1), particularly with regard to increasing the local tax base; and

28.3 (2) have the greatest portion of the estimated cost of the eligible projects met through
28.4 nonstate funds.

28.5 Subd. 5. **Leveraged grants to eligible recipients.** (a) A leveraged grant to an eligible
28.6 recipient shall be for no more than \$750,000.

28.7 (b) A leveraged grant may be used to finance no more than 30 percent of an eligible
28.8 project.

28.9 (c) An eligible project must have secured commitments for all required matching funds
28.10 and all required development approvals before a leveraged grant may be distributed.

28.11 (d) The commissioner may waive the matching fund requirement for projects located
28.12 in low-income areas.

28.13 Subd. 6. **Capitalized and guaranteed loans to eligible recipients.** (a) A capitalized or
28.14 guaranteed loan to an eligible recipient must:

28.15 (1) be for no more than \$2,000,000; and

28.16 (2) be for a term of no more than 15 years; ~~and~~.

28.17 ~~(3)~~ (b) All capitalized loans shall comply with the terms under subdivision 6a and all
28.18 guaranteed loans shall comply with the terms under subdivision 7.

28.19 ~~(b)~~ (c) An eligible project must have all required development approvals before a
28.20 capitalized or guaranteed loan may be distributed.

28.21 (d) Upon origination of a capitalized loan, the commissioner shall authorize disbursement
28.22 of up to 20 percent of the loan amount to the partner organization.

28.23 ~~(e)~~ (e) Upon origination of a guaranteed loan, the commissioner must reserve ten percent
28.24 of the loan amount into the loan guarantee trust fund created under subdivision 8.

28.25 ~~(d)~~ (f) No capitalized or guaranteed loan may be made to an eligible recipient after
28.26 December 31, 2024.

28.27 Subd. 6a. **Required terms for capitalized loans.** For a capitalized loan under the
28.28 program:

28.29 (1) principal and interest payments made by the borrower under the terms of the loan
28.30 shall be allocated first to the nonstate portion of the loan and second to the state portion of
28.31 the loan;

29.1 (2) the partner organization shall not accelerate repayment of the loan or exercise other
29.2 remedies if the borrower defaults, unless:

29.3 (i) the borrower fails to make a required payment of principal or interest within 60 days
29.4 of the due date; or

29.5 (ii) the commissioner consents in writing;

29.6 (3) the partner organization must timely prepare and deliver to the commissioner, annually
29.7 by the date specified in the loan agreement, an audited or reviewed financial statement for
29.8 the loan, prepared by a certified public accountant according to generally accepted accounting
29.9 principles, if available, and documentation that the borrower used the loan proceeds solely
29.10 for an eligible project;

29.11 (4) the commissioner shall have access to loan documents at any time subsequent to the
29.12 loan documents being submitted to the partner organization;

29.13 (5) the partner organization must maintain adequate records and documents concerning
29.14 the loan so that the commissioner may determine the borrower's financial condition and
29.15 compliance with program requirements;

29.16 (6) the state portion of the loan may be subordinate to other loans made by lenders in
29.17 the overall financing package; and

29.18 (7) repayments of the state portion of the loan may be retained by the partner organization
29.19 for capitalizing additional redevelopment projects.

29.20 **Subd. 7. Required terms for guaranteed loans.** For a guaranteed loan under the
29.21 program:

29.22 (1) principal and interest payments made by the borrower under the terms of the loan
29.23 are to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis.
29.24 The nonguaranteed portion shall not receive preferential treatment over the guaranteed
29.25 portion;

29.26 (2) the partner organization shall not accelerate repayment of the loan or exercise other
29.27 remedies if the borrower defaults, unless:

29.28 (i) the borrower fails to make a required payment of principal or interest within 60 days
29.29 of the due date; or

29.30 (ii) the commissioner consents in writing;

30.1 (3) in the event of a default, the partner organization may not make a demand for payment
30.2 pursuant to the guarantee unless the commissioner agrees in writing that the default has
30.3 materially affected the rights or security of the parties;

30.4 (4) the partner organization must timely prepare and deliver to the commissioner, annually
30.5 by the date specified in the loan guarantee, an audited or reviewed financial statement for
30.6 the loan, prepared by a certified public accountant according to generally accepted accounting
30.7 principles, if available, and documentation that the borrower used the loan proceeds solely
30.8 for an eligible project;

30.9 (5) the commissioner shall have access to loan documents at any time subsequent to the
30.10 loan documents being submitted to the partner organization;

30.11 (6) the partner organization must maintain adequate records and documents concerning
30.12 the loan so that the commissioner may determine the borrower's financial condition and
30.13 compliance with program requirements;

30.14 (7) orderly liquidation of collateral securing the loan must be provided for in the event
30.15 of default, pursuant to the loan guarantee; and

30.16 (8) the guaranteed portion of the loan may be subordinate to other loans made by lenders
30.17 in the overall financing package.

30.18 Subd. 8. **Loan guarantee trust fund established.** A loan guarantee trust fund account
30.19 in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees.
30.20 The commissioner shall administer this account. The day that this section expires, all
30.21 remaining funds in the account are canceled to the general fund.

30.22 Subd. 9. **Statewide program.** In proportion to eligible demand, leveraged grants,
30.23 capitalized loans, and guaranteed loans under this section shall be made so that an
30.24 approximately equal dollar amount of leveraged grants, capitalized loans, and guaranteed
30.25 loans are made to businesses in the metropolitan area as in the nonmetropolitan area, not
30.26 to exceed 65 percent in any one area. After June 30, 2023, the department may allow
30.27 leveraged grants, capitalized loans, and guaranteed loans to be made anywhere in the state
30.28 without regard to geographic area.

30.29 Subd. 10. **Exemptions.** All grants and grant-making processes under this section are
30.30 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,
30.31 subdivisions 5, 7, and 8. The commissioner must audit the use of funds under this section
30.32 in accordance with standard accounting practices. The exemptions under this subdivision
30.33 expire on December 31, 2023.

31.1 Subd. 11. **Reports.** (a) By January 31, 2022, and annually until December 31, 2026,
31.2 after which biennial reporting will be permitted after the commissioner consults with the
31.3 legislature, partner organizations participating in the program must provide a report to the
31.4 commissioner that includes descriptions of the eligible projects supported by the program,
31.5 the type and amount of support provided, any economic development gains attributable to
31.6 the support, and an explanation of administrative expenses.

31.7 (b) By February 15, 2022, and annually until December 31, 2026, after which biennial
31.8 reporting will be permitted after the commissioner consults with the legislature, the
31.9 commissioner must report to the legislative committees in the house of representatives and
31.10 senate with jurisdiction over economic development about funding provided under this
31.11 program based on the information received under paragraph (a) and about the performance
31.12 of the loan guarantee trust fund.

31.13 Subd. 12. **Expiration.** This section expires December 31, 2036.

31.14 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021.

31.15 Sec. 6. **[116J.8751] SPARK SMALL BUSINESS LOAN PROGRAM.**

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

31.18 (b) "Account" means the spark small business loan program account created under
31.19 subdivision 5.

31.20 (c) "Commissioner" means the commissioner of employment and economic development.

31.21 (d) "Community business" means a cooperative, an employee-owned business, or a
31.22 commercial land trust that is at least 51 percent owned by individuals from targeted groups.

31.23 (e) "Immigrant" means a lawful permanent resident who has been in the United States
31.24 for a maximum of seven years at the time of application.

31.25 (f) "Partner organization" means a community development financial institution or
31.26 nonprofit corporation.

31.27 (g) "Program" means the spark small business loan program established under this
31.28 section.

31.29 (h) "Targeted groups" means people who are Black, Indigenous, People of Color,
31.30 immigrants, low income, women, veterans, or people with disabilities.

32.1 Subd. 2. **Establishment.** The spark small business loan program is established to award
32.2 grants to partner organizations to fund loans statewide to businesses that employ the
32.3 equivalent of 50 full-time workers or less, to encourage private investment, provide jobs,
32.4 create and strengthen business enterprises, and promote economic development.

32.5 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall award grants to
32.6 partner organizations through a competitive grant process where applicants apply using a
32.7 form designed by the commissioner. In evaluating applications, the commissioner must
32.8 consider, among other things, whether the applicant:

32.9 (1) has a board of directors that includes citizens experienced in business and community
32.10 development and creating jobs;

32.11 (2) has the technical skills to analyze projects;

32.12 (3) is familiar with other available public and private funding sources and economic
32.13 development programs;

32.14 (4) can initiate and implement economic development projects;

32.15 (5) can establish and administer a revolving loan account or has operated a revolving
32.16 loan account; and

32.17 (6) can work with job referral networks.

32.18 (b) The commissioner shall ensure that, to the extent there is sufficient eligible demand,
32.19 loans are made to businesses inside and outside the metropolitan area, as defined in section
32.20 473.121, subdivision 2, in a manner approximating each region's proportion of the state
32.21 population. After March 31 of each fiscal year, the commissioner may allow loans to be
32.22 made anywhere in the state without regard to geographic area.

32.23 (c) Partner organizations that receive grants under this subdivision may use up to ten
32.24 percent of the award for administrative expenses, including providing specialized technical
32.25 and legal assistance, either directly or through partnership with nonprofit organizations, to
32.26 businesses eligible to apply for loans under this program.

32.27 (d) The commissioner shall review existing agreements with partner organizations every
32.28 five years and may renew or terminate the agreement based on that review. In making the
32.29 review, the commissioner shall consider, among other criteria, the criteria in paragraph (a).

32.30 Subd. 4. **Loans to businesses.** (a) A partner organization that receives a grant under
32.31 subdivision 3 shall establish a plan for making loans to businesses. The plan requires approval
32.32 by the commissioner.

33.1 (b) Under the plan:

33.2 (1) the partner organization shall establish a commissioner-certified revolving loan fund
33.3 for the purpose of making loans to businesses;

33.4 (2) loans shall be for projects that are unlikely to be undertaken unless a loan is received
33.5 under the program;

33.6 (3) a partner organization may not make a loan to a project in which it has an ownership
33.7 interest;

33.8 (4) the state contribution to each loan shall be no less than \$5,000 and no more than:

33.9 (i) \$35,000 if the loan is for a retail development project;

33.10 (ii) \$600,000 if the loan is for a community business; and

33.11 (iii) \$150,000 for all other loans;

33.12 (5) the interest rate on a loan shall not be higher than the Wall Street Journal prime rate
33.13 and may be zero;

33.14 (6) loans shall be for a maximum term of seven years;

33.15 (7) the partner organization may charge a loan origination fee of no more than one
33.16 percent of the loan value and may retain that origination fee;

33.17 (8) a loan application given preliminary approval by the partner organization must be
33.18 forwarded to the commissioner for final approval;

33.19 (9) repayments may be deferred for up to one year if justified by the project proposed
33.20 and approved by the commissioner;

33.21 (10) all repayments of interest on loans shall be deposited in the partner organization's
33.22 revolving loan fund for use in making further loans consistent with this section;

33.23 (11) all repayments of loan principal must be paid to the commissioner for deposit in
33.24 the spark small business loan program account; and

33.25 (12) up to ten percent of a loan's principal amount may be forgiven if the commissioner
33.26 approves and the borrower has met lender criteria, including being current with all payments.

33.27 Subd. 5. Creation of account. A spark small business loan program account is created
33.28 in the special revenue fund in the state treasury. Money in the account is appropriated to
33.29 the commissioner for the grants under this section. Annually, the commissioner may use
33.30 an amount equal to no more than four percent of the value of grants made in the previous
33.31 year for the administrative costs of the program. In fiscal year 2023, the commissioner may

34.1 use \$500,000 for administration. Notwithstanding section 16A.28, money deposited in the
34.2 account from any source is available until expended.

34.3 Subd. 6. **Reporting requirements.** (a) A partner organization that receives a grant shall:

34.4 (1) submit an annual report to the commissioner by February 15 of each year, beginning
34.5 in 2024, that includes a description of businesses supported by the program, an account of
34.6 loans made during the calendar year, the program's impact on business enterprises and job
34.7 creation, the source and amount of money collected and distributed by the program, the
34.8 program's assets and liabilities, and an explanation of administrative expenses; and

34.9 (2) provide for an independent annual audit to be performed in accordance with generally
34.10 accepted accounting practices and auditing standards and submit a copy of each annual
34.11 audit report to the commissioner.

34.12 (b) By March 1 of each year, beginning in 2024, the commissioner shall submit a report
34.13 to the chairs and ranking minority members of the legislative committees with jurisdiction
34.14 over economic development on program outcomes, including copies of all reports and audits
34.15 received under paragraph (a).

34.16 Sec. 7. Minnesota Statutes 2020, section 116J.8770, is amended to read:

34.17 **116J.8770 EQUITY INVESTMENTS.**

34.18 The commissioner may invest funds from the capital access account to make equity
34.19 investments in ~~community development~~ early stage and venture capital funds for the purpose
34.20 of providing capital for small and emerging businesses. The ~~community development~~ early
34.21 stage and venture capital fund must have experience in equity investments with small
34.22 businesses and the ability to raise private capital.

34.23 Sec. 8. Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 4, is amended
34.24 to read:

34.25 Subd. 4. **Grant amount; project phasing.** (a) The commissioner shall award grants in
34.26 an amount not to exceed ~~\$1,500,000~~ \$3,000,000 per grant.

34.27 (b) A grant awarded under this section must be no less than the amount required to
34.28 complete one or more phases of the project, less any nonstate funds already committed for
34.29 such activities.

35.1 **Sec. 9. [116J.9926] EMERGING DEVELOPER FUND PROGRAM.**

35.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
35.3 the meanings given.

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

35.5 (c) "Disadvantaged community" means a community where the median household
35.6 income is less than 80 percent of the area median income.

35.7 (d) "Eligible project" means a project that is based in Minnesota and meets one or more
35.8 of the following criteria:

35.9 (1) it will stimulate community stabilization or revitalization;

35.10 (2) it will be located within a census tract identified as a disadvantaged community or
35.11 low-income community;

35.12 (3) it will directly benefit residents of a low-income household;

35.13 (4) it will increase the supply and improve the condition of affordable housing and
35.14 homeownership;

35.15 (5) it will support the growth needs of new and existing community-based enterprises
35.16 that promote economic stability or improve the supply or quality of job opportunities; or

35.17 (6) it will promote wealth creation, including by being a project in a neighborhood
35.18 traditionally not served by real estate developers.

35.19 (e) "Emerging developer" means a developer who:

35.20 (1) has limited access to loans from traditional financial institutions; or

35.21 (2) is a new or smaller developer who has engaged in educational training in real estate
35.22 development; and

35.23 (3) is either a:

35.24 (i) minority as defined in section 116M.14, subdivision 6;

35.25 (ii) woman;

35.26 (iii) person with a disability, as defined in section 116M.14, subdivision 9; or

35.27 (iv) low-income person.

35.28 (f) "Low-income person" means a person who:

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

36.1 (2) has a family income that does not exceed 60 percent of the area median income as
36.2 determined by the United States Department of Housing and Urban Development.

36.3 (g) "Partner organization" means a community development financial institution or a
36.4 similarly qualified nonprofit corporation, as determined by the commissioner.

36.5 (h) "Program" means the emerging developer fund program created under this section.

36.6 Subd. 2. **Establishment.** The commissioner shall establish an emerging developer fund
36.7 program to make grants to partner organizations to make loans to emerging developers for
36.8 eligible projects to transform neighborhoods statewide and promote economic development
36.9 and the creation and retention of jobs in Minnesota. The program must also reduce racial
36.10 and socioeconomic disparities by growing the financial capacity of emerging developers.

36.11 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall design a
36.12 competitive process to award grants to partner organizations to make loans to emerging
36.13 developers under subdivision 4.

36.14 (b) A partner organization may use up to ten percent of grant funds for the administrative
36.15 costs of the program.

36.16 Subd. 4. **Loans to emerging developers.** (a) Through the program, partner organizations
36.17 shall offer emerging developers predevelopment, construction, and bridge loans for eligible
36.18 projects according to a plan submitted to and approved by the commissioner.

36.19 (b) Predevelopment loans must be for no more than \$50,000. All other types of loans
36.20 must be for no more than \$500,000.

36.21 (c) Loans must be for a term set by the partner organization and approved by the
36.22 commissioner of no less than six months and no more than five years, depending on the use
36.23 of loan proceeds.

36.24 (d) Loans must be for zero interest or an interest rate of no more than the Wall Street
36.25 Journal prime rate, as determined by the partner organization and approved by the
36.26 commissioner based on the individual project risk and type of loan sought.

36.27 (e) Loans must have flexible collateral requirements compared to traditional loans, but
36.28 may require a personal guaranty from the emerging developer and may be largely unsecured
36.29 when the appraised value of the real estate is low.

36.30 (f) Loans must have no prepayment penalties and are expected to be repaid from
36.31 permanent financing or a conventional loan, once that is secured.

37.1 (g) Loans must have the ability to bridge many types of receivables, such as tax credits,
37.2 grants, developer fees, and other forms of long-term financing.

37.3 (h) At the partner organization's request and the commissioner's discretion, an emerging
37.4 developer may be required to work with an experienced developer or professional services
37.5 consultant who can offer expertise and advice throughout the development of the project.

37.6 (i) All loan repayments must be paid into the emerging developer fund account created
37.7 in this section to fund additional loans.

37.8 Subd. 5. Eligible expenses. (a) The following are eligible expenses for a predevelopment
37.9 loan under the program:

37.10 (1) earnest money or purchase deposit;

37.11 (2) building inspection fees and environmental reviews;

37.12 (3) appraisal and surveying;

37.13 (4) design and tax credit application fees;

37.14 (5) title and recording fees;

37.15 (6) site preparation, demolition, and stabilization;

37.16 (7) interim maintenance and project overhead;

37.17 (8) property taxes and insurance;

37.18 (9) construction bonds or letters of credit;

37.19 (10) market and feasibility studies; and

37.20 (11) professional fees.

37.21 (b) The following are eligible expenses for a construction or bridge loan under the
37.22 program:

37.23 (1) land or building acquisition;

37.24 (2) construction-related expenses;

37.25 (3) developer and contractor fees;

37.26 (4) site preparation and demolition;

37.27 (5) financing fees, including title and recording;

37.28 (6) professional fees;

37.29 (7) carrying costs;

38.1 (8) construction period interest;

38.2 (9) project reserves; and

38.3 (10) leasehold improvements and equipment purchase.

38.4 Subd. 6. **Emerging developer fund account.** An emerging developer fund account is
38.5 created in the special revenue fund in the state treasury. Money in the account is appropriated
38.6 to the commissioner for grants to partner organizations to make loans under this section.

38.7 Subd. 7. **Reports to the legislature.** (a) By January 15 of each year, beginning in 2024,
38.8 each partner organization shall submit a report to the commissioner on the use of program
38.9 unds and program outcomes.

38.10 (b) By February 15 of each year, beginning in 2024, the commissioner shall submit a
38.11 report to the chairs of the house of representatives and senate committees with jurisdiction
38.12 over economic development on the use of program funds and program outcomes.

38.13 Sec. 10. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

38.14 Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local
38.15 government agency grant, contribution of personal property, real property, infrastructure,
38.16 the principal amount of a loan at rates below those commercially available to the recipient,
38.17 any reduction or deferral of any tax or any fee, any guarantee of any payment under any
38.18 loan, lease, or other obligation, or any preferential use of government facilities given to a
38.19 business.

38.20 The following forms of financial assistance are not a business subsidy:

38.21 (1) a business subsidy of less than \$150,000;

38.22 (2) assistance that is generally available to all businesses or to a general class of similar
38.23 businesses, such as a line of business, size, location, or similar general criteria;

38.24 (3) public improvements to buildings or lands owned by the state or local government
38.25 that serve a public purpose and do not principally benefit a single business or defined group
38.26 of businesses at the time the improvements are made;

38.27 (4) redevelopment property polluted by contaminants as defined in section 116J.552,
38.28 subdivision 3;

38.29 (5) assistance provided for the sole purpose of renovating old or decaying building stock
38.30 or bringing it up to code and assistance provided for designated historic preservation districts,
38.31 provided that the assistance is equal to or less than 50 percent of the total cost;

- 39.1 (6) assistance to provide job readiness and training services if the sole purpose of the
39.2 assistance is to provide those services;
- 39.3 (7) assistance for housing;
- 39.4 (8) assistance for pollution control or abatement, including assistance for a tax increment
39.5 financing hazardous substance subdistrict as defined under section 469.174, subdivision
39.6 23;
- 39.7 (9) assistance for energy conservation;
- 39.8 (10) tax reductions resulting from conformity with federal tax law;
- 39.9 (11) workers' compensation and unemployment insurance;
- 39.10 (12) benefits derived from regulation;
- 39.11 (13) indirect benefits derived from assistance to educational institutions;
- 39.12 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding
39.13 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)
39.14 of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- 39.15 (15) assistance for a collaboration between a Minnesota higher education institution and
39.16 a business;
- 39.17 (16) assistance for a tax increment financing soils condition district as defined under
39.18 section 469.174, subdivision 19;
- 39.19 (17) redevelopment when the recipient's investment in the purchase of the site and in
39.20 site preparation is 70 percent or more of the assessor's current year's estimated market value;
- 39.21 (18) general changes in tax increment financing law and other general tax law changes
39.22 of a principally technical nature;
- 39.23 (19) federal assistance until the assistance has been repaid to, and reinvested by, the
39.24 state or local government agency;
- 39.25 (20) funds from dock and wharf bonds issued by a seaway port authority;
- 39.26 (21) business loans and loan guarantees of \$150,000 or less;
- 39.27 (22) federal loan funds provided through the United States Department of Commerce,
39.28 Economic Development Administration, Department of the Treasury; and
- 39.29 (23) property tax abatements granted under section 469.1813 to property that is subject
39.30 to valuation under Minnesota Rules, chapter 8100.

40.1 Sec. 11. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

40.2 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for
40.3 developing programs which assist in the transition of persons from welfare to work and
40.4 assist individuals at or below 200 percent of the federal poverty guidelines. The program
40.5 is to be operated by the board. The board shall consult and coordinate with program
40.6 administrators at the Department of Employment and Economic Development to design
40.7 and provide services for temporary assistance for needy families recipients.

40.8 Pathways grants-in-aid may be awarded to educational or other nonprofit training
40.9 institutions or to workforce development intermediaries for education and training programs
40.10 and services supporting education and training programs that serve eligible recipients.

40.11 Preference shall be given to projects that:

40.12 (1) provide employment with benefits paid to employees;

40.13 (2) provide employment where there are defined career paths for trainees;

40.14 (3) pilot the development of an educational pathway that can be used on a continuing
40.15 basis for transitioning persons from welfare to work; and

40.16 (4) demonstrate the active participation of Department of Employment and Economic
40.17 Development workforce centers, Minnesota State College and University institutions and
40.18 other educational institutions, and local welfare agencies.

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

40.22 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may
40.23 be used for preemployment training.

40.24 Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42.8 Sec. 13. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

42.9 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
42.10 subdivision have the meanings given.

42.11 (b) "Credential" means ~~postsecondary~~ degrees, diplomas, licenses, and certificates
42.12 awarded in recognition of an individual's attainment of measurable technical or occupational
42.13 skills necessary to obtain employment or advance with an occupation. This definition does
42.14 not include ~~certificates awarded by workforce investment boards or work-readiness~~
42.15 certificates.

42.16 (c) "Exit" means to have not received service under a workforce program for 90
42.17 consecutive calendar days. The exit date is the last date of service.

42.18 (d) "Net impact" means the use of matched control groups and regression analysis to
42.19 estimate the impacts attributable to program participation net of other factors, including
42.20 observable personal characteristics and economic conditions.

42.21 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a
42.22 workforce program.

42.23 Sec. 14. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

42.24 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December
42.25 31 of each even-numbered year, the commissioner must report to the chairs and ranking
42.26 minority members of the committees of the house of representatives and the senate having
42.27 jurisdiction over economic development and workforce policy and finance the following
42.28 information separately for each of the previous two fiscal or calendar years, for each program
42.29 subject to the requirements of subdivision 1:

42.30 (1) the total number of participants enrolled;

43.1 (2) the median pre-enrollment wages based on participant wages for the second through
43.2 the fifth calendar quarters immediately preceding the quarter of enrollment excluding those
43.3 with zero income;

43.4 (3) the total number of participants with zero income in the second through fifth calendar
43.5 quarters immediately preceding the quarter of enrollment;

43.6 (4) the total number of participants enrolled in training;

43.7 (5) the total number of participants enrolled in training by occupational group;

43.8 (6) the total number of participants that exited the program and the average enrollment
43.9 duration of participants that have exited the program during the year;

43.10 (7) the total number of exited participants who completed training;

43.11 (8) the total number of exited participants who attained a credential;

43.12 (9) the total number of participants employed during three consecutive quarters
43.13 immediately following the quarter of exit, by industry;

43.14 (10) the median wages of participants employed during three consecutive quarters
43.15 immediately following the quarter of exit;

43.16 (11) the total number of participants employed during eight consecutive quarters
43.17 immediately following the quarter of exit, by industry; and

43.18 (12) the median wages of participants employed during eight consecutive quarters
43.19 immediately following the quarter of exit;

43.20 ~~(13) the total cost of the program;~~

43.21 ~~(14) the total cost of the program per participant;~~

43.22 ~~(15) the cost per credential received by a participant; and~~

43.23 ~~(16) the administrative cost of the program.~~

43.24 (b) The report to the legislature must contain participant information by education level,
43.25 race and ethnicity, gender, and geography, and a comparison of exited participants who
43.26 completed training and those who did not.

43.27 (c) The requirements of this section apply to programs administered directly by the
43.28 commissioner or administered by other organizations under a grant made by the department.

44.1 **Sec. 15. CANADIAN BORDER COUNTIES ECONOMIC RELIEF PROGRAM.**

44.2 **Subdivision 1. Relief program established.** The Northland Foundation and the Northwest
44.3 Minnesota Foundation must develop and implement a Canadian border counties economic
44.4 relief program to assist businesses adversely affected by the 2021 closure of the Boundary
44.5 Waters Canoe Area Wilderness or the closures of the Canadian border since 2020.

44.6 **Subd. 2. Available relief.** (a) The economic relief program established under this section
44.7 may include grants provided in this section to the extent that funds are available. Before
44.8 awarding grants to the Northland Foundation and the Northwest Minnesota Foundation for
44.9 the relief program under this section:

44.10 (1) the Northland Foundation and the Northwest Minnesota Foundation must develop
44.11 criteria, procedures, and requirements for:

44.12 (i) determining eligibility for assistance;

44.13 (ii) evaluating applications for assistance;

44.14 (iii) awarding assistance; and

44.15 (iv) administering the grant program authorized under this section;

44.16 (2) the Northland Foundation and the Northwest Minnesota Foundation must submit
44.17 criteria, procedures, and requirements developed under clause (1) to the commissioner of
44.18 employment and economic development for review; and

44.19 (3) the commissioner must approve the criteria, procedures, and requirements submitted
44.20 under clause (2).

44.21 (b) The maximum grant to a business under this section is \$50,000 per business.

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

44.24 (1) be located within a county that shares a border with Canada;

44.25 (2) document a reduction of at least 20 percent in gross receipts in 2021 compared to
44.26 2019; and

44.27 (3) provide a written explanation for how the 2021 closure of the Boundary Waters
44.28 Canoe Area Wilderness or the closures of the Canadian border since 2020 resulted in the
44.29 reduction in gross receipts documented under clause (2).

45.1 Subd. 4. **Monitoring.** (a) The Northland Foundation and the Northwest Minnesota
45.2 Foundation must establish performance measures, including but not limited to the following
45.3 components:

45.4 (1) the number of grants awarded and award amounts for each grant;

45.5 (2) the number of jobs created or retained as a result of the assistance, including
45.6 information on the wages and benefit levels, the status of the jobs as full time or part time,
45.7 and the status of the jobs as temporary or permanent;

45.8 (3) the amount of business activity and changes in gross revenues of the grant recipient
45.9 as a result of the assistance; and

45.10 (4) the new tax revenue generated as a result of the assistance.

45.11 (b) The commissioner of employment and economic development must monitor the
45.12 Northland Foundation's and the Northwest Minnesota Foundation's compliance with this
45.13 section and the performance measures developed under paragraph (a).

45.14 (c) The Northland Foundation and the Northwest Minnesota Foundation must comply
45.15 with all requests made by the commissioner under this section.

45.16 Subd. 5. **Business subsidy requirements.** Minnesota Statutes, sections 116J.993 to
45.17 116J.995, do not apply to assistance under this section. Businesses in receipt of assistance
45.18 under this section must provide for job creation and retention goals and wage and benefit
45.19 goals.

45.20 Subd. 6. **Administrative costs.** The commissioner of employment and economic
45.21 development may use up to three percent of the appropriation made for this section for
45.22 administrative expenses of the department.

45.23 **EFFECTIVE DATE.** This section is effective July 1, 2022, and expires June 30, 2023.

45.24 Sec. 16. **SMALL BUSINESS RECOVERY GRANT PROGRAM.**

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

45.27 (b) "Business" means both for-profit businesses and nonprofit organizations that earn
45.28 revenue in ways similar to businesses, including but not limited to ticket sales and
45.29 membership fees.

45.30 (c) "Commissioner" means the commissioner of employment and economic development.

46.1 (d) "Partner organization" or "partner" means the Minnesota Initiative Foundations and
46.2 nonprofit corporations on the certified lenders list that the commissioner determines to be
46.3 qualified to provide grants to businesses under this section.

46.4 (e) "Program" means the small business recovery grant program under this section.

46.5 Subd. 2. **Establishment.** The commissioner shall establish the small business recovery
46.6 grant program to make grants to partner organizations to provide grants to businesses that
46.7 have been directly or indirectly impacted by the COVID-19 pandemic and other economic
46.8 challenges.

46.9 Subd. 3. **Grants to partner organizations.** (a) The commissioner shall make grants to
46.10 partner organizations to provide grants to businesses under subdivision 4 using criteria,
46.11 forms, applications, and reporting requirements developed by the commissioner.

46.12 (b) The commissioner must, to the degree practical, grant an equal amount of money to
46.13 partner organizations serving the seven-county metropolitan area, as defined under Minnesota
46.14 Statutes, section 473.121, subdivision 2, as the commissioner grants to organizations serving
46.15 greater Minnesota.

46.16 (c) Up to four percent of a grant under this subdivision may be used by the partner
46.17 organization for administration and monitoring of the program.

46.18 (d) Any money not spent by partner organizations by December 31, 2023, must be
46.19 returned to the commissioner and canceled back to the general fund.

46.20 Subd. 4. **Grants to businesses.** (a) Partners shall make grants to businesses using criteria,
46.21 forms, applications, and reporting requirements developed by the commissioner.

46.22 (b) To be eligible for a grant under this subdivision, a business must:

46.23 (1) have primary business operations located in Minnesota;

46.24 (2) be at least 50 percent owned by a resident of Minnesota;

46.25 (3) employ the equivalent of 50 full-time workers or less;

46.26 (4) be able to demonstrate financial hardship during 2021 or 2022;

46.27 (5) include as part of the application a business plan for continued operation; and

46.28 (6) primarily do business in one or more of the industries listed under subdivision 5.

46.29 (c) Grants under this subdivision shall be awarded by randomized selection process after
46.30 applications are collected over a period of no more than ten calendar days.

46.31 (d) Grants under this subdivision must be for up to \$25,000 per business.

47.1 (e) No business may receive more than one grant under this section.

47.2 (f) Grant money must be used for working capital to support payroll expenses, rent or
47.3 mortgage payments, utility bills, and other similar expenses that occur or have occurred
47.4 since January 1, 2022, in the regular course of business, but not to refinance debt that existed
47.5 at the time of the governor's COVID-19 peacetime emergency declaration.

47.6 Subd. 5. **Eligible industries.** To be eligible for a grant under subdivision 4, a business
47.7 must primarily do business in one or more of the following industries:

47.8 (1) serving food or beverages, such as restaurants, cafes, bars, breweries, wineries, and
47.9 distilleries;

47.10 (2) personal services, such as hair care, nail care, skin care, or massage;

47.11 (3) indoor entertainment, such as a business providing arcade games, escape rooms, or
47.12 indoor trampoline parks;

47.13 (4) indoor fitness and recreational sports centers, such as gyms, fitness studios, indoor
47.14 ice rinks, and indoor swimming pools;

47.15 (5) wellness and recreation, such as the teaching of yoga, dance, or martial arts;

47.16 (6) catering services;

47.17 (7) temporary lodging, such as hotels and motels; or

47.18 (8) performance venues.

47.19 Subd. 6. **Distribution of awards.** Of grant funds awarded under subdivision 4, a
47.20 minimum of:

47.21 (1) \$5,000,000 must be awarded to businesses that employ the equivalent of six full-time
47.22 workers or less;

47.23 (2) \$3,500,000 must be awarded to minority business enterprises, as defined in Minnesota
47.24 Statutes, section 116M.14, subdivision 5;

47.25 (3) \$1,000,000 must be awarded to businesses that are majority owned and operated by
47.26 veterans as defined in Minnesota Statutes, section 197.447; and

47.27 (4) \$1,000,000 must be awarded to businesses that are majority owned and operated by
47.28 women.

47.29 Subd. 7. **Exemptions.** All grants and grant-making processes under this section are
47.30 exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98,
47.31 subdivisions 5, 7, and 8. The commissioner must audit the use of grant money under this

48.1 section in accordance with standard accounting practices. This subdivision expires on
48.2 December 31, 2023.

48.3 Subd. 8. **Reports.** (a) By January 31, 2024, partner organizations participating in the
48.4 program must provide a report to the commissioner that includes descriptions of the
48.5 businesses supported by the program, the amounts granted, and an explanation of
48.6 administrative expenses.

48.7 (b) By February 15, 2024, the commissioner must report to the legislative committees
48.8 in the house of representatives and senate with jurisdiction over economic development
48.9 about grants made under this section based on the information received under paragraph
48.10 (a).

48.11 **Sec. 17. ENCUMBRANCE EXCEPTION.**

48.12 Notwithstanding Minnesota Statutes, section 16B.98, subdivision 5, paragraph (a), clause
48.13 (2), or 16C.05, subdivision 2, paragraph (a), clause (3), the commissioner of employment
48.14 and economic development may permit grant recipients of the Minnesota investment fund
48.15 program under Minnesota Statutes, section 116J.8731; the job creation fund program under
48.16 Minnesota Statutes, section 116J.8748; and the border-to-border broadband program under
48.17 Minnesota Statutes, section 116J.395, to incur eligible expenses based on an agreed upon
48.18 work plan and budget for up to 90 days prior to an encumbrance being established in the
48.19 accounting system.

48.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
48.21 expires on June 30, 2025.

48.22 **Sec. 18. REPEALER.**

48.23 Minnesota Statutes 2021 Supplement, section 116J.9924, subdivision 6, is repealed.

48.24 **ARTICLE 3**

48.25 **FAMILY AND MEDICAL BENEFITS**

48.26 **Section 1.** Minnesota Statutes 2020, section 13.719, is amended by adding a subdivision
48.27 to read:

48.28 Subd. 7. **Family and medical insurance data.** (a) For the purposes of this subdivision,
48.29 the terms used have the meanings given them in section 268B.01.

48.30 (b) Data on applicants, family members, or employers under chapter 268B are private
48.31 or nonpublic data, provided that the department may share data collected from applicants

49.1 with employers or health care providers to the extent necessary to meet the requirements
49.2 of chapter 268B or other applicable law.

49.3 (c) The department and the Department of Labor and Industry may share data classified
49.4 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or
49.5 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided
49.6 in section 177.27.

49.7 Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

49.8 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
49.9 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
49.10 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
49.11 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and
49.12 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The
49.13 commissioner shall issue an order requiring an employer to comply with sections 177.41
49.14 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
49.15 repeated if at any time during the two years that preceded the date of violation, the
49.16 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
49.17 and the order is final or the commissioner and the employer have entered into a settlement
49.18 agreement that required the employer to pay back wages that were required by sections
49.19 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
49.20 authorized representative in person or by certified mail at the employer's place of business.
49.21 An employer who wishes to contest the order must file written notice of objection to the
49.22 order with the commissioner within 15 calendar days after being served with the order. A
49.23 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
49.24 If, within 15 calendar days after being served with the order, the employer fails to file a
49.25 written notice of objection with the commissioner, the order becomes a final order of the
49.26 commissioner.

49.27 Sec. 3. Minnesota Statutes 2020, section 181.032, is amended to read:

49.28 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
49.29 **TO EMPLOYEE.**

49.30 (a) At the end of each pay period, the employer shall provide each employee an earnings
49.31 statement, either in writing or by electronic means, covering that pay period. An employer
49.32 who chooses to provide an earnings statement by electronic means must provide employee
49.33 access to an employer-owned computer during an employee's regular working hours to

50.1 review and print earnings statements, and must make statements available for review or
50.2 printing for a period of three years.

50.3 (b) The earnings statement may be in any form determined by the employer but must
50.4 include:

50.5 (1) the name of the employee;

50.6 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by
50.7 hour, shift, day, week, salary, piece, commission, or other method;

50.8 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

50.9 (4) the total number of hours worked by the employee unless exempt from chapter 177;

50.10 (5) the total amount of gross pay earned by the employee during that period;

50.11 (6) a list of deductions made from the employee's pay;

50.12 (7) any amount deducted by the employer under section 268B.14, subdivision 3, and
50.13 the amount paid by the employer based on the employee's wages under section 268B.14,
50.14 subdivision 1;

50.15 ~~(7)~~ (8) the net amount of pay after all deductions are made;

50.16 ~~(8)~~ (9) the date on which the pay period ends;

50.17 ~~(9)~~ (10) the legal name of the employer and the operating name of the employer if
50.18 different from the legal name;

50.19 ~~(10)~~ (11) the physical address of the employer's main office or principal place of business,
50.20 and a mailing address if different; and

50.21 ~~(11)~~ (12) the telephone number of the employer.

50.22 (c) An employer must provide earnings statements to an employee in writing, rather
50.23 than by electronic means, if the employer has received at least 24 hours notice from an
50.24 employee that the employee would like to receive earnings statements in written form. Once
50.25 an employer has received notice from an employee that the employee would like to receive
50.26 earnings statements in written form, the employer must comply with that request on an
50.27 ongoing basis.

50.28 (d) At the start of employment, an employer shall provide each employee a written notice
50.29 containing the following information:

51.1 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
51.2 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
51.3 application of any additional rates;

51.4 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

51.5 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;

51.6 (4) the employee's employment status and whether the employee is exempt from minimum
51.7 wage, overtime, and other provisions of chapter 177, and on what basis;

51.8 (5) a list of deductions that may be made from the employee's pay;

51.9 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay
51.10 day on which the employee will receive the first payment of wages earned;

51.11 (7) the legal name of the employer and the operating name of the employer if different
51.12 from the legal name;

51.13 (8) the physical address of the employer's main office or principal place of business, and
51.14 a mailing address if different; and

51.15 (9) the telephone number of the employer.

51.16 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
51.17 employee acknowledging receipt of the notice. The notice must be provided to each employee
51.18 in English. The English version of the notice must include text provided by the commissioner
51.19 that informs employees that they may request, by indicating on the form, the notice be
51.20 provided in a particular language. If requested, the employer shall provide the notice in the
51.21 language requested by the employee. The commissioner shall make available to employers
51.22 the text to be included in the English version of the notice required by this section and assist
51.23 employers with translation of the notice in the languages requested by their employees.

51.24 (f) An employer must provide the employee any written changes to the information
51.25 contained in the notice under paragraph (d) prior to the date the changes take effect.

51.26 Sec. 4. Minnesota Statutes 2020, section 268.19, subdivision 1, is amended to read:

51.27 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
51.28 any person under the administration of the Minnesota Unemployment Insurance Law are
51.29 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
51.30 subdivisions 9 and 12, and may not be disclosed except according to a district court order
51.31 or section 13.05. A subpoena is not considered a district court order. These data may be

52.1 disseminated to and used by the following agencies without the consent of the subject of
52.2 the data:

52.3 (1) state and federal agencies specifically authorized access to the data by state or federal
52.4 law;

52.5 (2) any agency of any other state or any federal agency charged with the administration
52.6 of an unemployment insurance program;

52.7 (3) any agency responsible for the maintenance of a system of public employment offices
52.8 for the purpose of assisting individuals in obtaining employment;

52.9 (4) the public authority responsible for child support in Minnesota or any other state in
52.10 accordance with section 256.978;

52.11 (5) human rights agencies within Minnesota that have enforcement powers;

52.12 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
52.13 laws;

52.14 (7) public and private agencies responsible for administering publicly financed assistance
52.15 programs for the purpose of monitoring the eligibility of the program's recipients;

52.16 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
52.17 Department of Commerce for uses consistent with the administration of their duties under
52.18 Minnesota law;

52.19 (9) the Department of Human Services and the Office of Inspector General and its agents
52.20 within the Department of Human Services, including county fraud investigators, for
52.21 investigations related to recipient or provider fraud and employees of providers when the
52.22 provider is suspected of committing public assistance fraud;

52.23 (10) local and state welfare agencies for monitoring the eligibility of the data subject
52.24 for assistance programs, or for any employment or training program administered by those
52.25 agencies, whether alone, in combination with another welfare agency, or in conjunction
52.26 with the department or to monitor and evaluate the statewide Minnesota family investment
52.27 program by providing data on recipients and former recipients of Supplemental Nutrition
52.28 Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or
52.29 256K, child care assistance under chapter 119B, or medical programs under chapter 256B
52.30 or 256L or formerly codified under chapter 256D;

53.1 (11) local and state welfare agencies for the purpose of identifying employment, wages,
53.2 and other information to assist in the collection of an overpayment debt in an assistance
53.3 program;

53.4 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
53.5 the last known address and employment location of an individual who is the subject of a
53.6 criminal investigation;

53.7 (13) the United States Immigration and Customs Enforcement has access to data on
53.8 specific individuals and specific employers provided the specific individual or specific
53.9 employer is the subject of an investigation by that agency;

53.10 (14) the Department of Health for the purposes of epidemiologic investigations;

53.11 (15) the Department of Corrections for the purposes of case planning and internal research
53.12 for preprobation, probation, and postprobation employment tracking of offenders sentenced
53.13 to probation and preconfinement and postconfinement employment tracking of committed
53.14 offenders;

53.15 (16) the state auditor to the extent necessary to conduct audits of job opportunity building
53.16 zones as required under section 469.3201; ~~and~~

53.17 (17) the Office of Higher Education for purposes of supporting program improvement,
53.18 system evaluation, and research initiatives including the Statewide Longitudinal Education
53.19 Data System; and

53.20 (18) the Family and Medical Benefits Division of the Department of Employment and
53.21 Economic Development to be used as necessary to administer chapter 268B.

53.22 (b) Data on individuals and employers that are collected, maintained, or used by the
53.23 department in an investigation under section 268.182 are confidential as to data on individuals
53.24 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
53.25 and 13, and must not be disclosed except under statute or district court order or to a party
53.26 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

53.27 (c) Data gathered by the department in the administration of the Minnesota unemployment
53.28 insurance program must not be made the subject or the basis for any suit in any civil
53.29 proceedings, administrative or judicial, unless the action is initiated by the department.

53.30 Sec. 5. [268B.01] DEFINITIONS.

53.31 Subdivision 1. Scope. For the purposes of this chapter, the terms defined in this section
53.32 have the meanings given.

54.1 Subd. 2. **Applicant.** "Applicant" means an individual applying for leave with benefits
 54.2 under this chapter.

54.3 Subd. 3. **Applicant's average weekly wage.** "Applicant's average weekly wage" means
 54.4 an amount equal to the applicant's high quarter wage credits divided by 13.

54.5 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 54.6 means the most recent four completed calendar quarters before the effective date of an
 54.7 applicant's application for family or medical leave benefits if the application has an effective
 54.8 date occurring after the month following the most recent completed calendar quarter. The
 54.9 base period under this paragraph is as follows:

54.10 <u>If the application for family or medical leave</u> 54.11 <u>benefits is effective on or between these</u> 54.12 <u>dates:</u>	<u>The base period is the prior:</u>
54.13 <u>February 1 to March 31</u>	<u>January 1 to December 31</u>
54.14 <u>May 1 to June 30</u>	<u>April 1 to March 31</u>
54.15 <u>August 1 to September 30</u>	<u>July 1 to June 30</u>
54.16 <u>November 1 to December 31</u>	<u>October 1 to September 30</u>

54.17 (b) If an application for family or medical leave benefits has an effective date that is
 54.18 during the month following the most recent completed calendar quarter, then the base period
 54.19 is the first four of the most recent five completed calendar quarters before the effective date
 54.20 of an applicant's application for family or medical leave benefits. The base period under
 54.21 this paragraph is as follows:

54.22 <u>If the application for family or medical leave</u> 54.23 <u>benefits is effective on or between these</u> 54.24 <u>dates:</u>	<u>The base period is the prior:</u>
54.25 <u>January 1 to January 31</u>	<u>October 1 to September 30</u>
54.26 <u>April 1 to April 30</u>	<u>January 1 to December 31</u>
54.27 <u>July 1 to July 31</u>	<u>April 1 to March 31</u>
54.28 <u>October 1 to October 31</u>	<u>July 1 to June 30</u>

54.29 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
 54.30 completed calendar quarters must be used if the applicant would have more wage credits
 54.31 under that base period than under a base period of the four most recent completed calendar
 54.32 quarters.

54.33 (d) If the applicant has insufficient wage credits to establish a benefit account under a
 54.34 base period of the four most recent completed calendar quarters, or a base period of the first
 54.35 four of the most recent five completed calendar quarters, but during either base period the
 54.36 applicant received workers' compensation for temporary disability under chapter 176 or a

55.1 similar federal law or similar law of another state, or if the applicant whose own serious
55.2 illness caused a loss of work for which the applicant received compensation for loss of
55.3 wages from some other source, the applicant may request a base period as follows:

55.4 (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a
55.5 base period referred to in paragraph (a) or (b), then the base period is the first four of the
55.6 most recent six completed calendar quarters before the effective date of the application for
55.7 family or medical leave benefits;

55.8 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base
55.9 period referred to in paragraph (a) or (b), then the base period is the first four of the most
55.10 recent seven completed calendar quarters before the effective date of the application for
55.11 family or medical leave benefits;

55.12 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base
55.13 period referred to in paragraph (a) or (b), then the base period is the first four of the most
55.14 recent eight completed calendar quarters before the effective date of the application for
55.15 family or medical leave benefits; and

55.16 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base
55.17 period referred to in paragraph (a) or (b), then the base period is the first four of the most
55.18 recent nine completed calendar quarters before the effective date of the application for
55.19 family or medical leave benefits.

55.20 Subd. 5. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter
55.21 associated with qualifying bonding, family care, pregnancy, serious health condition,
55.22 qualifying exigency, or safety leave events, unless otherwise indicated by context.

55.23 Subd. 6. **Benefit account.** "Benefit account" means a benefit account established under
55.24 section 268B.04.

55.25 Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning
55.26 the date a benefit account under section 268B.04 is effective. For a benefit account established
55.27 effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of
55.28 53 calendar weeks.

55.29 Subd. 8. **Bonding.** "Bonding" means time spent by an applicant who is a biological,
55.30 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the
55.31 child's birth, adoption, or placement.

55.32 Subd. 9. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period
55.33 corresponding to a single calendar date.

56.1 Subd. 10. **Calendar quarter.** "Calendar quarter" means the period of three consecutive
56.2 calendar months ending on March 31, June 30, September 30, or December 31.

56.3 Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under
56.4 subdivision 46.

56.5 Subd. 12. **Commissioner.** "Commissioner" means the commissioner of employment
56.6 and economic development, unless otherwise indicated by context.

56.7 Subd. 13. **Covered employment.** (a) "Covered employment" means performing services
56.8 of whatever nature, unlimited by the relationship of master and servant as known to the
56.9 common law, or any other legal relationship performed for wages or under any contract
56.10 calling for the performance of services, written or oral, express or implied.

56.11 (b) "Employment" includes an individual's entire service performed within or without
56.12 or both within and without this state, if:

56.13 (1) the service is localized in this state; or

56.14 (2) the service is not localized in any state, but some of the service is performed in this
56.15 state and:

56.16 (i) the base of operations of the employee is in the state, or if there is no base of
56.17 operations, then the place from which such service is directed or controlled is in this state;
56.18 or

56.19 (ii) the base of operations or place from which such service is directed or controlled is
56.20 not in any state in which some part of the service is performed, but the individual's residence
56.21 is in this state.

56.22 (c) "Covered employment" does not include:

56.23 (1) a self-employed individual; or

56.24 (2) an independent contractor.

56.25 Subd. 14. **Department.** "Department" means the Department of Employment and
56.26 Economic Development, unless otherwise indicated by context.

56.27 Subd. 15. **Employee.** (a) "Employee" means an individual who is in the employment of
56.28 an employer.

56.29 (b) Employee does not include employees of the United States of America.

56.30 Subd. 16. **Employer.** (a) "Employer" means:

57.1 (1) any person, type of organization, or entity, including any partnership, association,
57.2 trust, estate, joint stock company, insurance company, limited liability company, or
57.3 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or
57.4 the legal representative of a deceased person, having any individual in covered employment;

57.5 (2) the state, statewide system, and state agencies; and

57.6 (3) any local government entity, including but not limited to a county, city, town, school
57.7 district, municipal corporation, quasimunicipal corporation, or other political subdivision.

57.8 An employer also includes charter schools.

57.9 (b) Employer does not include:

57.10 (1) the United States of America; or

57.11 (2) a self-employed individual who has elected and been approved for coverage under
57.12 section 268B.11 with regard to the self-employed individual's own coverage and benefits.

57.13 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
57.14 means a self-employed individual's average net earnings from self-employment in the two
57.15 most recent taxable years. For a self-employed individual who had net earnings from
57.16 self-employment in only one of the years, the individual's estimated self-employment income
57.17 equals the individual's net earnings from self-employment in the year in which the individual
57.18 had net earnings from self-employment.

57.19 Subd. 18. **Family and medical benefit insurance account.** "Family and medical benefit
57.20 insurance account" means the family and medical benefit insurance account in the special
57.21 revenue fund in the state treasury under section 268B.02.

57.22 Subd. 19. **Family and medical benefit insurance enforcement account.** "Family and
57.23 medical benefit insurance enforcement account" means the family and medical benefit
57.24 insurance enforcement account in the state treasury under section 268B.185.

57.25 Subd. 20. **Family benefit program.** "Family benefit program" means the program
57.26 administered under this chapter for the collection of premiums and payment of benefits
57.27 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

57.28 Subd. 21. **Family care.** "Family care" means an applicant caring for a family member
57.29 with a serious health condition or caring for a family member who is a covered service
57.30 member.

57.31 Subd. 22. **Family member.** (a) "Family member" means, with respect to an employee:

58.1 (1) a spouse, including a domestic partner in a civil union or other registered domestic
58.2 partnership recognized by the state, and a spouse's parent;

58.3 (2) a child and a child's spouse;

58.4 (3) a parent and a parent's spouse;

58.5 (4) a sibling and a sibling's spouse;

58.6 (5) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and

58.7 (6) any other individual who is related by blood or affinity and whose association with
58.8 the employee is equivalent of a family relationship. For the purposes of this clause, with
58.9 respect to an employee, this includes but is not limited to:

58.10 (i) a child of a sibling of the employee;

58.11 (ii) a sibling of the parents of the employee;

58.12 (iii) a child-in-law, a parent-in-law, a sibling-in-law, and a grandparent-in-law; and

58.13 (iv) an individual who has resided at the same address as the employee for at least one
58.14 year as of the first day of leave under this chapter.

58.15 (b) For the purposes of this chapter, a child includes a stepchild; biological, adopted, or
58.16 foster child of the employee; or a child for whom the employee is standing in loco parentis.

58.17 (c) For the purposes of this chapter, a grandchild includes a step-grandchild or biological,
58.18 adopted, or foster grandchild of the employee.

58.19 Subd. 23. **Health care provider.** "Health care provider" means:

58.20 (1) an individual who is licensed, certified, or otherwise authorized under law to practice
58.21 in the individual's scope of practice as a physician, osteopath, surgeon, or advanced practice
58.22 registered nurse; or

58.23 (2) any other individual determined by the commissioner by rule, in accordance with
58.24 the rulemaking procedures in the Administrative Procedure Act, to be capable of providing
58.25 health care services.

58.26 Subd. 24. **High quarter.** "High quarter" means the calendar quarter in an applicant's
58.27 base period with the highest amount of wage credits.

58.28 Subd. 25. **Incapacity.** "Incapacity" means inability to perform regular work, attend
58.29 school, or fully perform other regular daily activities due to a serious health condition,
58.30 treatment therefore, or recovery therefrom.

59.1 Subd. 26. **Independent contractor.** (a) If there is an existing specific test or definition
59.2 for independent contractor in Minnesota statute or rule applicable to an occupation or sector
59.3 as of the date of enactment of this chapter, that test or definition shall apply to that occupation
59.4 or sector for purposes of this chapter. If there is not an existing test or definition as described,
59.5 the definition for independent contractor shall be as provided in this subdivision.

59.6 (b) An individual is an independent contractor and not an employee of the person for
59.7 whom the individual is performing services in the course of the person's trade, business,
59.8 profession, or occupation only if:

59.9 (1) the individual maintains a separate business with the individual's own office,
59.10 equipment, materials, and other facilities;

59.11 (2) the individual:

59.12 (i) holds or has applied for a federal employer identification number; or

59.13 (ii) has filed business or self-employment income tax returns with the federal Internal
59.14 Revenue Service if the individual has performed services in the previous year;

59.15 (3) the individual is operating under contract to perform the specific services for the
59.16 person for specific amounts of money and under which the individual controls the means
59.17 of performing the services;

59.18 (4) the individual is incurring the main expenses related to the services that the individual
59.19 is performing for the person under the contract;

59.20 (5) the individual is responsible for the satisfactory completion of the services that the
59.21 individual has contracted to perform for the person and is liable for a failure to complete
59.22 the services;

59.23 (6) the individual receives compensation from the person for the services performed
59.24 under the contract on a commission or per-job or competitive bid basis and not on any other
59.25 basis;

59.26 (7) the individual may realize a profit or suffer a loss under the contract to perform
59.27 services for the person;

59.28 (8) the individual has continuing or recurring business liabilities or obligations; and

59.29 (9) the success or failure of the individual's business depends on the relationship of
59.30 business receipts to expenditures.

60.1 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,
60.2 subdivision 6, is an independent contractor of an insurance company, as defined in section
60.3 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

60.4 Subd. 27. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
60.5 or residential medical care facility, including any period of incapacity, or any subsequent
60.6 treatment in connection with such inpatient care.

60.7 Subd. 28. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
60.8 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

60.9 Subd. 29. **Medical benefit program.** "Medical benefit program" means the program
60.10 administered under this chapter for the collection of premiums and payment of benefits
60.11 related to an applicant's serious health condition or pregnancy.

60.12 Subd. 30. **Net earnings from self-employment.** "Net earnings from self-employment"
60.13 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
60.14 290.01, subdivision 31.

60.15 Subd. 31. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy
60.16 or recovery from childbirth, still birth, miscarriage, or related health conditions.

60.17 Subd. 32. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
60.18 a military member's active duty service or notice of an impending call or order to active
60.19 duty in the United States armed forces, including providing for the care or other needs of
60.20 the family member's child or other dependent, making financial or legal arrangements for
60.21 the family member, attending counseling, attending military events or ceremonies, spending
60.22 time with the family member during a rest and recuperation leave or following return from
60.23 deployment, or making arrangements following the death of the military member.

60.24 (b) For the purposes of this chapter, a "military member" means a current or former
60.25 member of the United States armed forces, including a member of the National Guard or
60.26 reserves, who, except for a deceased military member, is a resident of the state and is a
60.27 family member of the employee taking leave related to the qualifying exigency.

60.28 Subd. 33. **Safety leave.** "Safety leave" means leave from work because of domestic
60.29 abuse, sexual assault, or stalking of the employee or employee's family member, provided
60.30 the leave is to:

60.31 (1) seek medical attention related to the physical or psychological injury or disability
60.32 caused by domestic abuse, sexual assault, or stalking;

60.33 (2) obtain services from a victim services organization;

61.1 (3) obtain psychological or other counseling;

61.2 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

61.3 (5) seek legal advice or take legal action, including preparing for or participating in any
61.4 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual
61.5 assault, or stalking.

61.6 Subd. 34. **Self-employed individual.** "Self-employed individual" means a resident of
61.7 the state who, in one of the two taxable years preceding the current calendar year, derived
61.8 at least \$10,000 in net earnings from self-employment from an entity other than an S
61.9 corporation for the performance of services in this state.

61.10 Subd. 35. **Self-employment premium base.** "Self-employment premium base" means
61.11 the lesser of:

61.12 (1) a self-employed individual's estimated self-employment income for the calendar year
61.13 plus the individual's self-employment wages in the calendar year; or

61.14 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
61.15 Insurance tax in the taxable year.

61.16 Subd. 36. **Self-employment wages.** "Self-employment wages" means the amount of
61.17 wages that a self-employed individual earned in the calendar year from an entity from which
61.18 the individual also received net earnings from self-employment.

61.19 Subd. 37. **Serious health condition.** (a) "Serious health condition" means a physical or
61.20 mental illness, injury, impairment, condition, or substance use disorder that involves:

61.21 (1) at-home care or inpatient care in a hospital, hospice, or residential medical care
61.22 facility, including any period of incapacity; or

61.23 (2) continuing treatment or supervision by a health care provider which includes any
61.24 one or more of the following:

61.25 (i) a period of incapacity of more than three consecutive, full calendar days, and any
61.26 subsequent treatment or period of incapacity relating to the same condition, that also involves:

61.27 (A) treatment two or more times by a health care provider or by a provider of health
61.28 care services under orders of, or on referral by, a health care provider; or

61.29 (B) treatment by a health care provider on at least one occasion that results in a regimen
61.30 of continuing treatment under the supervision of the health care provider;

61.31 (ii) a period of incapacity due to pregnancy, or for prenatal care;

62.1 (iii) a period of incapacity or treatment for a chronic health condition that:

62.2 (A) requires periodic visits, defined as at least twice a year, for treatment by a health
62.3 care provider or under orders of, or on referral by, a health care provider;

62.4 (B) continues over an extended period of time, including recurring episodes of a single
62.5 underlying condition; and

62.6 (C) may cause episodic rather than continuing periods of incapacity;

62.7 (iv) a period of incapacity which is permanent or long term due to a condition for which
62.8 treatment may not be effective. The employee or family member must be under the continuing
62.9 supervision of, but need not be receiving active treatment by, a health care provider; or

62.10 (v) a period of absence to receive multiple treatments, including any period of recovery
62.11 from the treatments, by a health care provider or by a provider of health care services under
62.12 orders of, or on referral by, a health care provider, for:

62.13 (A) restorative surgery after an accident or other injury; or

62.14 (B) a condition that would likely result in a period of incapacity of more than three
62.15 consecutive, full calendar days in the absence of medical intervention or treatment.

62.16 (b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care
62.17 provider means an in-person visit or telemedicine visit with a health care provider, or by a
62.18 provider of health care services under orders of, or on referral by, a health care provider.

62.19 (c) For the purposes of paragraph (a), treatment includes but is not limited to examinations
62.20 to determine if a serious health condition exists and evaluations of the condition.

62.21 (d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii),
62.22 qualify for leave under this chapter even if the employee or the family member does not
62.23 receive treatment from a health care provider during the absence, and even if the absence
62.24 does not last more than three consecutive, full calendar days.

62.25 Subd. 38. **State's average weekly wage.** "State's average weekly wage" means the
62.26 weekly wage calculated under section 268.035, subdivision 23.

62.27 Subd. 39. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:

62.28 (1) a payment made by an employer to an employee as salary continuation or as paid
62.29 time off. Such a payment must be in addition to any family or medical leave benefits the
62.30 employee is receiving under this chapter; and

63.1 (2) a payment offered by an employer to an employee who is taking leave under this
63.2 chapter to supplement the family or medical leave benefits the employee is receiving.

63.3 (b) Employers may, but are not required to, designate certain benefits including but not
63.4 limited to salary continuation, vacation leave, sick leave, or other paid time off as a
63.5 supplemental benefit payment.

63.6 (c) Nothing in this chapter requires an employee to receive supplemental benefit
63.7 payments.

63.8 Subd. 40. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
63.9 subdivision 9.

63.10 Subd. 41. **Taxable wages.** "Taxable wages" means those wages paid to an employee in
63.11 covered employment each calendar year up to an amount equal to the maximum wages
63.12 subject to premium in a calendar year, which is equal to the maximum earnings in that year
63.13 subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest
63.14 \$1,000.

63.15 Subd. 42. **Typical workweek hours.** "Typical workweek hours" means:

63.16 (1) for an hourly employee, the average number of hours worked per week by an
63.17 employee within the high quarter during the base year; or

63.18 (2) 40 hours for a salaried employee, regardless of the number of hours the salaried
63.19 employee typically works.

63.20 Subd. 43. **Wage credits.** "Wage credits" means the amount of wages paid within an
63.21 applicant's base period for covered employment, as defined in subdivision 13.

63.22 Subd. 44. **Wage detail report.** "Wage detail report" means the report on each employee
63.23 in covered employment required from an employer on a calendar quarter basis under section
63.24 268B.12.

63.25 Subd. 45. **Wages.** (a) "Wages" means all compensation for employment, including
63.26 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
63.27 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
63.28 a customer of an employer and accounted for by the employee to the employer; sickness
63.29 and accident disability payments, except as otherwise provided in this subdivision; and the
63.30 cash value of housing, utilities, meals, exchanges of services, and any other goods and
63.31 services provided to compensate an employee, except:

64.1 (1) the amount of any payment made to, or on behalf of, an employee under a plan
64.2 established by an employer that makes provision for employees generally or for a class or
64.3 classes of employees, including any amount paid by an employer for insurance or annuities,
64.4 or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and
64.5 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

64.6 (2) the payment by an employer of the tax imposed upon an employee under United
64.7 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect
64.8 to compensation paid to an employee for domestic employment in a private household of
64.9 the employer or for agricultural employment;

64.10 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a
64.11 trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue
64.12 Code, that is exempt from tax under section 501(a) at the time of the payment unless the
64.13 payment is made to an employee of the trust as compensation for services as an employee
64.14 and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of
64.15 the payment, is a plan described in section 403(a);

64.16 (4) the value of any special discount or markdown allowed to an employee on goods
64.17 purchased from or services supplied by the employer where the purchases are optional and
64.18 do not constitute regular or systematic payment for services;

64.19 (5) customary and reasonable directors' fees paid to individuals who are not otherwise
64.20 employed by the corporation of which they are directors;

64.21 (6) the payment to employees for reimbursement of meal expenses when employees are
64.22 required to perform work after their regular hours;

64.23 (7) the payment into a trust or plan for purposes of providing legal or dental services if
64.24 provided for all employees generally or for a class or classes of employees;

64.25 (8) the value of parking facilities provided or paid for by an employer, in whole or in
64.26 part, if provided for all employees generally or for a class or classes of employees;

64.27 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other
64.28 right;

64.29 (10) advances or reimbursements for traveling or other ordinary and necessary expenses
64.30 incurred or reasonably expected to be incurred in the business of the employer. Traveling
64.31 and other reimbursed expenses must be identified either by making separate payments or
64.32 by specifically indicating the separate amounts where both wages and expense allowances
64.33 are combined in a single payment;

65.1 (11) residual payments to radio, television, and similar artists that accrue after the
65.2 production of television commercials, musical jingles, spot announcements, radio
65.3 transcriptions, film soundtracks, and similar activities;

65.4 (12) the income to a former employee resulting from the exercise of a nonqualified stock
65.5 option;

65.6 (13) supplemental unemployment benefit payments under a plan established by an
65.7 employer, if the payment is not wages under the Federal Unemployment Tax Act. The
65.8 payments are wages unless made solely for the supplementing of weekly state or federal
65.9 unemployment benefits. Supplemental unemployment benefit payments may not be assigned,
65.10 nor may any consideration be required from the applicant, other than a release of claims in
65.11 order to be excluded from wages;

65.12 (14) sickness or accident disability payments made by the employer after the expiration
65.13 of six calendar months following the last calendar month that the individual worked for the
65.14 employer;

65.15 (15) disability payments made under the provisions of any workers' compensation law;

65.16 (16) sickness or accident disability payments made by a third-party payer such as an
65.17 insurance company; or

65.18 (17) payments made into a trust fund, or for the purchase of insurance or an annuity, to
65.19 provide for sickness or accident disability payments to employees under a plan or system
65.20 established by the employer that provides for the employer's employees generally or for a
65.21 class or classes of employees.

65.22 (b) Nothing in this subdivision excludes from the term "wages" any payment made under
65.23 any type of salary reduction agreement, including payments made under a cash or deferred
65.24 arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k)
65.25 and 125 of the federal Internal Revenue Code, to the extent that the employee has the option
65.26 to receive the payment in cash.

65.27 (c) Wages includes the total payment to the operator and supplier of a vehicle or other
65.28 equipment where the payment combines compensation for personal services as well as
65.29 compensation for the cost of operating and hiring the equipment in a single payment. This
65.30 paragraph does not apply if:

65.31 (1) there is a preexisting written agreement providing for allocation of specific amounts;
65.32 or

66.1 (2) at the time of each payment there is a written acknowledgment indicating the separate
66.2 allocated amounts.

66.3 (d) Wages includes payments made for services as a caretaker. Unless there is a contract
66.4 or other proof to the contrary, compensation is considered as being equally received by a
66.5 married couple where the employer makes payment to only one spouse, or by all tenants of
66.6 a household who perform services where two or more individuals share the same dwelling
66.7 and the employer makes payment to only one individual.

66.8 (e) Wages includes payments made for services by a migrant family. Where services
66.9 are performed by a married couple or a family and an employer makes payment to only one
66.10 individual, each worker is considered as having received an equal share of the compensation
66.11 unless there is a contract or other proof to the contrary.

66.12 (f) Wages includes advances or draws against future earnings, when paid, unless the
66.13 payments are designated as a loan or return of capital on the books and records of the
66.14 employer at the time of payment.

66.15 (g) Wages includes payments made by a subchapter "S" corporation, as organized under
66.16 the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable
66.17 compensation for services performed for the corporation.

66.18 For a subchapter "S" corporation, wages does not include:

66.19 (1) a loan for business purposes to an officer or shareholder evidenced by a promissory
66.20 note signed by an officer before the payment of the loan proceeds and recorded on the books
66.21 and records of the corporation as a loan to an officer or shareholder;

66.22 (2) a repayment of a loan or payment of interest on a loan made by an officer to the
66.23 corporation and recorded on the books and records of the corporation as a liability;

66.24 (3) a reimbursement of reasonable corporation expenses incurred by an officer and
66.25 documented by a written expense voucher and recorded on the books and records of the
66.26 corporation as corporate expenses; and

66.27 (4) a reasonable lease or rental payment to an officer who owns property that is leased
66.28 or rented to the corporation.

66.29 Subd. 46. **Wages paid.** (a) "Wages paid" means the amount of wages:

66.30 (1) that have been actually paid; or

66.31 (2) that have been credited to or set apart so that payment and disposition is under the
66.32 control of the employee.

67.1 (b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on
67.2 the missed pay date. Back pay is wages paid on the date of actual payment. Any wages
67.3 earned but not paid with no scheduled date of payment are wages paid on the last day of
67.4 employment.

67.5 (c) Wages paid does not include wages earned but not paid except as provided for in
67.6 this subdivision.

67.7 Subd. 47. **Week.** "Week" means calendar week ending at midnight Saturday.

67.8 Subd. 48. **Weekly benefit amount.** "Weekly benefit amount" means the amount of
67.9 family and medical leave benefits computed under section 268B.04.

67.10 Sec. 6. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**
67.11 **CREATION.**

67.12 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to
67.13 be administered by the commissioner according to the terms of this chapter.

67.14 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is
67.15 created within the department under the authority of the commissioner. The commissioner
67.16 shall appoint a director of the division. The division shall administer and operate the benefit
67.17 program under this chapter.

67.18 Subd. 3. **Rulemaking.** The commissioner shall adopt rules to implement the provisions
67.19 of this chapter.

67.20 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
67.21 account is created in the special revenue fund in the state treasury. Money in this account
67.22 is appropriated to the commissioner to pay benefits under and to administer this chapter,
67.23 including outreach required under section 268B.18.

67.24 Subd. 5. **Information technology services and equipment.** The department is exempt
67.25 from the provisions of section 16E.016 for the purposes of this chapter.

67.26 Sec. 7. **[268B.03] PAYMENT OF BENEFITS.**

67.27 Subdivision 1. **Requirements.** The commissioner must pay benefits from the family
67.28 and medical benefit insurance account as provided under this chapter to an applicant who
67.29 has met each of the following requirements:

67.30 (1) the applicant has filed an application for benefits and established a benefit account
67.31 in accordance with section 268B.04;

68.1 (2) the applicant has met all of the ongoing eligibility requirements under section
68.2 268B.06;

68.3 (3) the applicant does not have an outstanding overpayment of family or medical leave
68.4 benefits, including any penalties or interest;

68.5 (4) the applicant has not been held ineligible for benefits under section 268.07, subdivision
68.6 2; and

68.7 (5) the applicant is not employed exclusively by a private plan employer and has wage
68.8 credits during the base year attributable to employers covered under the state family and
68.9 medical leave program.

68.10 Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not
68.11 considered paid from any special insurance plan, nor as paid by an employer. An application
68.12 for family or medical leave benefits is not considered a claim against an employer but is
68.13 considered a request for benefits from the family and medical benefit insurance account.
68.14 The commissioner has the responsibility for the proper payment of benefits regardless of
68.15 the level of interest or participation by an applicant or an employer in any determination or
68.16 appeal. An applicant's entitlement to benefits must be determined based upon that information
68.17 available without regard to a burden of proof. Any agreement between an applicant and an
68.18 employer is not binding on the commissioner in determining an applicant's entitlement.
68.19 There is no presumption of entitlement or nonentitlement to benefits.

68.20 Sec. 8. **[268B.04] BENEFIT ACCOUNT; BENEFITS.**

68.21 Subdivision 1. **Application for benefits; determination of benefit account.** (a) An
68.22 application for benefits may be filed in person, by mail, or by electronic transmission as the
68.23 commissioner may require. The applicant must include certification supporting a request
68.24 for leave under this chapter. The applicant must meet eligibility requirements at the time
68.25 the application is filed and must provide all requested information in the manner required.
68.26 If the applicant does not meet eligibility at the time of the application or fails to provide all
68.27 requested information, the communication is not an application for family and medical leave
68.28 benefits.

68.29 (b) The commissioner must examine each application for benefits to determine the base
68.30 period and the benefit year, and based upon all the covered employment in the base period
68.31 the commissioner must determine the weekly benefit amount available, if any, and the
68.32 maximum amount of benefits available, if any. The determination, which is a document
68.33 separate and distinct from a document titled a determination of eligibility or determination

69.1 of ineligibility, must be titled determination of benefit account. A determination of benefit
69.2 account must be sent to the applicant and all base period employers, by mail or electronic
69.3 transmission.

69.4 (c) If a base period employer did not provide wage detail information for the applicant
69.5 as required under section 268B.12, the commissioner may accept an applicant certification
69.6 of wage credits, based upon the applicant's records, and issue a determination of benefit
69.7 account.

69.8 (d) The commissioner may, at any time within 24 months from the establishment of a
69.9 benefit account, reconsider any determination of benefit account and make an amended
69.10 determination if the commissioner finds that the wage credits listed in the determination
69.11 were incorrect for any reason. An amended determination of benefit account must be
69.12 promptly sent to the applicant and all base period employers, by mail or electronic
69.13 transmission. This paragraph does not apply to documents titled determinations of eligibility
69.14 or determinations of ineligibility issued.

69.15 (e) If an amended determination of benefit account reduces the weekly benefit amount
69.16 or maximum amount of benefits available, any benefits that have been paid greater than the
69.17 applicant was entitled is an overpayment of benefits. A determination or amended
69.18 determination issued under this section that results in an overpayment of benefits must set
69.19 out the amount of the overpayment and the requirement that the overpaid benefits must be
69.20 repaid according to section 268B.185.

69.21 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish
69.22 a benefit account, an applicant must have wage credits of at least 5.3 percent of the state's
69.23 average annual wage rounded down to the next lower \$100.

69.24 (b) To establish a new benefit account following the expiration of the benefit year on a
69.25 prior benefit account, an applicant must have performed actual work in subsequent covered
69.26 employment and have been paid wages in one or more completed calendar quarters that
69.27 started after the effective date of the prior benefit account. The wages paid for that
69.28 employment must be at least enough to meet the requirements of paragraph (a). A benefit
69.29 account under this paragraph must not be established effective earlier than the Sunday
69.30 following the end of the most recent completed calendar quarter in which the requirements
69.31 of paragraph (a) were met. An applicant must not establish a second benefit account as a
69.32 result of one loss of employment.

69.33 Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated**
69.34 **amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit

70.1 is calculated by adding the amounts obtained by applying the following percentage to an
70.2 applicant's average typical workweek and weekly wage during the high quarter of the base
70.3 period:

70.4 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
70.5 plus

70.6 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
70.7 not 100 percent; plus

70.8 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

70.9 (b) The state's average weekly wage is the average wage as calculated under section
70.10 268.035, subdivision 23, at the time a benefit amount is first determined.

70.11 (c) The maximum weekly benefit amount is the state's average weekly wage as calculated
70.12 under section 268.035, subdivision 23.

70.13 (d) The state's maximum weekly benefit amount, computed in accordance with section
70.14 268.035, subdivision 23, applies to a benefit account established effective on or after the
70.15 last Sunday in October. Once established, an applicant's weekly benefit amount is not
70.16 affected by the last Sunday in October change in the state's maximum weekly benefit amount.

70.17 (e) For an employee receiving family or medical leave, a weekly benefit amount is
70.18 prorated when:

70.19 (1) the employee works hours for wages; or

70.20 (2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is
70.21 not considered a supplemental benefit payment as defined in section 268B.01, subdivision
70.22 37.

70.23 Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
70.24 must be paid weekly.

70.25 Subd. 5. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a
70.26 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter
70.27 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits
70.28 under this chapter for bonding, safety leave, or family care.

70.29 (b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave
70.30 related to one or more qualifying exigencies.

70.31 Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits
70.32 for bonding leave, any claim for benefits must be based on a single qualifying event of at

71.1 least seven calendar days. Benefits may be paid for a minimum duration of eight consecutive
71.2 hours in a week. If an employee on leave claims eight hours at any point during a week, the
71.3 minimum duration is satisfied.

71.4 Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit
71.5 account is final unless an appeal is filed by the applicant within 30 calendar days after the
71.6 sending of the determination or amended determination, or within 60 calendar days, if an
71.7 applicant establishes good cause for not appealing within 30 days. For the purposes of this
71.8 paragraph, "good cause" means a reason that would have prevented an applicant from acting
71.9 with due diligence in appealing within 30 days and includes any illness, disability, or
71.10 linguistic and literacy limitation of the applicant, along with other relevant factors. If an
71.11 applicant claims good cause for a late appeal, the applicant must be granted a hearing on
71.12 the issue of timeliness. This hearing can be held at the same time as a hearing on the merits
71.13 of the appeal. Proceedings on the appeal are conducted in accordance with section 268B.08.

71.14 (b) Any applicant may appeal from a determination or amended determination of benefit
71.15 account on the issue of whether services performed constitute employment, whether the
71.16 employment is covered employment, and whether money paid constitutes wages.

71.17 Subd. 8. **Limitations on applications and benefit accounts.** (a) An application for
71.18 family or medical leave benefits is effective the Sunday of the calendar week that the
71.19 application was filed. An application for benefits may be backdated one calendar week
71.20 before the Sunday of the week the application was actually filed if the applicant requests
71.21 the backdating within seven calendar days of the date the application is filed. An application
71.22 may be backdated only if the applicant was eligible for the benefit during the period of the
71.23 backdating. If an individual attempted to file an application for benefits, but was prevented
71.24 from filing an application by the department, the application is effective the Sunday of the
71.25 calendar week the individual first attempted to file an application.

71.26 (b) A benefit account established under subdivision 2 is effective the date the application
71.27 for benefits was effective.

71.28 (c) A benefit account, once established, may later be withdrawn if:

71.29 (1) the applicant has not been paid any benefits on that benefit account; and

71.30 (2) a new application for benefits is filed and a new benefit account is established at the
71.31 time of the withdrawal.

72.1 A benefit account may be withdrawn after the expiration of the benefit year, and the
72.2 new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was
72.3 not paid any benefits on the benefit account that is being withdrawn.

72.4 A determination or amended determination of eligibility or ineligibility issued under
72.5 section 268B.07 that was sent before the withdrawal of the benefit account, remains in effect
72.6 and is not voided by the withdrawal of the benefit account.

72.7 **Sec. 9. [268B.05] CONTINUED REQUEST FOR BENEFITS.**

72.8 A continued request for family or medical leave benefits is a certification by an applicant,
72.9 done on a weekly basis, that the applicant is unable to perform usual work due to a qualifying
72.10 event and meets the ongoing eligibility requirements for benefits under section 268B.06. A
72.11 continued request must include information on possible issues of ineligibility.

72.12 **Sec. 10. [268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT**
72.13 **BENEFITS.**

72.14 Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family
72.15 or medical leave benefits for any week if:

72.16 (1) the applicant has filed a continued request for benefits for that week under section
72.17 268B.05;

72.18 (2) the week for which benefits are requested is in the applicant's benefit year;

72.19 (3) the applicant was unable to perform regular work due to a serious health condition,
72.20 a qualifying exigency, safety leave, family care, bonding, pregnancy, or recovery from
72.21 pregnancy for the period required under subdivision 2;

72.22 (4) the applicant has sufficient wage credits from an employer or employers as defined
72.23 in section 268B.01, subdivision 41, to establish a benefit account under section 268B.04;
72.24 and

72.25 (5) an applicant requesting benefits under this chapter must fulfill certification
72.26 requirements under subdivision 3.

72.27 (b) A self-employed individual or independent contractor who has elected and been
72.28 approved for coverage under section 268B.11 need not fulfill the requirement of paragraph
72.29 (a), clause (4).

72.30 Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
72.31 benefits must be or have been based on a single event of at least seven calendar days' duration

73.1 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
73.2 leave, or the applicant's serious health condition. The days need not be consecutive.

73.3 (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

73.4 (c) The commissioner shall use the rulemaking authority under section 268B.02,
73.5 subdivision 3, to adopt rules regarding what serious health conditions and other events are
73.6 prospectively presumed to constitute seven-day qualifying events under this chapter.

73.7 Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the
73.8 applicant's serious health condition shall be sufficient if the certification states the date on
73.9 which the serious health condition began, the probable duration of the condition, and the
73.10 appropriate medical facts within the knowledge of the health care provider as required by
73.11 the commissioner.

73.12 (b) Certification for an applicant taking leave to care for a family member with a serious
73.13 health condition shall be sufficient if the certification states the date on which the serious
73.14 health condition commenced, the probable duration of the condition, the appropriate medical
73.15 facts within the knowledge of the health care provider as required by the commissioner, a
73.16 statement that the family member requires care, and an estimate of the amount of time that
73.17 the family member will require care.

73.18 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if
73.19 the certification states the expected due date and recovery period based on appropriate
73.20 medical facts within the knowledge of the health care provider.

73.21 (d) Certification for an applicant taking bonding leave because of the birth of the
73.22 applicant's child shall be sufficient if the certification includes either the child's birth
73.23 certificate or a document issued by the health care provider of the child or the health care
73.24 provider of the person who gave birth, stating the child's birth date.

73.25 (e) Certification for an applicant taking bonding leave because of the placement of a
73.26 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
73.27 a document issued by the health care provider of the child, an adoption or foster care agency
73.28 involved in the placement, or by other individuals as determined by the commissioner that
73.29 confirms the placement and the date of placement. To the extent that the status of an applicant
73.30 as an adoptive or foster parent changes while an application for benefits is pending, or while
73.31 the covered individual is receiving benefits, the applicant must notify the department of
73.32 such change in status in writing.

74.1 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
74.2 sufficient if the certification includes:

74.3 (1) a copy of the family member's active-duty orders;

74.4 (2) other documentation issued by the United States armed forces; or

74.5 (3) other documentation permitted by the commissioner.

74.6 (g) Certification for an applicant taking safety leave is sufficient if the certification
74.7 includes a court record or documentation signed by a volunteer or employee of a victim's
74.8 services organization, an attorney, a police officer, or an antiviolence counselor. The
74.9 commissioner must not require disclosure of details relating to an applicant's or applicant's
74.10 family member's domestic abuse, sexual assault, or stalking.

74.11 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health
74.12 care provider with knowledge of the qualifying event associated with the leave.

74.13 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious
74.14 health condition of an applicant or applicant's family member, the certification under this
74.15 subdivision must include an explanation of how such leave would be medically beneficial
74.16 to the individual with the serious health condition.

74.17 Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for
74.18 any portion of a typical workweek:

74.19 (1) that occurs before the effective date of a benefit account;

74.20 (2) that the applicant has an outstanding misrepresentation overpayment balance under
74.21 section 268B.185, subdivision 5, including any penalties and interest;

74.22 (3) that the applicant fails or refuses to provide information on an issue of ineligibility
74.23 required under section 268B.07, subdivision 2; or

74.24 (4) for which the applicant worked for pay.

74.25 Subd. 5. **Vacation, sick leave, and supplemental benefit payments.** (a) An applicant
74.26 is not eligible to receive benefits for any portion of a typical workweek the applicant is
74.27 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
74.28 known as "PTO."

74.29 (b) Paragraph (a) does not apply:

74.30 (1) upon a permanent separation from employment;

75.1 (2) to payments from a vacation fund administered by a union or a third party not under
75.2 the control of the employer; or

75.3 (3) to supplemental benefit payments, as defined in section 268B.01, subdivision 37.

75.4 (c) Payments under this subdivision are applied to the period immediately following the
75.5 later of the date of separation from employment or the date the applicant first becomes
75.6 aware that the employer will be making a payment. The date the payment is actually made
75.7 or received, or that an applicant must agree to a release of claims, does not affect the
75.8 application of this subdivision.

75.9 Subd. 6. **Workers' compensation and disability insurance offset.** (a) An applicant is
75.10 not eligible to receive benefits for any portion of a week in which the applicant is receiving
75.11 or has received compensation for loss of wages equal to or in excess of the applicant's
75.12 weekly family or medical leave benefit amount under:

75.13 (1) the workers' compensation law of this state;

75.14 (2) the workers' compensation law of any other state or similar federal law; or

75.15 (3) any insurance or trust fund paid in whole or in part by an employer.

75.16 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
75.17 wages under paragraph (a). If the applicant later receives compensation as a result of the
75.18 pending claim, the applicant is subject to paragraph (a) and the family or medical leave
75.19 benefits paid are overpaid benefits under section 268B.185.

75.20 (c) If the amount of compensation described under paragraph (a) for any week is less
75.21 than the applicant's weekly family or medical leave benefit amount, benefits requested for
75.22 that week are reduced by the amount of that compensation payment.

75.23 Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible
75.24 to receive benefits for any week the applicant is receiving, has received, or will receive
75.25 separation pay, severance pay, bonus pay, or any other payments paid by an employer
75.26 because of, upon, or after separation from employment. This subdivision applies if the
75.27 payment is:

75.28 (1) considered wages under section 268B.01, subdivision 43; or

75.29 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
75.30 Security and Medicare.

75.31 (b) Payments under this subdivision are applied to the period immediately following the
75.32 later of the date of separation from employment or the date the applicant first becomes

76.1 aware that the employer will be making a payment. The date the payment is actually made
76.2 or received, or that an applicant must agree to a release of claims, does not affect the
76.3 application of this paragraph.

76.4 (c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or
76.5 supplemental benefit payment under subdivision 4.

76.6 (d) This subdivision applies to all the weeks of payment.

76.7 (e) Under this subdivision, if the payment with respect to a week is equal to or more
76.8 than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that
76.9 week. If the payment with respect to a week is less than the applicant's weekly benefit
76.10 amount, benefits are reduced by the amount of the payment.

76.11 Subd. 8. **Social Security disability benefits.** (a) An applicant who is receiving, has
76.12 received, or has filed for primary Social Security disability benefits for any week is ineligible
76.13 for benefits for that week, unless:

76.14 (1) the Social Security Administration approved the collecting of primary Social Security
76.15 disability benefits each month the applicant was employed during the base period; or

76.16 (2) the applicant provides a statement from an appropriate health care professional who
76.17 is aware of the applicant's Social Security disability claim and the basis for that claim,
76.18 certifying that the applicant is available for suitable employment.

76.19 (b) If an applicant meets the requirements of paragraph (a), clause (1), there is no
76.20 deduction from the applicant's weekly benefit amount for any Social Security disability
76.21 benefits.

76.22 (c) If an applicant meets the requirements of paragraph (a), clause (2), there must be
76.23 deducted from the applicant's weekly benefit amount 50 percent of the weekly equivalent
76.24 of the primary Social Security disability benefits the applicant is receiving, has received,
76.25 or has filed for, with respect to that week.

76.26 If the Social Security Administration determines that the applicant is not entitled to receive
76.27 primary Social Security disability benefits for any week the applicant has applied for those
76.28 benefits, this paragraph does not apply to that week.

76.29 (d) Information from the Social Security Administration is conclusive, absent specific
76.30 evidence showing that the information was erroneous.

77.1 **Sec. 11. [268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

77.2 **Subdivision 1. Employer notification.** (a) Upon a determination that an applicant is
77.3 entitled to benefits, the commissioner must promptly send a notification to each current
77.4 employer of the applicant, if any, in accordance with paragraph (b).

77.5 (b) The notification under paragraph (a) must include, at a minimum:

77.6 (1) the name of the applicant;

77.7 (2) that the applicant has applied for and received benefits;

77.8 (3) the week the benefits commence;

77.9 (4) the weekly benefit amount payable; and

77.10 (5) the maximum duration of benefits.

77.11 **Subd. 2. Determination.** (a) The commissioner must determine any issue of ineligibility
77.12 raised by information required from an applicant and send to the applicant and any current
77.13 base period employer, by mail or electronic transmission, a document titled a determination
77.14 of eligibility or a determination of ineligibility, as is appropriate, within two weeks.

77.15 (b) If an applicant obtained benefits through misrepresentation, the department is
77.16 authorized to issue a determination of ineligibility within 48 months of the establishment
77.17 of the benefit account.

77.18 (c) If the department has filed an intervention in a worker's compensation matter under
77.19 section 176.361, the department is authorized to issue a determination of ineligibility within
77.20 48 months of the establishment of the benefit account.

77.21 (d) A determination of eligibility or determination of ineligibility is final unless an appeal
77.22 is filed by the applicant within 20 calendar days after sending. The determination must
77.23 contain a prominent statement indicating the consequences of not appealing. Proceedings
77.24 on the appeal are conducted in accordance with section 268B.08.

77.25 (e) An issue of ineligibility required to be determined under this section includes any
77.26 question regarding the denial or allowing of benefits under this chapter.

77.27 **Subd. 3. Amended determination.** Unless an appeal has been filed, the commissioner,
77.28 on the commissioner's own motion, may reconsider a determination of eligibility or
77.29 determination of ineligibility that has not become final and issue an amended determination.
77.30 Any amended determination must be sent to the applicant and any employer in the current
77.31 base period by mail or electronic transmission. Any amended determination is final unless
77.32 an appeal is filed by the applicant within 30 calendar days after sending, or within 60 calendar

78.1 days, if the applicant establishes good cause for not appealing within 30 days. For the
78.2 purposes of this paragraph, "good cause" means a reason that would have prevented an
78.3 applicant from acting with due diligence in appealing within 30 days and includes any
78.4 illness, disability, or linguistic and literacy limitation of the applicant, along with other
78.5 relevant factors. If an applicant claims good cause for a late appeal, the applicant must be
78.6 granted a hearing on the issue of timeliness. This hearing can be held at the same time as a
78.7 hearing on the merits of the appeal. Proceedings on the appeal are conducted in accordance
78.8 with section 268B.08.

78.9 Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits
78.10 to an applicant, the family or medical leave benefits must be paid regardless of any appeal
78.11 period or any appeal having been filed.

78.12 Subd. 5. **Overpayment.** A determination or amended determination that holds an
78.13 applicant ineligible for benefits for periods an applicant has been paid benefits is an
78.14 overpayment of those family or medical leave benefits. A determination or amended
78.15 determination issued under this section that results in an overpayment of benefits must set
78.16 out the amount of the overpayment and the requirement that the overpaid benefits must be
78.17 repaid according to section 268B.185.

78.18 Sec. 12. **[268B.08] APPEAL PROCESS.**

78.19 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

78.20 (b) Upon a timely appeal to a determination having been filed or upon a referral for
78.21 direct hearing, the chief benefit judge must set a time and date for a de novo due-process
78.22 hearing and send notice to an applicant and an employer, by mail or electronic transmission,
78.23 not less than ten calendar days before the date of the hearing.

78.24 (c) The commissioner may adopt rules on procedures for hearings. The rules need not
78.25 conform to common law or statutory rules of evidence and other technical rules of procedure.

78.26 (d) The chief benefit judge has discretion regarding the method by which the hearing is
78.27 conducted.

78.28 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
78.29 the benefit judge must serve by mail or electronic transmission to all parties the decision,
78.30 reasons for the decision, and written findings of fact.

78.31 (b) **Decisions of a benefit judge are not precedential.**

79.1 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
79.2 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
79.3 asking the judge to reconsider that decision.

79.4 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for
79.5 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

79.6 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
79.7 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
79.8 are supervisors, or benefit judges.

79.9 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
79.10 transfer to another benefit judge any proceedings pending before another benefit judge.

79.11 Sec. 13. **[268B.085] LEAVE.**

79.12 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee
79.13 has a right to leave from employment for any day, or portion of a day, for which the employee
79.14 would be eligible for benefits under this chapter, regardless of whether the employee actually
79.15 applied for benefits and regardless of whether the employee is covered under a private plan
79.16 or the public program under this chapter.

79.17 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must
79.18 provide the employer at least 30 days' advance notice before leave under this chapter is to
79.19 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately
79.20 when leave will be required to begin, a change in circumstances, or a medical emergency,
79.21 notice must be given as soon as practicable. Whether leave is to be continuous or is to be
79.22 taken intermittently or on a reduced-schedule basis, notice need only be given one time, but
79.23 the employee must advise the employer as soon as practicable if dates of scheduled leave
79.24 change or are extended, or were initially unknown. In those cases where the employee is
79.25 required to provide at least 30 days' notice of foreseeable leave and does not do so, the
79.26 employee must explain the reasons why notice was not practicable upon request from the
79.27 employer.

79.28 (b) "As soon as practicable" means as soon as both possible and practical, taking into
79.29 account all of the facts and circumstances in the individual case. When an employee becomes
79.30 aware of a need for leave under this chapter less than 30 days in advance, it should be
79.31 practicable for the employee to provide notice of the need for leave either the same day or
79.32 the next day, unless the need for leave is based on a medical emergency. In all cases,

80.1 however, the determination of when an employee could practicably provide notice must
80.2 take into account the individual facts and circumstances.

80.3 (c) An employee shall provide at least oral, telephone, or text message notice sufficient
80.4 to make the employer aware that the employee needs leave allowed under this chapter and
80.5 the anticipated timing and duration of the leave. An employer may require an employee
80.6 giving notice of leave to include a certification for the leave as described in section 268B.06,
80.7 subdivision 3. Such certification, if required by an employer, is timely when the employee
80.8 delivers it as soon as practicable given the circumstances requiring the need for leave, and
80.9 the required contents of the certification.

80.10 (d) An employer may require an employee to comply with the employer's usual and
80.11 customary notice and procedural requirements for requesting leave, absent unusual
80.12 circumstances or other circumstances caused by the reason for the employee's need for
80.13 leave. Leave under this chapter must not be delayed or denied where an employer's usual
80.14 and customary notice or procedural requirements require notice to be given sooner than set
80.15 forth in this subdivision.

80.16 (e) If an employer has failed to provide notice to the employee as required under section
80.17 268B.26, paragraph (a), (b), or (c), the employee is not required to comply with the notice
80.18 requirements of this subdivision.

80.19 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
80.20 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or
80.21 placement of a foster child, except that, in the case where the child must remain in the
80.22 hospital longer than the mother, the leave must begin within 12 months after the child leaves
80.23 the hospital.

80.24 Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based
80.25 on a serious health condition, may be taken intermittently or on a reduced-leave schedule
80.26 if such leave is reasonable and appropriate to the needs of the individual with the serious
80.27 health condition. For all other leaves under this chapter, leave may be taken intermittently
80.28 or on a reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time
80.29 due to a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule
80.30 that reduces an employee's usual number of working hours per workweek or hours per
80.31 workday.

80.32 (b) Leave taken intermittently or on a reduced-schedule basis counts toward the
80.33 maximums described in section 268B.04, subdivision 5.

81.1 Sec. 14. [268B.09] EMPLOYMENT PROTECTIONS.

81.2 Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an
81.3 employee for requesting or obtaining benefits, or for exercising any other right under this
81.4 chapter.

81.5 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an
81.6 application for leave or benefits or the exercise of any other right under this chapter.

81.7 Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights
81.8 to benefits or any other right under this chapter is void.

81.9 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
81.10 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided
81.11 for the collection of debt. Any waiver of this subdivision is void.

81.12 Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to
81.13 benefits under this chapter, the employer must maintain coverage under any group insurance
81.14 policy, group subscriber contract, or health care plan for the employee and any dependents
81.15 as if the employee was not on leave, provided, however, that the employee must continue
81.16 to pay any employee share of the cost of such benefits.

81.17 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
81.18 an employee is entitled to be returned to the same position the employee held when leave
81.19 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
81.20 conditions of employment. An employee is entitled to reinstatement even if the employee
81.21 has been replaced or the employee's position has been restructured to accommodate the
81.22 employee's absence.

81.23 (b)(1) An equivalent position is one that is virtually identical to the employee's former
81.24 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,
81.25 and status. It must involve the same or substantially similar duties and responsibilities,
81.26 which must entail substantially equivalent skill, effort, responsibility, and authority.

81.27 (2) If an employee is no longer qualified for the position because of the employee's
81.28 inability to attend a necessary course, renew a license, fly a minimum number of hours, or
81.29 similar condition, as a result of the leave, the employee must be given a reasonable
81.30 opportunity to fulfill those conditions upon return from leave.

81.31 (c)(1) An employee is entitled to any unconditional pay increases which may have
81.32 occurred during the leave period, such as cost of living increases. Pay increases conditioned
81.33 upon seniority, length of service, or work performed must be granted in accordance with

82.1 the employer's policy or practice with respect to other employees on an equivalent leave
82.2 status for a reason that does not qualify for leave under this chapter. An employee is entitled
82.3 to be restored to a position with the same or equivalent pay premiums, such as a shift
82.4 differential. If an employee departed from a position averaging ten hours of overtime, and
82.5 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
82.6 on return from leave under this chapter.

82.7 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
82.8 nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment
82.9 is based on the achievement of a specified goal such as hours worked, products sold, or
82.10 perfect attendance, and the employee has not met the goal due to leave under this chapter,
82.11 the payment may be denied, unless otherwise paid to employees on an equivalent leave
82.12 status for a reason that does not qualify for leave under this chapter.

82.13 (d) Benefits under this section include all benefits provided or made available to
82.14 employees by an employer, including group life insurance, health insurance, disability
82.15 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
82.16 benefits are provided by a practice or written policy of an employer through an employee
82.17 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

82.18 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
82.19 the same manner and at the same levels as provided when the leave began, and subject to
82.20 any changes in benefit levels that may have taken place during the period of leave affecting
82.21 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
82.22 under this chapter, an employee must not be required to requalify for any benefits the
82.23 employee enjoyed before leave began, including family or dependent coverages.

82.24 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
82.25 during a leave under this chapter. Benefits accrued at the time leave began must be available
82.26 to an employee upon return from leave.

82.27 (3) With respect to pension and other retirement plans, leave under this chapter must
82.28 not be treated as or counted toward a break in service for purposes of vesting and eligibility
82.29 to participate. If the plan requires an employee to be employed on a specific date in order
82.30 to be credited with a year of service for vesting, contributions, or participation purposes,
82.31 an employee on leave under this chapter must be treated as employed on that date. Periods
82.32 of leave under this chapter need not be treated as credited service for purposes of benefit
82.33 accrual, vesting, and eligibility to participate.

83.1 (4) Employees on leave under this chapter must be treated as if they continued to work
83.2 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
83.3 to changes in benefit plans, except those which may be dependent upon seniority or accrual
83.4 during the leave period, immediately upon return from leave or to the same extent they
83.5 would have qualified if no leave had been taken.

83.6 (e) An equivalent position must have substantially similar duties, conditions,
83.7 responsibilities, privileges, and status as the employee's original position.

83.8 (1) The employee must be reinstated to the same or a geographically proximate worksite
83.9 from where the employee had previously been employed. If the employee's original worksite
83.10 has been closed, the employee is entitled to the same rights as if the employee had not been
83.11 on leave when the worksite closed.

83.12 (2) The employee is ordinarily entitled to return to the same shift or the same or an
83.13 equivalent work schedule.

83.14 (3) The employee must have the same or an equivalent opportunity for bonuses,
83.15 profit-sharing, and other similar discretionary and nondiscretionary payments.

83.16 (4) This chapter does not prohibit an employer from accommodating an employee's
83.17 request to be restored to a different shift, schedule, or position which better suits the
83.18 employee's personal needs on return from leave, or to offer a promotion to a better position.
83.19 However, an employee must not be induced by the employer to accept a different position
83.20 against the employee's wishes.

83.21 (f) The requirement that an employee be restored to the same or equivalent job with the
83.22 same or equivalent pay, benefits, and terms and conditions of employment does not extend
83.23 to de minimis, intangible, or unmeasurable aspects of the job.

83.24 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
83.25 greater right to reinstatement or to other benefits and conditions of employment than if the
83.26 employee had been continuously employed during the period of leave under this chapter.
83.27 An employer must be able to show that an employee would not otherwise have been
83.28 employed at the time reinstatement is requested in order to deny restoration to employment.

83.29 (1) If an employee is laid off during the course of taking a leave under this chapter and
83.30 employment is terminated, the employer's responsibility to continue the leave, maintain
83.31 group health plan benefits, and restore the employee cease at the time the employee is laid
83.32 off, provided the employer has no continuing obligations under a collective bargaining
83.33 agreement or otherwise. An employer has the burden of proving that an employee would

84.1 have been laid off during the period of leave under this chapter and, therefore, would not
84.2 be entitled to restoration to a job slated for layoff when the employee's original position
84.3 would not meet the requirements of an equivalent position.

84.4 (2) If a shift has been eliminated or overtime has been decreased, an employee would
84.5 not be entitled to return to work that shift or the original overtime hours upon restoration.
84.6 However, if a position on, for example, a night shift has been filled by another employee,
84.7 the employee is entitled to return to the same shift on which employed before taking leave
84.8 under this chapter.

84.9 (3) If an employee was hired for a specific term or only to perform work on a discrete
84.10 project, the employer has no obligation to restore the employee if the employment term or
84.11 project is over and the employer would not otherwise have continued to employ the employee.

84.12 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in
84.13 law or equity, an employer who violates the provisions of this section is liable to any
84.14 employee affected for:

84.15 (1) damages equal to the amount of:

84.16 (i) any wages, salary, employment benefits, or other compensation denied or lost to such
84.17 employee by reason of the violation, or, in cases in which wages, salary, employment
84.18 benefits, or other compensation have not been denied or lost to the employee, any actual
84.19 monetary losses sustained by the employee as a direct result of the violation; and

84.20 (ii) reasonable interest on the amount described in item (i); and

84.21 (2) such equitable relief as may be appropriate, including employment, reinstatement,
84.22 and promotion.

84.23 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
84.24 maintained against any employer in any federal or state court of competent jurisdiction by
84.25 any one or more employees for and on behalf of:

84.26 (1) the employees; or

84.27 (2) the employees and other employees similarly situated.

84.28 (c) The court in an action under this section must, in addition to any judgment awarded
84.29 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,
84.30 and other costs of the action to be paid by the defendant.

85.1 (d) Nothing in this section shall be construed to allow an employee to recover damages
85.2 from an employer for the denial of benefits under this chapter by the department, unless the
85.3 employer unlawfully interfered with the application for benefits under subdivision 2.

85.4 Sec. 15. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.

85.5 Subdivision 1. **Application for substitution.** Employers may apply to the commissioner
85.6 for approval to meet their obligations under this chapter through the substitution of a private
85.7 plan that provides paid family, paid medical, or paid family and medical benefits. In order
85.8 to be approved as meeting an employer's obligations under this chapter, a private plan must
85.9 confer all of the same rights, protections, and benefits provided to employees under this
85.10 chapter, including but not limited to benefits under section 268B.04 and employment
85.11 protections under section 268B.09. An employee covered by a private plan under this section
85.12 retains all applicable rights and remedies under section 268B.09.

85.13 Subd. 2. **Private plan requirements; medical benefit program.** (a) The commissioner
85.14 must approve an application for private provision of the medical benefit program if the
85.15 commissioner determines:

85.16 (1) all of the employees of the employer are to be covered under the provisions of the
85.17 employer plan;

85.18 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
85.19 under this chapter;

85.20 (3) the weekly benefits payable under the private plan for any week are at least equal to
85.21 the weekly benefit amount payable under this chapter, taking into consideration any coverage
85.22 with respect to concurrent employment by another employer;

85.23 (4) the total number of weeks for which benefits are payable under the private plan is
85.24 at least equal to the total number of weeks for which benefits would have been payable
85.25 under this chapter;

85.26 (5) no greater amount is required to be paid by employees toward the cost of benefits
85.27 under the employer plan than by this chapter;

85.28 (6) wage replacement benefits are stated in the plan separately and distinctly from other
85.29 benefits;

85.30 (7) the private plan will provide benefits and leave for any serious health condition or
85.31 pregnancy for which benefits are payable, and leave provided, under this chapter;

86.1 (8) the private plan will impose no additional condition or restriction on the use of
86.2 medical benefits beyond those explicitly authorized by this chapter or regulations
86.3 promulgated pursuant to this chapter;

86.4 (9) the private plan will allow any employee covered under the private plan who is
86.5 eligible to receive medical benefits under this chapter to receive medical benefits under the
86.6 employer plan; and

86.7 (10) coverage will continue under the private plan while an employee remains employed
86.8 by the employer.

86.9 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave
86.10 and benefit eligibility if the total dollar value of wage replacement benefits under the private
86.11 plan for an employee for any particular qualifying event meets or exceeds what the total
86.12 dollar value would be under the public family and medical benefit program.

86.13 Subd. 3. **Private plan requirements; family benefit program.** (a) The commissioner
86.14 must approve an application for private provision of the family benefit program if the
86.15 commissioner determines:

86.16 (1) all of the employees of the employer are to be covered under the provisions of the
86.17 employer plan;

86.18 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
86.19 under this chapter;

86.20 (3) the weekly benefits payable under the private plan for any week are at least equal to
86.21 the weekly benefit amount payable under this chapter, taking into consideration any coverage
86.22 with respect to concurrent employment by another employer;

86.23 (4) the total number of weeks for which benefits are payable under the private plan is
86.24 at least equal to the total number of weeks for which benefits would have been payable
86.25 under this chapter;

86.26 (5) no greater amount is required to be paid by employees toward the cost of benefits
86.27 under the employer plan than by this chapter;

86.28 (6) wage replacement benefits are stated in the plan separately and distinctly from other
86.29 benefits;

86.30 (7) the private plan will provide benefits and leave for any care for a family member
86.31 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
86.32 event for which benefits are payable, and leave provided, under this chapter;

87.1 (8) the private plan will impose no additional condition or restriction on the use of family
87.2 benefits beyond those explicitly authorized by this chapter or regulations promulgated
87.3 pursuant to this chapter;

87.4 (9) the private plan will allow any employee covered under the private plan who is
87.5 eligible to receive medical benefits under this chapter to receive medical benefits under the
87.6 employer plan; and

87.7 (10) coverage will continue under the private plan while an employee remains employed
87.8 by the employer.

87.9 (b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave
87.10 and benefit eligibility if the total dollar value of wage replacement benefits under the private
87.11 plan for an employee for any particular qualifying event meets or exceeds what the total
87.12 dollar value would be under the public family and medical benefit program.

87.13 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an
87.14 employer from meeting the requirements of a private plan through a private insurance
87.15 product. If the employer plan involves a private insurance product, that insurance product
87.16 must conform to any applicable law or rule.

87.17 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved
87.18 private plan is not required to pay premiums established under section 268B.14. An employer
87.19 with an approved private plan is responsible for a private plan approval and oversight fee
87.20 equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to
87.21 499 employees, and \$1,000 for employers with 500 or more employees. The employer must
87.22 pay this fee (1) upon initial application for private plan approval, and (2) any time the
87.23 employer applies to amend the private plan. The commissioner must review and report on
87.24 the adequacy of this fee to cover private plan administrative costs annually beginning
87.25 December 1, 2024, as part of the annual report established in section 268B.24.

87.26 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period
87.27 of at least one year and, thereafter, continuously unless the commissioner finds that the
87.28 employer has given notice of withdrawal from the plan in a manner specified by the
87.29 commissioner in this section or rule. The plan may be withdrawn by the employer within
87.30 30 days of the effective date of any law increasing the benefit amounts or within 30 days
87.31 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
87.32 amended to conform to provide the increased benefit amount or change in the rate of the
87.33 employee's premium on the date of the increase or change.

88.1 Subd. 7. Appeals. An employer may appeal any adverse action regarding that employer's
88.2 private plan to the commissioner, in a manner specified by the commissioner.

88.3 Subd. 8. Employees no longer covered. (a) An employee is no longer covered by an
88.4 approved private plan if a leave under this chapter occurs after the employment relationship
88.5 with the private plan employer ends, or if the commissioner revokes the approval of the
88.6 private plan.

88.7 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
88.8 immediately entitled to benefits under this chapter to the same extent as though there had
88.9 been no approval of the private plan.

88.10 Subd. 9. Posting of notice regarding private plan. An employer with a private plan
88.11 must provide a notice prepared by or approved by the commissioner regarding the private
88.12 plan consistent with section 268B.26.

88.13 Subd. 10. Amendment. (a) The commissioner must approve any amendment to a private
88.14 plan adjusting the provisions thereof, if the commissioner determines:

88.15 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

88.16 (2) that notice of the amendment has been delivered to all affected employees at least
88.17 ten days before the submission of the amendment.

88.18 (b) Any amendments approved under this subdivision are effective on the date of the
88.19 commissioner's approval, unless the commissioner and the employer agree on a later date.

88.20 Subd. 11. Successor employer. A private plan in effect at the time a successor acquires
88.21 the employer organization, trade, or business, or substantially all the assets thereof, or a
88.22 distinct and severable portion of the organization, trade, or business, and continues its
88.23 operation without substantial reduction of personnel resulting from the acquisition, must
88.24 continue the approved private plan and must not withdraw the plan without a specific request
88.25 for withdrawal in a manner and at a time specified by the commissioner. A successor may
88.26 terminate a private plan with notice to the commissioner and within 90 days from the date
88.27 of the acquisition.

88.28 Subd. 12. Revocation of approval by commissioner. (a) The commissioner may
88.29 terminate any private plan if the commissioner determines the employer:

88.30 (1) failed to pay benefits;

88.31 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
88.32 chapter;

89.1 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;

89.2 or

89.3 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

89.4 (b) The commissioner must give notice of the intention to terminate a plan to the employer
89.5 at least ten days before taking any final action. The notice must state the effective date and
89.6 the reason for the termination.

89.7 (c) The employer may, within ten days from mailing or personal service of the notice,
89.8 file an appeal to the commissioner in the time, manner, method, and procedure provided by
89.9 the commissioner under subdivision 7.

89.10 (d) The payment of benefits must not be delayed during an employer's appeal of the
89.11 revocation of approval of a private plan.

89.12 (e) If the commissioner revokes approval of an employer's private plan, that employer
89.13 is ineligible to apply for approval of another private plan for a period of three years, beginning
89.14 on the date of revocation.

89.15 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary
89.16 penalties against an employer with an approved private plan found to have violated this
89.17 chapter:

89.18 (1) \$1,000 for the first violation; and

89.19 (2) \$2,000 for the second, and each successive violation.

89.20 (b) The commissioner must waive collection of any penalty if the employer corrects the
89.21 violation within 30 days of receiving a notice of the violation and the notice is for a first
89.22 violation.

89.23 (c) The commissioner may waive collection of any penalty if the commissioner determines
89.24 the violation to be an inadvertent error by the employer.

89.25 (d) Monetary penalties collected under this section shall be deposited in the family and
89.26 medical benefit insurance account.

89.27 (e) Assessment of penalties under this subdivision may be appealed as provided by the
89.28 commissioner under subdivision 7.

89.29 Subd. 14. **Reports, information, and records.** Employers with an approved private
89.30 plan must maintain all reports, information, and records as relating to the private plan and
89.31 claims for a period of six years from creation and provide to the commissioner upon request.

90.1 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans
90.2 approved under this section both before and after the plans are approved.

90.3 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
90.4 **ELECTION OF COVERAGE.**

90.5 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
90.6 contractor may file with the commissioner by electronic transmission in a format prescribed
90.7 by the commissioner an application to be entitled to benefits under this chapter for a period
90.8 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
90.9 by United States mail or electronic transmission, the individual is entitled to benefits under
90.10 this chapter beginning the calendar quarter after the date of approval or beginning in a later
90.11 calendar quarter if requested by the self-employed individual or independent contractor.
90.12 The individual ceases to be entitled to benefits as of the first day of January of any calendar
90.13 year only if, at least 30 calendar days before the first day of January, the individual has filed
90.14 with the commissioner by electronic transmission in a format prescribed by the commissioner
90.15 a notice to that effect.

90.16 (b) The commissioner may terminate any application approved under this section with
90.17 30 calendar days' notice sent by United States mail or electronic transmission if the
90.18 self-employed individual is delinquent on any premiums due under this chapter. If an
90.19 approved application is terminated in this manner during the first 104 consecutive calendar
90.20 weeks of election, the self-employed individual remains obligated to pay the premium under
90.21 subdivision 3 for the remainder of that 104-week period.

90.22 Subd. 2. **Application.** A self-employed individual who applies for coverage under this
90.23 section must provide the commissioner with (1) the amount of the individual's net earnings
90.24 from self-employment, if any, from the two most recent taxable years and all tax documents
90.25 necessary to prove the accuracy of the amounts reported, and (2) any other documentation
90.26 the commissioner requires. A self-employed individual who is covered under this chapter
90.27 must annually provide the commissioner with the amount of the individual's net earnings
90.28 from self-employment within 30 days of filing a federal income tax return.

90.29 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
90.30 this chapter must annually pay a premium equal to one-half the percentage in section
90.31 268B.14, subdivision 5, clause (1), times the lesser of:

90.32 (1) the individual's self-employment premium base; or

91.1 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
91.2 Insurance tax.

91.3 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual
91.4 who has applied to and been approved for coverage by the commissioner under this section
91.5 is entitled to benefits on the same basis as an employee under this chapter, except that a
91.6 self-employed individual's weekly benefit amount under section 268B.04, subdivision 1,
91.7 must be calculated as a percentage of the self-employed individual's self-employment
91.8 premium base, rather than wages.

91.9 Sec. 17. **[268B.12] WAGE REPORTING.**

91.10 Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer
91.11 premium account described in section 268B.13, a quarterly wage detail report by electronic
91.12 transmission, in a format prescribed by the commissioner. The report must include for each
91.13 employee in covered employment during the calendar quarter, the employee's name, Social
91.14 Security number, the total wages paid to the employee, and total number of paid hours
91.15 worked. For employees exempt from the definition of employee in section 177.23,
91.16 subdivision 7, clause (6), the employer must report 40 hours worked for each week any
91.17 duties were performed by a full-time employee and must report a reasonable estimate of
91.18 the hours worked for each week duties were performed by a part-time employee. In addition,
91.19 the wage detail report must include the number of employees employed during the payroll
91.20 period that includes the 12th day of each calendar month and, if required by the
91.21 commissioner, the report must be broken down by business location and separate business
91.22 unit. The report is due and must be received by the commissioner on or before the last day
91.23 of the month following the end of the calendar quarter. The commissioner may delay the
91.24 due date on a specific calendar quarter in the event the department is unable to accept wage
91.25 detail reports electronically.

91.26 (b) The employer may report the wages paid to the next lower whole dollar amount.

91.27 (c) An employer need not include the name of the employee or other required information
91.28 on the wage detail report if disclosure is specifically exempted from being reported by
91.29 federal law.

91.30 (d) A wage detail report must be submitted for each calendar quarter even though no
91.31 wages were paid, unless the business has been terminated.

91.32 Subd. 2. **Electronic transmission of report required.** Each employer must submit the
91.33 quarterly wage detail report by electronic transmission in a format prescribed by the

92.1 commissioner. The commissioner has the discretion to accept wage detail reports that are
92.2 submitted by any other means or the commissioner may return the report submitted by other
92.3 than electronic transmission to the employer, and reports returned are considered as not
92.4 submitted and the late fees under subdivision 3 may be imposed.

92.5 Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
92.6 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
92.7 based upon the highest of:

92.8 (1) the number of employees reported on the last wage detail report submitted;

92.9 (2) the number of employees reported in the corresponding quarter of the prior calendar
92.10 year; or

92.11 (3) if no wage detail report has ever been submitted, the number of employees listed at
92.12 the time of employer registration.

92.13 The late fee is canceled if the wage detail report is received within 30 calendar days after
92.14 a demand for the report is sent to the employer by mail or electronic transmission. A late
92.15 fee assessed an employer may not be canceled more than twice each 12 months. The amount
92.16 of the late fee assessed may not be less than \$250.

92.17 (b) If the wage detail report is not received in a manner and format prescribed by the
92.18 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
92.19 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
92.20 increased late fee will be sent to the employer by mail or electronic transmission.

92.21 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
92.22 section 268B.16.

92.23 Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage
92.24 detail report, but fails to include all required employee information or enters erroneous
92.25 information, is subject to an administrative service fee of \$25 for each employee for whom
92.26 the information is partially missing or erroneous.

92.27 (b) Any employer that submits the wage detail report, but fails to include an employee,
92.28 is subject to an administrative service fee equal to two percent of the total wages for each
92.29 employee for whom the information is completely missing.

92.30 Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest
92.31 and other penalties imposed by this chapter and are collected in the same manner as
92.32 delinquent taxes and credited to the family and medical benefit insurance account.

93.1 Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

93.2 The commissioner must maintain a premium account for each employer. The
93.3 commissioner must assess the premium account for all the premiums due under section
93.4 268B.14, and credit the family and medical benefit insurance account with all premiums
93.5 paid.

93.6 Sec. 19. **[268B.14] PREMIUMS.**

93.7 Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become
93.8 payable by each employer for each calendar year on the taxable wages that the employer
93.9 paid to employees in covered employment.

93.10 Each employer must pay premiums quarterly, at the premium rate defined under this
93.11 section, on the taxable wages paid to each employee. The commissioner must compute the
93.12 premium due from the wage detail report required under section 268B.12 and notify the
93.13 employer of the premium due. The premiums must be paid to the family and medical benefit
93.14 insurance account and must be received by the department on or before the last day of the
93.15 month following the end of the calendar quarter.

93.16 (b) If for any reason the wages on the wage detail report under section 268B.12 are
93.17 adjusted for any quarter, the commissioner must recompute the premiums due for that quarter
93.18 and assess the employer for any amount due or credit the employer as appropriate.

93.19 Subd. 2. **Payments by electronic payment required.** (a) Every employer must make
93.20 any payments due under this chapter by electronic payment.

93.21 (b) All third-party processors, paying on behalf of a client company, must make any
93.22 payments due under this chapter by electronic payment.

93.23 (c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept
93.24 payment by other means.

93.25 Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
93.26 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
93.27 of annual premiums paid under this section from employee wages. Such deductions for any
93.28 given employee must be in equal proportion to the premiums paid based on the wages of
93.29 that employee, and all employees of an employer must be subject to the same percentage
93.30 deduction. Deductions under this section must not cause an employee's wage, after the
93.31 deduction, to fall below the rate required to be paid to the worker by law, including any
93.32 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or
93.33 other legal authority, whichever rate of pay is greater.

94.1 Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to
94.2 premium in a calendar year is equal to the maximum earnings in that year subject to the
94.3 FICA Old-Age, Survivors, and Disability Insurance tax.

94.4 Subd. 5. **Annual premium rates.** The employer premium rates for the calendar year
94.5 beginning January 1, 2024, shall be as follows:

94.6 (1) for employers participating in both family and medical benefit programs, 0.6 percent;

94.7 (2) for an employer participating in only the medical benefit program and with an
94.8 approved private plan for the family benefit program, 0.486 percent; and

94.9 (3) for an employer participating in only the family benefit program and with an approved
94.10 private plan for the medical benefit program, 0.114 percent.

94.11 Subd. 6. **Premium rate adjustments.** (a) Beginning January 1, 2026, and each calendar
94.12 year thereafter, the commissioner must adjust the annual premium rates using the formula
94.13 in paragraph (b).

94.14 (b) To calculate the employer rates for a calendar year, the commissioner must:

94.15 (1) multiply 1.45 times the amount disbursed from the family and medical benefit
94.16 insurance account for the 52-week period ending September 30 of the prior year;

94.17 (2) subtract the amount in the family and medical benefit insurance account on that
94.18 September 30 from the resulting figure;

94.19 (3) divide the resulting figure by twice the total wages in covered employment of
94.20 employees of employers without approved private plans under section 268B.10 for either
94.21 the family or medical benefit program. For employers with an approved private plan for
94.22 either the medical benefit program or the family benefit program, but not both, count only
94.23 the proportion of wages in covered employment associated with the program for which the
94.24 employer does not have an approved private plan; and

94.25 (4) round the resulting figure down to the nearest one-hundredth of one percent.

94.26 (c) The commissioner must apportion the premium rate between the family and medical
94.27 benefit programs based on the relative proportion of expenditures for each program during
94.28 the preceding year.

94.29 Subd. 7. **Deposit of premiums.** All premiums collected under this section must be
94.30 deposited into the family and medical benefit insurance account.

95.1 Subd. 8. **Nonpayment of premiums by employer.** The failure of an employer to pay
95.2 premiums does not impact the right of an employee to benefits, or any other right, under
95.3 this chapter.

95.4 Sec. 20. **[268B.145] INCOME TAX WITHHOLDING.**

95.5 If the Internal Revenue Service determines that benefits are subject to federal income
95.6 tax, and an applicant elects to have federal income tax deducted and withheld from the
95.7 applicant's benefits, the commissioner must deduct and withhold the amount specified in
95.8 the Internal Revenue Code in a manner consistent with state law.

95.9 Sec. 21. **[268B.15] COLLECTION OF PREMIUMS.**

95.10 Subdivision 1. **Amount computed presumed correct.** Any amount due from an
95.11 employer, as computed by the commissioner, is presumed to be correctly determined and
95.12 assessed, and the burden is upon the employer to show its incorrectness. A statement by the
95.13 commissioner of the amount due is admissible in evidence in any court or administrative
95.14 proceeding and is prima facie evidence of the facts in the statement.

95.15 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be
95.16 applied in the following order:

95.17 (1) family and medical leave premiums under this chapter; then

95.18 (2) interest on past due premiums; then

95.19 (3) penalties, late fees, administrative service fees, and costs.

95.20 (b) Paragraph (a) is the priority used for all payments received from an employer,
95.21 regardless of how the employer may designate the payment to be applied, except when:

95.22 (1) there is an outstanding lien and the employer designates that the payment made
95.23 should be applied to satisfy the lien;

95.24 (2) the payment is specifically designated by the employer to be applied to an outstanding
95.25 overpayment of benefits of an applicant;

95.26 (3) a court or administrative order directs that the payment be applied to a specific
95.27 obligation;

95.28 (4) a preexisting payment plan provides for the application of payment; or

95.29 (5) the commissioner, under the compromise authority of section 268B.16, agrees to
95.30 apply the payment to a different priority.

96.1 Subd. 3. **Estimating the premium due.** Only if an employer fails to make all necessary
96.2 records available for an audit under section 268B.21 and the commissioner has reason to
96.3 believe the employer has not reported all the required wages on the quarterly wage detail
96.4 reports, may the commissioner then estimate the amount of premium due and assess the
96.5 employer the estimated amount due.

96.6 Subd. 4. **Costs.** (a) Any employer and any applicant subject to section 268B.185,
96.7 subdivision 2, that fails to pay any amount when due under this chapter is liable for any
96.8 filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private
96.9 collection agency, or litigation costs, including attorney fees, incurred in the collection of
96.10 the amounts due.

96.11 (b) If any tendered payment of any amount due is not honored when presented to a
96.12 financial institution for payment, any costs assessed the department by the financial institution
96.13 and a fee of \$25 must be assessed to the person.

96.14 (c) Costs and fees collected under this subdivision are credited to the enforcement account
96.15 under section 268B.185, subdivision 3.

96.16 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
96.17 this chapter are not received on the date due, the commissioner must assess interest on any
96.18 amount that remains unpaid. Interest is assessed at the rate of one percent per month or any
96.19 part of a month. Interest is not assessed on unpaid interest. Interest collected under this
96.20 subdivision is credited to the account.

96.21 Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered
96.22 upon any past due amounts from an employer under this chapter, the unpaid judgment bears
96.23 interest at the rate specified in subdivision 5 until the date of payment.

96.24 Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a
96.25 credit adjustment of any amount paid under this chapter within four years of the date that
96.26 the payment was due, in a manner and format prescribed by the commissioner, and the
96.27 commissioner determines that the payment or any portion thereof was erroneous, the
96.28 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
96.29 be used, the commissioner must refund, without interest, the amount erroneously paid. The
96.30 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
96.31 under this subdivision.

96.32 (b) Any refund returned to the commissioner is considered unclaimed property under
96.33 chapter 345.

97.1 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
97.2 must be sent to the employer by mail or electronic transmission. The determination of denial
97.3 is final unless an employer files an appeal within 20 calendar days after sending. Proceedings
97.4 on the appeal are conducted in accordance with section 268B.08.

97.5 (d) If an employer receives a credit adjustment or refund under this section, the employer
97.6 must determine the amount of any overpayment attributable to a deduction from employee
97.7 wages under section 268B.14, subdivision 3, and return any amount erroneously deducted
97.8 to each affected employee.

97.9 Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any
97.10 distribution of an employer's assets according to an order of any court, including any
97.11 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
97.12 proceeding, premiums then or thereafter due must be paid in full before all other claims
97.13 except claims for wages of not more than \$1,000 per former employee, earned within six
97.14 months of the commencement of the proceedings. In the event of an employer's adjudication
97.15 in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority
97.16 provided in that law for taxes due in any state.

97.17 Sec. 22. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

97.18 Subdivision 1. **Definitions.** As used in this section:

97.19 (1) "child support agency" means the public agency responsible for child support
97.20 enforcement, including federally approved comprehensive Tribal IV-D programs; and

97.21 (2) "child support obligations" means obligations that are being enforced by a child
97.22 support agency in accordance with a plan described in United States Code, title 42, sections
97.23 454 and 455 of the Social Security Act that has been approved by the secretary of health
97.24 and human services under part D of title IV of the Social Security Act. This does not include
97.25 any type of spousal maintenance or foster care payments.

97.26 Subd. 2. **Notice upon application.** In an application for family or medical leave benefits,
97.27 the applicant must disclose if child support obligations are owed and, if so, in what state
97.28 and county. If child support obligations are owed, the commissioner must, if the applicant
97.29 establishes a benefit account, notify the child support agency.

97.30 Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from
97.31 any family or medical leave benefits payable to an applicant who owes child support
97.32 obligations:

97.33 (1) the amount required under a proper order of a court or administrative agency; or

98.1 (2) if clause (1) is not applicable, the amount determined under an agreement under
98.2 United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or
98.3 (3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

98.4 Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support
98.5 agency, must for all purposes be treated as if it were paid to the applicant as family or
98.6 medical leave benefits and paid by the applicant to the child support agency in satisfaction
98.7 of the applicant's child support obligations.

98.8 Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by
98.9 the commissioner in the implementation and administration of this section and sections
98.10 518A.50 and 518A.53.

98.11 Sec. 23. **[268B.16] COMPROMISE.**

98.12 (a) The commissioner may compromise in whole or in part any action, determination,
98.13 or decision that affects only an employer and not an applicant. This paragraph applies if it
98.14 is determined by a court of law, or a confession of judgment, that an applicant, while
98.15 employed, wrongfully took from the employer \$500 or more in money or property.

98.16 (b) The commissioner may at any time compromise any premium or reimbursement due
98.17 from an employer under this chapter.

98.18 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney
98.19 licensed to practice law in Minnesota who is an employee of the department designated by
98.20 the commissioner for that purpose.

98.21 (d) Any compromise must be in the best interest of the state of Minnesota.

98.22 Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

98.23 From January 1, 2024, through December 31, 2024, the commissioner may spend up to
98.24 seven percent of premiums collected under section 268B.15 for administration of this chapter.
98.25 Beginning January 1, 2025, and each calendar year thereafter, the commissioner may spend
98.26 up to seven percent of projected benefit payments for that calendar year for the administration
98.27 of this chapter. The department may enter into interagency agreements with the Department
98.28 of Labor and Industry, including agreements to transfer funds, subject to the limit in this
98.29 section, for the Department of Labor and Industry to fulfill its enforcement authority of this
98.30 chapter.

99.1 Sec. 25. **[268B.18] PUBLIC OUTREACH.**

99.2 Beginning January 1, 2024, the commissioner must use at least 0.5 percent of revenue
99.3 collected under this chapter for the purpose of outreach, education, and technical assistance
99.4 for employees, employers, and self-employed individuals eligible to elect coverage under
99.5 section 268B.11. The department may enter into interagency agreements with the Department
99.6 of Labor and Industry, including agreements to transfer funds, subject to the limit in section
99.7 268B.17, to accomplish the requirements of this section. At least one-half of the amount
99.8 spent under this section must be used for grants to community-based groups.

99.9 Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

99.10 Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a
99.11 determination or amended determination issued under this chapter, or (2) because of a
99.12 benefit law judge's decision under section 268B.08, has received any family or medical
99.13 leave benefits that the applicant was held not entitled to, is overpaid the benefits and must
99.14 promptly repay the benefits to the family and medical benefit insurance account.

99.15 (b) If the applicant fails to repay the benefits overpaid, including any penalty and interest
99.16 assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed
99.17 under state and federal law.

99.18 Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed
99.19 misrepresentation if the applicant is overpaid benefits by making a false statement or
99.20 representation without a good faith belief as to the correctness of the statement or
99.21 representation.

99.22 (b) After the discovery of facts indicating misrepresentation, the commissioner must
99.23 issue a determination of overpayment penalty assessing a penalty equal to 20 percent of the
99.24 amount overpaid. This penalty is in addition to penalties under section 268B.19.

99.25 (c) Unless the applicant files an appeal within 30 calendar days after the sending of a
99.26 determination of overpayment penalty to the applicant by mail or electronic transmission,
99.27 or within 60 calendar days, if the applicant establishes good cause for not appealing within
99.28 30 days, the determination is final. For the purposes of this paragraph, "good cause" means
99.29 a reason that would have prevented an applicant from acting with due diligence in appealing
99.30 within 30 days and includes any illness, disability, or linguistic and literacy limitation of
99.31 the applicant, along with other relevant factors. If an applicant claims good cause for a late
99.32 appeal, the applicant must be granted a hearing on the issue of timeliness. This hearing can

100.1 be held at the same time as a hearing on the merits of the appeal. Proceedings on the appeal
100.2 are conducted in accordance with section 268B.08.

100.3 (d) A determination of overpayment penalty must state the methods of collection the
100.4 commissioner may use to recover the overpayment, penalty, and interest assessed. Money
100.5 received in repayment of overpaid benefits, penalties, and interest is first applied to the
100.6 benefits overpaid, second to the penalty amount due, and third to any interest due.

100.7 (e) The department is authorized to issue a determination of overpayment penalty under
100.8 this subdivision within 48 months of the establishment of the benefit account upon which
100.9 the benefits were obtained through misrepresentation.

100.10 Subd. 3. **Family and medical benefit insurance enforcement account created.** The
100.11 family and medical benefit insurance enforcement account is created in the state treasury.
100.12 Any penalties and interest collected under this section shall be deposited into the account
100.13 under this subdivision and shall be used only for the purposes of administering and enforcing
100.14 this chapter. Only the commissioner may authorize expenditures from the account under
100.15 this subdivision.

100.16 Subd. 4. **Interest.** For any family and medical leave benefits obtained by
100.17 misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner
100.18 must assess interest on any amount that remains unpaid beginning 30 calendar days after
100.19 the date of a determination of overpayment penalty. Interest is assessed at the rate of one
100.20 percent per month or any part of a month. A determination of overpayment penalty must
100.21 state that interest will be assessed. Interest is not assessed on unpaid interest. Interest collected
100.22 under this subdivision is credited to the family and medical benefit insurance enforcement
100.23 account.

100.24 Subd. 5. **Offset of benefits.** The commissioner may offset from any future family and
100.25 medical leave benefits otherwise payable the amount of a nonmisrepresentation overpayment.
100.26 Except when the nonmisrepresentation overpayment resulted because the applicant failed
100.27 to report deductible earnings or deductible or benefit delaying payments, no single offset
100.28 may exceed 50 percent of the amount of the payment from which the offset is made.

100.29 Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits overpaid
100.30 for reasons other than misrepresentation are not repaid or offset from subsequent benefits
100.31 within six years after the date of the determination or decision holding the applicant overpaid,
100.32 the commissioner must cancel the overpayment balance, and no administrative or legal
100.33 proceedings may be used to enforce collection of those amounts.

101.1 (b) If family and medical leave benefits overpaid because of misrepresentation including
101.2 penalties and interest are not repaid within ten years after the date of the determination of
101.3 overpayment penalty, the commissioner must cancel the overpayment balance and any
101.4 penalties and interest due, and no administrative or legal proceeding may be used to enforce
101.5 collection of those amounts.

101.6 (c) The commissioner may cancel at any time any overpayment, including penalties and
101.7 interest that the commissioner determines is uncollectible because of death or bankruptcy.

101.8 Subd. 7. **Court fees; collection fees.** (a) If the department is required to pay any court
101.9 fees in an attempt to enforce collection of overpaid family and medical leave benefits,
101.10 penalties, or interest, the amount of the court fees may be added to the total amount due.

101.11 (b) If an applicant who has been overpaid family and medical leave benefits because of
101.12 misrepresentation seeks to have any portion of the debt discharged under the federal
101.13 bankruptcy code, and the department files an objection in bankruptcy court to the discharge,
101.14 the cost of any court fees may be added to the debt if the bankruptcy court does not discharge
101.15 the debt.

101.16 (c) If the Internal Revenue Service assesses the department a fee for offsetting from a
101.17 federal tax refund the amount of any overpayment, including penalties and interest, the
101.18 amount of the fee may be added to the total amount due. The offset amount must be put in
101.19 the family and medical benefit insurance enforcement account and that amount credited to
101.20 the total amount due from the applicant.

101.21 Subd. 8. **Collection of overpayments.** (a) The commissioner has discretion regarding
101.22 the recovery of any overpayment for reasons other than misrepresentation. Regardless of
101.23 any law to the contrary, the commissioner is not required to refer any overpayment for
101.24 reasons other than misrepresentation to a public or private collection agency, including
101.25 agencies of this state.

101.26 (b) Amounts overpaid for reasons other than misrepresentation are not considered a
101.27 "debt" to the state of Minnesota for purposes of any reporting requirements to the
101.28 commissioner of management and budget.

101.29 (c) A pending appeal under section 268B.08 does not suspend the assessment of interest,
101.30 penalties, or collection of an overpayment.

101.31 (d) Section 16A.626 applies to the repayment by an applicant of any overpayment,
101.32 penalty, or interest.

102.1 Sec. 27. **[268B.19] APPLICANT ADMINISTRATIVE PENALTIES.**

102.2 (a) Any applicant who makes a false statement or representation without a good faith
102.3 belief as to the correctness of the statement or representation in order to obtain or in an
102.4 attempt to obtain benefits may be assessed, in addition to any other penalties, an
102.5 administrative penalty of being ineligible for benefits for 13 to 104 weeks.

102.6 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must
102.7 be sent to the applicant by mail or electronic transmission. The department is authorized to
102.8 issue a determination of ineligibility under this subdivision within 48 months of the
102.9 establishment of the benefit account upon which the benefits were obtained, or attempted
102.10 to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination
102.11 is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

102.12 Sec. 28. **[268B.20] EMPLOYER MISCONDUCT; PENALTY.**

102.13 (a) The commissioner must penalize an employer if that employer or any employee,
102.14 officer, or agent of that employer is in collusion with any applicant for the purpose of
102.15 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
102.16 of benefits determined to be overpaid, whichever is greater.

102.17 (b) The commissioner must penalize an employer if that employer or any employee,
102.18 officer, or agent of that employer:

102.19 (1) made a false statement or representation knowing it to be false;

102.20 (2) made a false statement or representation without a good-faith belief as to the
102.21 correctness of the statement or representation; or

102.22 (3) knowingly failed to disclose a material fact.

102.23 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
102.24 employer's action:

102.25 (1) the amount of any overpaid benefits to an applicant;

102.26 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;

102.27 or

102.28 (3) the amount of any payment required from the employer under this chapter that was
102.29 not paid.

102.30 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
102.31 penalty and credited to the family and medical benefit insurance account.

103.1 (e) The determination of penalty is final unless the employer files an appeal within 30
103.2 calendar days after the sending of the determination of penalty to the employer by United
103.3 States mail or electronic transmission.

103.4 Sec. 29. **[268B.21] RECORDS; AUDITS.**

103.5 Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate
103.6 records on individuals performing services for the employer, containing the information
103.7 the commissioner may require under this chapter. The records must be kept for a period of
103.8 not less than four years in addition to the current calendar year.

103.9 (b) For the purpose of administering this chapter, the commissioner has the power to
103.10 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,
103.11 records, or memoranda that are the property of, or in the possession of, an employer or any
103.12 other person at any reasonable time and as often as may be necessary. Subpoenas may be
103.13 issued under section 268B.22 as necessary, for an audit.

103.14 (c) An employer or other person that refuses to allow an audit of its records by the
103.15 department or that fails to make all necessary records available for audit in the state upon
103.16 request of the commissioner may be assessed an administrative penalty of \$500. The penalty
103.17 collected is credited to the family and medical benefit insurance account.

103.18 (d) An employer, or other person, that fails to provide a weekly breakdown of money
103.19 earned by an applicant upon request of the commissioner, information necessary for the
103.20 detection of applicant misrepresentation under section 268B.185, subdivision 2, may be
103.21 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown
103.22 must clearly state that a \$100 penalty may be assessed for failure to provide the information.
103.23 The penalty collected is credited to the family and medical benefit insurance account.

103.24 Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries,
103.25 compilations, duplications, or reproductions of any records pertaining to this chapter that
103.26 the commissioner considers advisable for the preservation of the information.

103.27 (b) Regardless of any law to the contrary, the commissioner may destroy any records
103.28 that are no longer necessary for the administration of this chapter. In addition, the
103.29 commissioner may destroy any record from which the information has been electronically
103.30 captured and stored.

104.1 Sec. 30. **[268B.22] SUBPOENAS; OATHS.**

104.2 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,
104.3 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
104.4 individuals and the production of documents and other personal property necessary in
104.5 connection with the administration of this chapter.

104.6 (b) Individuals subpoenaed, other than applicants or officers and employees of an
104.7 employer that is the subject of the inquiry, are paid witness fees the same as witness fees
104.8 in civil actions in district court. The fees need not be paid in advance.

104.9 (c) The subpoena is enforceable through the district court in Ramsey County.

104.10 Sec. 31. **[268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

104.11 Subdivision 1. Lien. (a) Any amount due under this chapter, from an applicant or an
104.12 employer, becomes a lien upon all the property, within this state, both real and personal, of
104.13 the person liable, from the date of assessment. For the purposes of this section, "date of
104.14 assessment" means the date the obligation was due.

104.15 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a
104.16 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,
104.17 until a notice of lien has been filed with the county recorder of the county where the property
104.18 is situated, or in the case of personal property belonging to a nonresident person in the Office
104.19 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee
104.20 for filing and indexing is as provided in sections 272.483 and 272.484.

104.21 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the
104.22 commissioner, may be filed with the county recorder or the secretary of state by mail,
104.23 personal delivery, or electronic transmission into the computerized filing system of the
104.24 secretary of state. The secretary of state must, on any notice filed with that office, transmit
104.25 the notice electronically to the appropriate county recorder. The filing officer, whether the
104.26 county recorder or the secretary of state, must endorse and index a printout of the notice as
104.27 if the notice had been mailed or delivered.

104.28 (d) County recorders and the secretary of state must enter information on lien notices,
104.29 renewals, and releases into the central database of the secretary of state. For notices filed
104.30 electronically with the county recorders, the date and time of receipt of the notice and county
104.31 recorder's file number, and for notices filed electronically with the secretary of state, the
104.32 secretary of state's recording information, must be entered into the central database before
104.33 the close of the working day following the day of the original data entry by the commissioner.

105.1 (e) The lien imposed on personal property, even though properly filed, is not enforceable
105.2 against a purchaser of tangible personal property purchased at retail or personal property
105.3 listed as exempt in sections 550.37, 550.38, and 550.39.

105.4 (f) A notice of lien filed has priority over any security interest arising under chapter 336,
105.5 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

105.6 (1) the perfected security interest secures property not in existence at the time the notice
105.7 of lien is filed; and

105.8 (2) the property comes into existence after the 45th calendar day following the day the
105.9 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien
105.10 filing, whichever is earlier.

105.11 (g) The lien is enforceable from the time the lien arises and for ten years from the date
105.12 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional
105.13 ten years.

105.14 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure
105.15 under chapter 550.

105.16 (i) The lien may be imposed upon property defined as homestead property in chapter
105.17 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead
105.18 property.

105.19 (j) The commissioner may sell and assign to a third party the commissioner's right of
105.20 redemption in specific real property for liens filed under this subdivision. The assignee is
105.21 limited to the same rights of redemption as the commissioner, except that in a bankruptcy
105.22 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from
105.23 the sale of the right of redemption are credited to the family and medical benefit insurance
105.24 account.

105.25 Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer,
105.26 is not paid when due, the amount may be collected by the commissioner by direct levy upon
105.27 all property and rights of property of the person liable for the amount due except property
105.28 exempt from execution under section 550.37. For the purposes of this section, "levy" includes
105.29 the power of distraint and seizure by any means.

105.30 (b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of
105.31 any county who must proceed within 60 calendar days to levy upon the property or rights
105.32 to property of the delinquent person within the county, except property exempt under section
105.33 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together

106.1 with the commissioner's and sheriff's costs. The sales are governed by the law applicable
106.2 to sales of like property on execution of a judgment.

106.3 (c) Notice and demand for payment of the total amount due must be mailed to the
106.4 delinquent person at least ten calendar days before action being taken under paragraphs (a)
106.5 and (b).

106.6 (d) If the commissioner has reason to believe that collection of the amount due is in
106.7 jeopardy, notice and demand for immediate payment may be made. If the total amount due
106.8 is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without
106.9 regard to the ten calendar day period.

106.10 (e) In executing the levy, the commissioner must have all of the powers provided in
106.11 chapter 550 or any other law that provides for execution against property in this state. The
106.12 sale of property levied upon and the time and manner of redemption is as provided in chapter
106.13 550. The seal of the court is not required. The levy may be made whether or not the
106.14 commissioner has commenced a legal action for collection.

106.15 (f) Where any assessment has been made by the commissioner, the property seized for
106.16 collection of the total amount due must not be sold until any determination of liability has
106.17 become final. No sale may be made unless a portion of the amount due remains unpaid for
106.18 a period of more than 30 calendar days after the determination of liability becomes final.
106.19 Seized property may be sold at any time if:

106.20 (1) the delinquent person consents in writing to the sale; or

106.21 (2) the commissioner determines that the property is perishable or may become greatly
106.22 reduced in price or value by keeping, or that the property cannot be kept without great
106.23 expense.

106.24 (g) Where a levy has been made to collect the amount due and the property seized is
106.25 properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505
106.26 and maintained under full supervision of the court, the property may not be sold until the
106.27 probate proceedings are completed or until the court orders.

106.28 (h) The property seized must be returned if the owner:

106.29 (1) gives a surety bond equal to the appraised value of the owner's interest in the property,
106.30 as determined by the commissioner; or

106.31 (2) deposits with the commissioner security in a form and amount the commissioner
106.32 considers necessary to insure payment of the liability.

107.1 (i) If a levy or sale would irreparably injure rights in property that the court determines
107.2 superior to rights of the state, the court may grant an injunction to prohibit the enforcement
107.3 of the levy or to prohibit the sale.

107.4 (j) Any person who fails or refuses to surrender without reasonable cause any property
107.5 or rights to property subject to levy is personally liable in an amount equal to the value of
107.6 the property or rights not so surrendered, but not exceeding the amount due.

107.7 (k) If the commissioner has seized the property of any individual, that individual may,
107.8 upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable
107.9 relief before the district court for the release of the property upon terms and conditions the
107.10 court considers equitable.

107.11 (l) Any person in control or possession of property or rights to property upon which a
107.12 levy has been made who surrenders the property or rights to property, or who pays the
107.13 amount due is discharged from any obligation or liability to the person liable for the amount
107.14 due with respect to the property or rights to property.

107.15 (m) The notice of any levy may be served personally or by mail.

107.16 (n) The commissioner may release the levy upon all or part of the property or rights to
107.17 property levied upon if the commissioner determines that the release will facilitate the
107.18 collection of the liability, but the release does not prevent any subsequent levy. If the
107.19 commissioner determines that property has been wrongfully levied upon, the commissioner
107.20 must return:

107.21 (1) the specific property levied upon, at any time; or

107.22 (2) an amount of money equal to the amount of money levied upon, at any time before
107.23 the expiration of nine months from the date of levy.

107.24 (o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial
107.25 institution located in this state, has priority over any unexercised right of setoff of the
107.26 financial institution to apply the levied funds toward the balance of an outstanding loan or
107.27 loans owed by the person to the financial institution. A claim by the financial institution
107.28 that it exercised its right to setoff before the levy must be substantiated by evidence of the
107.29 date of the setoff, and verified by an affidavit from a corporate officer of the financial
107.30 institution. For purposes of determining the priority of any levy under this subdivision, the
107.31 levy is treated as if it were an execution under chapter 550.

107.32 Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner
107.33 of management and budget, or to any state agency that disburses its own funds, that a person,

108.1 applicant, or employer has a liability under this chapter, and that the state has purchased
108.2 personal services, supplies, contract services, or property from that person, the commissioner
108.3 of management and budget or the state agency must set off and pay to the commissioner an
108.4 amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the
108.5 obligation of the state otherwise due the person. No amount may be set off from any funds
108.6 exempt under section 550.37 or funds due an individual who receives assistance under
108.7 chapter 256.

108.8 (b) All funds, whether general or dedicated, are subject to setoff.

108.9 (c) Regardless of any law to the contrary, the commissioner has first priority to setoff
108.10 from any funds otherwise due from the department to a delinquent person.

108.11 Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an
108.12 applicant or employer, may be collected by civil action in the name of the state of Minnesota.
108.13 Civil actions brought under this subdivision must be heard as provided under section 16D.14.
108.14 In any action, judgment must be entered in default for the relief demanded in the complaint
108.15 without proof, together with costs and disbursements, upon the filing of an affidavit of
108.16 default.

108.17 (b) Any person that is not a resident of this state and any resident person removed from
108.18 this state, is considered to appoint the secretary of state as its agent for the acceptance of
108.19 process in any civil action. The commissioner must file process with the secretary of state,
108.20 together with a payment of a fee of \$15 and that service is considered sufficient service and
108.21 has the same force and validity as if served personally within this state. Notice of the service
108.22 of process, together with a copy of the process, must be sent by certified mail to the person's
108.23 last known address. An affidavit of compliance with this subdivision, and a copy of the
108.24 notice of service must be appended to the original of the process and filed in the court.

108.25 (c) No court filing fees, docketing fees, or release of judgment fees may be assessed
108.26 against the state for actions under this subdivision.

108.27 Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the
108.28 determination, assessment, or collection of any amounts due under this chapter, from an
108.29 applicant or employer, are allowed.

108.30 Sec. 32. **[268B.24] CONCILIATION SERVICES.**

108.31 The Department of Labor and Industry may offer conciliation services to employers and
108.32 employees to resolve disputes concerning alleged violations of employment protections
108.33 identified in section 268B.09.

109.1 Sec. 33. [268B.25] ANNUAL REPORTS.

109.2 (a) Beginning on or before December 1, 2024, the commissioner must annually report
109.3 to the Department of Management and Budget and the house of representatives and senate
109.4 committee chairs with jurisdiction over this chapter on program administrative expenditures
109.5 and revenue collection for the prior fiscal year, including but not limited to:

109.6 (1) total revenue raised through premium collection;

109.7 (2) the number of self-employed individuals or independent contractors electing coverage
109.8 under section 268B.11 and amount of associated revenue;

109.9 (3) the number of covered business entities paying premiums under this chapter and
109.10 associated revenue;

109.11 (4) administrative expenditures including transfers to other state agencies expended in
109.12 the administration of the chapter;

109.13 (5) summary of contracted services expended in the administration of this chapter;

109.14 (6) grant amounts and recipients under sections 268B.29 and 268B.18;

109.15 (7) an accounting of required outreach expenditures;

109.16 (8) summary of private plan approvals including the number of employers and employees
109.17 covered under private plans; and

109.18 (9) adequacy and use of the private plan approval and oversight fee.

109.19 (b) Beginning on or before December 1, 2025, the commissioner must annually publish
109.20 a publicly available report providing the following information for the previous fiscal year:

109.21 (1) total eligible claims;

109.22 (2) the number and percentage of claims attributable to each category of benefit;

109.23 (3) claimant demographics by age, gender, average weekly wage, occupation, and the
109.24 type of leave taken;

109.25 (4) the percentage of claims denied and the reasons therefor, including but not limited
109.26 to insufficient information and ineligibility and the reason therefor;

109.27 (5) average weekly benefit amount paid for all claims and by category of benefit;

109.28 (6) changes in the benefits paid compared to previous fiscal years;

109.29 (7) processing times for initial claims processing, initial determinations, and final
109.30 decisions;

110.1 (8) average duration for cases completed; and

110.2 (9) the number of cases remaining open at the close of such year.

110.3 **Sec. 34. [268B.26] NOTICE REQUIREMENTS.**

110.4 (a) Each employer must post in a conspicuous place on each of its premises a workplace
110.5 notice prepared or approved by the commissioner providing notice of benefits available
110.6 under this chapter. The required workplace notice must be in English and each language
110.7 other than English which is the primary language of five or more employees or independent
110.8 contractors of that workplace, if such notice is available from the department.

110.9 (b) Each employer must issue to each employee not more than 30 days from the beginning
110.10 date of the employee's employment, or 30 days before premium collection begins, whichever
110.11 is later, the following written information provided or approved by the department in the
110.12 primary language of the employee:

110.13 (1) an explanation of the availability of family and medical leave benefits provided under
110.14 this chapter, including rights to reinstatement and continuation of health insurance;

110.15 (2) the amount of premium deductions made by the employer under this chapter;

110.16 (3) the employer's premium amount and obligations under this chapter;

110.17 (4) the name and mailing address of the employer;

110.18 (5) the identification number assigned to the employer by the department;

110.19 (6) instructions on how to file a claim for family and medical leave benefits;

110.20 (7) the mailing address, e-mail address, and telephone number of the department; and

110.21 (8) any other information required by the department.

110.22 Delivery is made when an employee provides written acknowledgment of receipt of the
110.23 information, or signs a statement indicating the employee's refusal to sign such
110.24 acknowledgment.

110.25 (c) Each employer shall provide to each independent contractor with whom it contracts,
110.26 at the time such contract is made or, for existing contracts, within 30 days of the effective
110.27 date of this section, the following written information provided or approved by the department
110.28 in the self-employed individual's primary language:

110.29 (1) the address and telephone number of the department; and

110.30 (2) any other information required by the department.

111.1 (d) An employer that fails to comply with this subdivision may be issued, for a first
111.2 violation, a civil penalty of \$50 per employee and per independent contractor with whom
111.3 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee
111.4 or self-employed individual with whom it has contracted. The employer shall have the
111.5 burden of demonstrating compliance with this section.

111.6 (e) Employer notice to an employee under this section may be provided in paper or
111.7 electronic format. For notice provided in electronic format only, the employer must provide
111.8 employee access to an employer-owned computer during an employee's regular working
111.9 hours to review and print required notices.

111.10 **Sec. 35. [268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

111.11 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this
111.12 chapter to run concurrently with leave taken for the same purpose under section 181.941
111.13 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,
111.14 as amended.

111.15 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

111.16 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
111.17 or personal time before or while taking leave under this chapter;

111.18 (2) except as provided under section 268B.01, subdivision 37, prohibit an employer
111.19 from providing additional benefits, including but not limited to covering the portion of
111.20 earnings not provided under this chapter during periods of leave covered under this chapter;
111.21 or

111.22 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
111.23 with respect to leave benefits and related procedures and employee protections that meet
111.24 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
111.25 this chapter.

111.26 **Sec. 36. [268B.28] SEVERABLE.**

111.27 If the United States Department of Labor or a court of competent jurisdiction determines
111.28 that any provision of the family and medical benefit insurance program under this chapter
111.29 is not in conformity with, or is inconsistent with, the requirements of federal law, the
111.30 provision has no force or effect. If only a portion of the provision, or the application to any
111.31 person or circumstances, is determined not in conformity, or determined inconsistent, the

112.1 remainder of the provision and the application of the provision to other persons or
112.2 circumstances are not affected.

112.3 **Sec. 37. [268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

112.4 (a) Employers with 50 or fewer employees may apply to the department for grants under
112.5 this section.

112.6 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
112.7 temporary worker to replace an employee on family or medical leave for a period of seven
112.8 days or more.

112.9 (c) For an employee's family or medical leave, the commissioner may approve a grant
112.10 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the
112.11 employee's leave.

112.12 (d) To be eligible for consideration for a grant under this section, the employer must
112.13 provide the department written documentation showing the temporary worker hired or
112.14 significant wage-related costs incurred are due to an employee's use of leave under this
112.15 chapter.

112.16 (e) The grants under this section may be funded from the family and medical benefit
112.17 insurance account.

112.18 (f) For the purposes of this section, the commissioner shall average the number of
112.19 employees reported by an employer over the last four completed calendar quarters to
112.20 determine the size of the employer.

112.21 (g) An employer who has an approved private plan is not eligible to receive a grant under
112.22 this section.

112.23 (h) The commissioner may award grants under this section only up to a maximum of
112.24 \$5,000,000 per calendar year.

112.25 **Sec. 38. EFFECTIVE DATES.**

112.26 (a) Sections 1, 4, 5, 6, and 36 are effective July 1, 2022.

112.27 (b) Section 15 is effective July 1, 2023.

112.28 (c) Section 34 is effective December 1, 2023.

112.29 (d) Sections 2, 3, 16 to 19, 21, 23 to 25, 28 to 31, and 33 are effective January 1, 2024.

112.30 (e) Sections 7 to 14, 20, 22, 26 to 27, 32, 35, and 37 are effective January 1, 2025.

113.1

ARTICLE 4

113.2

FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS

113.3

Section 1. Minnesota Statutes 2020, section 256J.561, is amended by adding a subdivision

113.4

to read:

113.5

Subd. 4. Parents receiving family and medical leave benefits. A parent who meets

113.6

the criteria under subdivision 2 and who receives benefits under chapter 268B is not required

113.7

to participate in employment services.

113.8

Sec. 2. Minnesota Statutes 2020, section 256J.95, subdivision 3, is amended to read:

113.9

Subd. 3. Eligibility for diversionary work program. (a) Except for the categories of

113.10

family units listed in clauses (1) to (8), all family units who apply for cash benefits and who

113.11

meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must

113.12

participate in the diversionary work program. Family units or individuals that are not eligible

113.13

for the diversionary work program include:

113.14

(1) child only cases;

113.15

(2) single-parent family units that include a child under 12 months of age. A parent is

113.16

eligible for this exception once in a parent's lifetime;

113.17

(3) family units with a minor parent without a high school diploma or its equivalent;

113.18

(4) family units with an 18- or 19-year-old caregiver without a high school diploma or

113.19

its equivalent who chooses to have an employment plan with an education option;

113.20

(5) family units with a caregiver who received DWP benefits within the 12 months prior

113.21

to the month the family applied for DWP, except as provided in paragraph (c);

113.22

(6) family units with a caregiver who received MFIP within the 12 months prior to the

113.23

month the family applied for DWP;

113.24

(7) family units with a caregiver who received 60 or more months of TANF assistance;

113.25

~~and~~

113.26

(8) family units with a caregiver who is disqualified from the work participation cash

113.27

benefit program, DWP, or MFIP due to fraud; and

113.28

(9) single-parent family units where a parent is receiving family and medical leave

113.29

benefits under chapter 268B.

114.1 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria
114.2 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a
114.3 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

114.4 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant
114.5 leaves the program for any reason and reapplies during the four-month period, the county
114.6 must redetermine eligibility for DWP.

114.7 Sec. 3. Minnesota Statutes 2020, section 256J.95, subdivision 11, is amended to read:

114.8 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
114.9 who meet the criteria in paragraph (d), are required to participate in DWP employment
114.10 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
114.11 at a minimum, meet the requirements in section 256J.55, subdivision 1.

114.12 (b) A caregiver who is a member of a two-parent family that is required to participate
114.13 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed
114.14 to develop an employment plan under section 256J.521, subdivision 2, that may contain
114.15 alternate activities and reduced hours.

114.16 (c) A participant who is a victim of family violence shall be allowed to develop an
114.17 employment plan under section 256J.521, subdivision 3. A claim of family violence must
114.18 be documented by the applicant or participant by providing a sworn statement which is
114.19 supported by collateral documentation in section 256J.545, paragraph (b).

114.20 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
114.21 ~~of age is not required to have an employment plan until the child reaches 12 months of age~~
114.22 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
114.23 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
114.24 ~~(a), clause (5). if that parent:~~

114.25 (1) receives family and medical leave benefits under chapter 268B; or

114.26 (2) has a natural born child under 12 months of age until the child reaches 12 months
114.27 of age unless the family unit has already used the exclusion under section 256J.561,
114.28 subdivision 3, or the previously allowed child under age one exemption under section
114.29 256J.56, paragraph (a), clause (5).

114.30 (e) The provision in paragraph (d) ends the first full month after the child reaches 12
114.31 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent
114.32 household, only one parent shall be allowed to use this category.

115.1 (f) The participant and job counselor must meet in the month after the month the child
 115.2 reaches 12 months of age to revise the participant's employment plan. The employment plan
 115.3 for a family unit that has a child under 12 months of age that has already used the exclusion
 115.4 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

115.5 Sec. 4. Minnesota Statutes 2021 Supplement, section 256P.01, subdivision 3, is amended
 115.6 to read:

115.7 Subd. 3. **Earned income.** "Earned income" means income earned through the receipt
 115.8 of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities,
 115.9 net profit from self-employment activities, payments made by an employer for regularly
 115.10 accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid
 115.11 under chapter 268B, royalties, honoraria, or other profit from activity that results from the
 115.12 client's work, effort, or labor for purposes other than student financial assistance,
 115.13 rehabilitation programs, student training programs, or service programs such as AmeriCorps.
 115.14 The income must be in return for, or as a result of, legal activity.

115.15 Sec. 5. **EFFECTIVE DATES.**

115.16 Sections 1 to 4 are effective January 1, 2025.

115.17 **ARTICLE 5**

115.18 **LABOR AND INDUSTRY APPROPRIATIONS**

115.19 Section 1. **APPROPRIATIONS.**

115.20 The sums shown in the columns under "Appropriations" are added to the appropriations
 115.21 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The
 115.22 appropriations are from the general fund, or another named fund, and are available for the
 115.23 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
 115.24 mean that the appropriations listed under them are available for the fiscal year ending June
 115.25 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,
 115.26 2022, are effective the day following final enactment.

115.27 **APPROPRIATIONS**

115.28 **Available for the Year**

115.29 **Ending June 30**

115.30 **2022**

2023

115.31 Sec. 2. **DEPARTMENT OF LABOR AND**
 115.32 **INDUSTRY**

116.1 Subdivision 1. Total Appropriation \$ -0- \$ 10,332,000

116.2 Appropriations by Fund

	<u>2022</u>	<u>2023</u>
116.4 <u>General</u>	<u>-0-</u>	<u>7,117,000</u>
116.5 <u>Workers'</u>		
116.6 <u>Compensation</u>	<u>-0-</u>	<u>82,000</u>
116.7 <u>Workforce</u>		
116.8 <u>Development</u>	<u>-0-</u>	<u>3,133,000</u>

116.9 Subd. 2. Labor Standards and Apprenticeship -0- 5,996,000

116.10 Appropriations by Fund

	<u>2022</u>	<u>2023</u>
116.12 <u>General Fund</u>	<u>-0-</u>	<u>2,863,000</u>
116.13 <u>Workforce</u>		
116.14 <u>Development</u>	<u>-0-</u>	<u>3,133,000</u>

116.15 (a) \$1,059,000 in fiscal year 2023 is from the

116.16 workforce development fund for labor

116.17 education and advancement program grants

116.18 under Minnesota Statutes, section 178.11, to

116.19 expand and promote registered apprenticeship

116.20 training for people of color, Indigenous

116.21 people, and women. Of this amount:

116.22 (1) \$159,000 is available for program

116.23 administration; and

116.24 (2) at least \$500,000 must be awarded to

116.25 community-based organizations.

116.26 (b) \$316,000 is from the workforce

116.27 development fund for administration of the

116.28 apprenticeship program under Minnesota

116.29 Statutes, chapter 178.

116.30 (c) \$1,758,000 in fiscal year 2023 is from the

116.31 workforce development fund for prevailing

116.32 wage education and compliance.

116.33 (d) \$196,000 in fiscal year 2023 is to expand

116.34 and strengthen fair labor standards for

116.35 agricultural and food processing workers. In

117.1 fiscal year 2024 and beyond, the base is
117.2 \$146,000.

117.3 (e) \$500,000 in fiscal year 2023 is for the
117.4 loggers safety grant program under Laws
117.5 2021, First Special Session chapter 10, article
117.6 3, section 21. This is a onetime appropriation.

117.7 (f) \$200,000 in fiscal year 2023 is to establish
117.8 a Veterans Liaison Coordinator position in the
117.9 Registered Apprenticeship Division. The
117.10 position is responsible for collaborating with
117.11 Minnesota stakeholders and state and federal
117.12 agencies to: promote and increase veterans in
117.13 the trades; support initiatives for veterans
117.14 seeking a living wage and sustainable
117.15 employment; and increase awareness of
117.16 registered apprenticeship opportunities in
117.17 Minnesota. Of this amount, up to \$150,000 is
117.18 for salary and benefits for the position, and
117.19 \$50,000 is for administrative support services,
117.20 marketing, and paid communications. The
117.21 base for this appropriation is \$180,000 in fiscal
117.22 year 2024 and \$160,000 in fiscal year 2025.

117.23 (g) \$1,367,000 in fiscal year 2023 is for
117.24 enforcement and other duties regarding earned
117.25 sick and safe time under Minnesota Statutes,
117.26 sections 181.9445 to 181.9448, and chapter
117.27 177. In fiscal year 2024, the base for this
117.28 appropriation is \$2,018,000. In fiscal year
117.29 2025, the base for this appropriation is
117.30 \$1,708,000.

117.31 (h) \$300,000 in fiscal year 2023 is for earned
117.32 sick and safe time grants to community
117.33 organizations under Minnesota Statutes,
117.34 section 177.50, subdivision 4. In fiscal year
117.35 2024, the base for this appropriation is

118.1 \$300,000. In fiscal year 2025, the base for this
 118.2 appropriation is \$0.

118.3 (i) \$300,000 in fiscal year 2023 is for a grant
 118.4 to Building Strong Communities, Inc., for a
 118.5 statewide apprenticeship readiness program
 118.6 to prepare women, BIPOC community
 118.7 members, and veterans to enter the building
 118.8 and construction trades. This is a onetime
 118.9 appropriation.

118.10 **Subd. 3. Workforce Development Initiatives** -0- 747,000

118.11 (a) \$500,000 in fiscal year 2023 is for youth
 118.12 skills training grants under Minnesota Statutes,
 118.13 section 175.46.

118.14 (b) \$247,000 in fiscal year 2023 is for
 118.15 administration of the youth skills training
 118.16 grants under Minnesota Statutes, section
 118.17 175.46. In fiscal year 2024, the base for this
 118.18 appropriation is \$258,000. In fiscal year 2025,
 118.19 the base for this appropriation is \$270,000.

118.20 **Subd. 4. Combative Sports** -0- 150,000

118.21 **Subd. 5. Transfer to Construction Code Fund** -0- 2,850,000

118.22 \$2,850,000 in fiscal year 2023 is for transfer
 118.23 to the construction code fund under Minnesota
 118.24 Statutes, section 326B.04, subdivision 1. In
 118.25 fiscal year 2024, the base for this appropriation
 118.26 is \$4,477,000. In fiscal year 2025, the base for
 118.27 this appropriation is \$0.

118.28 **Subd. 6. Agricultural Worker Wellness** -0- 507,000

118.29 (a) \$255,000 in fiscal year 2023 is for the
 118.30 ombudsperson for the safety, health, and
 118.31 well-being of agricultural and food processing
 118.32 workers under Minnesota Statutes, section
 118.33 179.911.

119.1 (b) \$252,000 in fiscal year 2023 is for the
 119.2 agricultural worker wellness committee under
 119.3 Minnesota Statutes, section 179.912.

119.4 Subd. 7. **Warehouse Distribution Worker Safety** -0- 82,000

119.5 \$82,000 in fiscal year 2023 is from the
 119.6 workers' compensation fund for enforcement
 119.7 and other duties regarding warehouse
 119.8 distribution workers safety under Minnesota
 119.9 Statutes, section 182.6526. In fiscal year 2024
 119.10 and beyond, the base is \$56,000 each year.

119.11 Sec. 3. **WORKERS' COMPENSATION COURT**
 119.12 **OF APPEALS** \$ -0- \$ 300,000

119.13 (a) This appropriation is from the workers'
 119.14 compensation fund. Of this amount, \$100,000
 119.15 is for rulemaking. This appropriation is
 119.16 onetime.

119.17 (b) In fiscal years 2024 and 2025, \$200,000
 119.18 is added to the agency's base.

119.19 Sec. 4. **BUREAU OF MEDIATION SERVICES** \$ -0- \$ 400,000

119.20 This appropriation is for purposes of the
 119.21 Public Employment Relations Board under
 119.22 Minnesota Statutes, section 179A.041. In
 119.23 fiscal years 2024 and 2025, the base is
 119.24 \$525,000.

119.25 Sec. 5. **MINNESOTA MANAGEMENT AND**
 119.26 **BUDGET** \$ -0- \$ 54,000

119.27 (a) \$3,000 in fiscal year 2023 is for printing
 119.28 costs associated with earned sick and safe
 119.29 time. This is a onetime appropriation.

119.30 (b) \$51,000 in fiscal year 2023 is to allocate
 119.31 money to executive branch state agencies,
 119.32 boards, and commissions to offset the cost of
 119.33 earned sick and safe time leave required under
 119.34 Minnesota Statutes, sections 181.9445 to

120.1 181.9448. The commissioner of management
 120.2 and budget must determine an allocation of
 120.3 the amount appropriated for each executive
 120.4 branch state agency, board, and commission.
 120.5 In fiscal year 2024 and beyond, the base for
 120.6 this appropriation is \$102,000.

120.7 Sec. 6. **HOUSE OF REPRESENTATIVES** **\$** **-0-** **\$** **18,000**

120.8 \$18,000 in fiscal year 2023 is for modifying
 120.9 the timecard and human resources systems as
 120.10 necessary to comply with earned sick and safe
 120.11 time requirements under Minnesota Statutes,
 120.12 sections 181.9445 to 181.9448. This is a
 120.13 onetime appropriation.

120.14 Sec. 7. **SUPREME COURT** **\$** **-0-** **\$** **1,000**

120.15 \$1,000 in fiscal year 2023 is for purposes of
 120.16 earned sick and safe time under Minnesota
 120.17 Statutes, sections 181.9445 to 181.9448. In
 120.18 fiscal year 2024, the base for this appropriation
 120.19 is \$492,000. In fiscal year 2025, the base for
 120.20 this appropriation is \$459,000.

120.21 Sec. 8. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to
 120.22 read:

120.23 Sec. 5. **BUREAU OF MEDIATION SERVICES** **\$** **2,370,000** **\$** **2,415,000**

120.24 (a) \$125,000 each year is for purposes of the
 120.25 Public Employment Relations Board under
 120.26 Minnesota Statutes, section 179A.041. This
 120.27 is a onetime appropriation.

120.28 ~~(b) \$68,000 each year is for grants to area~~
 120.29 ~~labor management committees. Grants may~~
 120.30 ~~be awarded for a 12-month period beginning~~
 120.31 ~~July 1 each year. Any unencumbered balance~~
 120.32 ~~remaining at the end of the first year does not~~
 120.33 ~~cancel but is available for the second year.~~

121.1 ~~(e)~~ (b) \$47,000 each year is for rulemaking,
 121.2 staffing, and other costs associated with peace
 121.3 officer grievance procedures.

121.4 Sec. 9. **DUPLICATE APPROPRIATIONS GIVEN EFFECT ONCE.**

121.5 If an appropriation in this act is enacted more than once during the 2022 regular session,
 121.6 the appropriation is to be given effect only once.

121.7

ARTICLE 6

121.8

LABOR AND INDUSTRY POLICY AND TECHNICAL

121.9 Section 1. Minnesota Statutes 2020, section 175.16, subdivision 1, is amended to read:

121.10 Subdivision 1. **Established.** The Department of Labor and Industry shall consist of the
 121.11 following divisions: Division of Workers' Compensation, Division of Construction Codes
 121.12 and Licensing, Division of Occupational Safety and Health, Division of Statistics, Division
 121.13 of Labor Standards, and Division of Apprenticeship, and such other divisions as the
 121.14 commissioner of the Department of Labor and Industry may deem necessary and establish.
 121.15 Each division of the department and persons in charge thereof shall be subject to the
 121.16 supervision of the commissioner of the Department of Labor and Industry and, in addition
 121.17 to such duties as are or may be imposed on them by statute, shall perform such other duties
 121.18 as may be assigned to them by the commissioner. Notwithstanding any other law to the
 121.19 contrary, the commissioner is the administrator and supervisor of all of the department's
 121.20 dispute resolution functions and personnel and may delegate authority to compensation
 121.21 judges and others to make determinations under sections 176.106, 176.238, and 176.239
 121.22 and to approve settlement of claims under section 176.521.

121.23 Sec. 2. Minnesota Statutes 2020, section 177.26, is amended to read:

121.24 **177.26 DIVISION OF LABOR STANDARDS.**

121.25 Subdivision 1. **Creation.** The Division of Labor Standards ~~and Apprenticeship~~ in the
 121.26 Department of Labor and Industry is supervised and controlled by the commissioner of
 121.27 labor and industry.

121.28 Subd. 2. **Powers and duties.** The Division of Labor Standards ~~and Apprenticeship~~ shall
 121.29 administer this chapter and chapters ~~178,~~ 181, 181A, and 184.

121.30 ~~Subd. 3. **Employees; transfer from Division of Women and Children.** All persons~~
 121.31 ~~employed by the department in the Division of Women and Children are transferred to the~~

122.1 ~~Division of Labor Standards. A transferred person does not lose rights acquired by reason~~
122.2 ~~of employment at the time of transfer.~~

122.3 Sec. 3. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

122.4 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
122.5 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
122.6 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
122.7 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, ~~or~~ 181.991, and with any rule
122.8 promulgated under section 177.28. The commissioner shall issue an order requiring an
122.9 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes
122.10 of this subdivision only, a violation is repeated if at any time during the two years that
122.11 preceded the date of violation, the commissioner issued an order to the employer for violation
122.12 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer
122.13 have entered into a settlement agreement that required the employer to pay back wages that
122.14 were required by sections 177.41 to 177.435. The department shall serve the order upon the
122.15 employer or the employer's authorized representative in person or by certified mail at the
122.16 employer's place of business. An employer who wishes to contest the order must file written
122.17 notice of objection to the order with the commissioner within 15 calendar days after being
122.18 served with the order. A contested case proceeding must then be held in accordance with
122.19 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the
122.20 employer fails to file a written notice of objection with the commissioner, the order becomes
122.21 a final order of the commissioner.

122.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
122.23 applies to franchise agreements entered into or amended on or after that date.

122.24 Sec. 4. Minnesota Statutes 2020, section 178.01, is amended to read:

122.25 **178.01 PURPOSES.**

122.26 The purposes of this chapter are: to open to all people regardless of race, sex, creed,
122.27 color or national origin, the opportunity to obtain training and on-the-job learning that will
122.28 equip them for profitable employment and citizenship; to establish as a means to this end,
122.29 a program of voluntary apprenticeship under approved apprenticeship agreements providing
122.30 facilities for their training and guidance in the arts, skills, and crafts of industry and trade
122.31 or occupation, with concurrent, supplementary instruction in related subjects; to promote
122.32 apprenticeship opportunities under conditions providing adequate training and on-the-job
122.33 learning and reasonable earnings; to relate the supply of skilled workers to employment

123.1 demands; to establish standards for apprentice training; to establish an Apprenticeship Board
123.2 and apprenticeship committees to assist in effectuating the purposes of this chapter; to
123.3 provide for a Division of ~~Labor Standards and~~ Apprenticeship within the Department of
123.4 Labor and Industry; to provide for reports to the legislature regarding the status of apprentice
123.5 training in the state; to establish a procedure for the determination of apprenticeship
123.6 agreement controversies; and to accomplish related ends.

123.7 Sec. 5. Minnesota Statutes 2020, section 178.011, subdivision 7, is amended to read:

123.8 Subd. 7. **Division.** "Division" means the department's ~~Labor Standards and~~ Apprenticeship
123.9 Division, established under sections 175.16 and 178.03, and the State Apprenticeship Agency
123.10 as defined in Code of Federal Regulations, title 29, part 29, section 29.2.

123.11 Sec. 6. Minnesota Statutes 2020, section 178.03, subdivision 1, is amended to read:

123.12 Subdivision 1. **Establishment of division.** There is established a Division of ~~Labor~~
123.13 ~~Standards and~~ Apprenticeship in the Department of Labor and Industry. This division shall
123.14 be administered by a director, and be under the supervision of the commissioner.

123.15 Sec. 7. Minnesota Statutes 2020, section 178.11, is amended to read:

123.16 **178.11 LABOR EDUCATION ADVANCEMENT GRANT PROGRAM.**

123.17 The commissioner shall establish the labor education advancement grant program for
123.18 the purpose of facilitating the participation or retention of ~~minorities~~ people of color,
123.19 Indigenous people, and women in ~~apprenticeable trades and occupations~~ registered
123.20 apprenticeship programs. The commissioner shall award grants to community-based and
123.21 nonprofit organizations and Minnesota Tribal governments as defined in section 10.65,
123.22 serving the targeted populations on a competitive request-for-proposal basis. Interested
123.23 organizations shall apply for the grants in a form prescribed by the commissioner. As part
123.24 of the application process, applicants must provide a statement of need for the grant, a
123.25 description of the targeted population and apprenticeship opportunities, a description of
123.26 activities to be funded by the grant, evidence supporting the ability to deliver services,
123.27 information related to coordinating grant activities with other employment and learning
123.28 programs, identification of matching funds, a budget, and performance objectives. Each
123.29 submitted application shall be evaluated for completeness and effectiveness of the proposed
123.30 grant activity.

124.1 Sec. 8. Minnesota Statutes 2020, section 181.9435, subdivision 1, is amended to read:

124.2 Subdivision 1. **Investigation.** The Division of Labor Standards and Apprenticeship shall
124.3 receive complaints of employees against employers relating to sections 181.172, paragraph
124.4 (a) or (d), and 181.939 to 181.9436 and investigate informally whether an employer may
124.5 be in violation of sections 181.172, paragraph (a) or (d), and 181.939 to 181.9436. The
124.6 division shall attempt to resolve employee complaints by informing employees and employers
124.7 of the provisions of the law and directing employers to comply with the law. For complaints
124.8 related to section 181.939, the division must contact the employer within two business days
124.9 and investigate the complaint within ten days of receipt of the complaint.

124.10 Sec. 9. Minnesota Statutes 2020, section 181.9436, is amended to read:

124.11 **181.9436 POSTING OF LAW.**

124.12 The Division of Labor Standards and Apprenticeship shall develop, with the assistance
124.13 of interested business and community organizations, an educational poster stating employees'
124.14 rights under sections 181.940 to 181.9436. The department shall make the poster available,
124.15 upon request, to employers for posting on the employer's premises.

124.16 Sec. 10. **[181.988] COVENANTS NOT TO COMPETE VOID IN EMPLOYMENT**
124.17 **AGREEMENTS; SUBSTANTIVE PROTECTIONS OF MINNESOTA LAW APPLY.**

124.18 Subdivision 1. **Definitions.** (a) "Covenant not to compete" means an agreement between
124.19 an employee and employer that restricts the employee, after termination of the employment,
124.20 from performing:

124.21 (1) work for another employer for a specified period of time;

124.22 (2) work in a specified geographical area; or

124.23 (3) work for another employer in a capacity that is similar to the employee's work for
124.24 the employer that is party to the agreement.

124.25 (b) "Employer" means any individual, partnership, association, corporation, business
124.26 trust, or any person or group of persons acting directly or indirectly in the interest of an
124.27 employer in relation to an employee.

124.28 Subd. 2. **Covenants not to compete void and unenforceable.** (a) Subject to the exception
124.29 in paragraph (b), any covenant not to compete contained in a contract or agreement is void
124.30 and unenforceable.

125.1 (b) Notwithstanding paragraph (a), a covenant not to compete between an employer and
125.2 employee is valid and enforceable if:

125.3 (1) the employee earned an annual salary from the employer at least equal to the median
125.4 family income for a four-person family in Minnesota, as determined by the United States
125.5 Census Bureau, for the most recent year available at the time of the employee's termination;
125.6 and

125.7 (2) the employer agrees to pay the employee on a pro rata basis during the entirety of
125.8 the restricted period of the covenant not to compete at least 50 percent of the employee's
125.9 highest annualized base salary paid by the employer within the two years preceding the
125.10 employee's separation from employment.

125.11 (c) Nothing in this subdivision shall be construed to render void or unenforceable any
125.12 other provisions in a contract or agreement containing a void or unenforceable covenant
125.13 not to compete.

125.14 (d) In addition to injunctive relief and any other remedies available, a court may award
125.15 an employee who is enforcing rights under this section reasonable attorney fees.

125.16 Subd. 3. **Choice of law; venue.** (a) An employer must not require an employee who
125.17 primarily resides and works in Minnesota, as a condition of employment, to agree to a
125.18 provision in an agreement or contract that would do either of the following:

125.19 (1) require the employee to adjudicate outside of Minnesota a claim arising in Minnesota;
125.20 or

125.21 (2) deprive the employee of the substantive protection of Minnesota law with respect to
125.22 a controversy arising in Minnesota.

125.23 (b) Any provision of a contract or agreement that violates paragraph (a) is voidable at
125.24 any time by the employee and if a provision is rendered void at the request of the employee,
125.25 the matter shall be adjudicated in Minnesota and Minnesota law shall govern the dispute.

125.26 (c) In addition to injunctive relief and any other remedies available, a court may award
125.27 an employee who is enforcing rights under this section reasonable attorney fees.

125.28 (d) For purposes of this section, adjudication includes litigation and arbitration.

125.29 (e) This subdivision shall not apply to a contract with an employee who is in fact
125.30 individually represented by legal counsel in negotiating the terms of an agreement to
125.31 designate either the venue or forum in which a controversy arising from the employment
125.32 contract may be adjudicated or the choice of law to be applied.

126.1 Subd. 4. **Severability.** If any provision of this section is found to be unconstitutional
126.2 and void, the remaining provisions of this section are valid.

126.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
126.4 applies to contracts and agreements entered into on or after that date.

126.5 **Sec. 11. [181.991] RESTRICTIVE FRANCHISE AGREEMENTS PROHIBITED.**

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

126.8 (b) "Employee" means an individual employed by an employer and includes independent
126.9 contractors.

126.10 (c) "Employer" has the meaning given in section 177.23, subdivision 6.

126.11 (d) "Franchise," "franchisee," and "franchisor" have the meanings given in section
126.12 80C.01, subdivisions 4 to 6.

126.13 Subd. 2. **Prohibition on restrictive franchise agreements.** (a) No franchisor may
126.14 restrict, restrain, or prohibit in any way a franchisee from soliciting or hiring an employee
126.15 of a franchisee of the same franchisor.

126.16 (b) No franchisor may restrict, restrain, or prohibit in any way a franchisee from soliciting
126.17 or hiring an employee of the franchisor.

126.18 Subd. 3. **Franchise agreement amendment.** Notwithstanding any law to the contrary,
126.19 no later than one year from the effective date of this section, franchisors shall amend existing
126.20 franchise agreements to remove any restrictive employment provision that violates
126.21 subdivision 2.

126.22 Subd. 4. **Civil action; penalties.** (a) An employee alleging a violation of this section
126.23 may bring a civil action for damages and injunctive relief against the employer.

126.24 (b) If the court finds that a franchisor has violated this section, the court shall enter
126.25 judgment, grant injunctive relief as deemed appropriate, and award the employee plaintiff
126.26 the greater of:

126.27 (1) the actual damages incurred by the plaintiff, plus any injunctive relief, costs, and
126.28 reasonable attorney fees; or

126.29 (2) a \$5,000 penalty.

126.30 (c) If no civil action is commenced, the commissioner of labor and industry shall assess
126.31 a \$5,000 per employee penalty for violations of this section. This assessment is in addition

127.1 to the commissioner's authority under section 177.27, subdivisions 4 and 7. Any penalty
 127.2 assessed under this subdivision shall be awarded to the employee plaintiff and not to the
 127.3 commissioner or the department.

127.4 Subd. 5. Severability. If any provision of this section is found to be unconstitutional
 127.5 and void, the remaining provisions of this section are valid.

127.6 EFFECTIVE DATE. This section is effective the day following final enactment and
 127.7 applies to franchise agreements entered into or amended on or after that date.

127.8 Sec. 12. Minnesota Statutes 2021 Supplement, section 326B.092, subdivision 7, is amended
 127.9 to read:

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

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

127.16 (c) If there is a continuing education requirement for renewal of the license, then a
 127.17 continuing education fee must be included in the renewal license fee. The continuing
 127.18 education fee for all license classifications is \$5.

127.19 (d) The base license fee shall depend on whether the license is classified as an entry
 127.20 level, master, journeyworker, or business license, and on the license duration. The base
 127.21 license fee shall be:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$20	\$40
Master	\$40	\$80
Business		\$180

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

128.1 (f) If the application is for the renewal of a license issued under sections 326B.802 to
 128.2 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision
 128.3 3, and any additional assessment required under section 326B.89, subdivision 16, must be
 128.4 included in the license renewal fee.

128.5 (g) Notwithstanding the fee amounts described in paragraphs (d) to (f), for the period
 128.6 October 1, 2021, through ~~September~~ June 30, 2023 2022, the following fees apply:

128.7 License Classification	License Duration	
	1 year	2 years
128.8 Entry level	\$10	\$20
128.9 Journeyworker	\$15	\$30
128.10 Master	\$30	\$60
128.11 Business		\$120

128.13 (h) For the period of July 1, 2022, through June 30, 2024, no fees described in paragraphs
 128.14 (c) to (e) shall apply, except as described in paragraph (i).

128.15 (i) Notwithstanding the fee amounts described in paragraphs (d) to (f), for the period of
 128.16 October 1, 2021, through September 30, 2023, the base license fee for business licenses
 128.17 shall be \$120.

128.18 Sec. 13. Minnesota Statutes 2020, section 326B.103, subdivision 13, is amended to read:

128.19 Subd. 13. **State licensed facility.** "State licensed facility" means a building and its
 128.20 grounds that are licensed by the state as a hospital, nursing home, supervised living facility,
 128.21 free-standing outpatient surgical center, correctional facility, boarding care home, ~~or~~
 128.22 residential hospice, or assisted living facility, including assisted living facility with dementia
 128.23 care.

128.24 Sec. 14. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

128.25 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
 128.26 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
 128.27 Construction Codes Advisory Council establish a code of standards for the construction,
 128.28 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
 128.29 design and construction, fire protection, health, sanitation, and safety, including design and
 128.30 construction standards regarding heat loss control, illumination, and climate control. The
 128.31 code must also include duties and responsibilities for code administration, including
 128.32 procedures for administrative action, penalties, and suspension and revocation of certification.
 128.33 The code must conform insofar as practicable to model building codes generally accepted

129.1 and in use throughout the United States, including a code for building conservation. In the
129.2 preparation of the code, consideration must be given to the existing statewide specialty
129.3 codes presently in use in the state. Model codes with necessary modifications and statewide
129.4 specialty codes may be adopted by reference. The code must be based on the application
129.5 of scientific principles, approved tests, and professional judgment. To the extent possible,
129.6 the code must be adopted in terms of desired results instead of the means of achieving those
129.7 results, avoiding wherever possible the incorporation of specifications of particular methods
129.8 or materials. To that end the code must encourage the use of new methods and new materials.
129.9 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
129.10 administer and enforce the provisions of those sections.

129.11 (b) The commissioner shall develop rules addressing the plan review fee assessed to
129.12 similar buildings without significant modifications including provisions for use of building
129.13 systems as specified in the industrial/modular program specified in section 326B.194.
129.14 Additional plan review fees associated with similar plans must be based on costs
129.15 commensurate with the direct and indirect costs of the service.

129.16 (c) Beginning with the 2018 edition of the model building codes and every six years
129.17 thereafter, the commissioner shall review the new model building codes and adopt the model
129.18 codes as amended for use in Minnesota, within two years of the published edition date. The
129.19 commissioner may adopt amendments to the building codes prior to the adoption of the
129.20 new building codes to advance construction methods, technology, or materials, or, where
129.21 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
129.22 or the use of a building.

129.23 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
129.24 residential energy code and the new model commercial energy code in accordance with
129.25 federal law for which the United States Department of Energy has issued an affirmative
129.26 determination in compliance with United States Code, title 42, section 6833. The
129.27 commissioner shall act on the new model commercial energy code by adopting each new
129.28 published edition and amending it as necessary to achieve a minimum of eight percent
129.29 energy efficiency. The commissioner may adopt amendments prior to adoption of the new
129.30 energy codes, as amended for use in Minnesota, to advance construction methods, technology,
129.31 or materials, or, where necessary to protect the health, safety, and welfare of the public, or
129.32 to improve the efficiency or use of a building.

130.1 Sec. 15. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

130.2 Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must require
130.3 that any parking ramp or other parking facility constructed in accordance with the code
130.4 include an appropriate number of spaces suitable for the parking of motor vehicles having
130.5 a capacity of seven to 16 persons and which are principally used to provide prearranged
130.6 commuter transportation of employees to or from their place of employment or to or from
130.7 a transit stop authorized by a local transit authority.

130.8 (b) **Smoke detection devices.** The code must require that all dwellings, lodging houses,
130.9 apartment houses, and hotels as defined in section 299F.362 comply with the provisions of
130.10 section 299F.362.

130.11 (c) **Doors in nursing homes and hospitals.** The State Building Code may not require
130.12 that each door entering a sleeping or patient's room from a corridor in a nursing home or
130.13 hospital with an approved complete standard automatic fire extinguishing system be
130.14 constructed or maintained as self-closing or automatically closing.

130.15 (d) **Child care facilities in churches; ground level exit.** A licensed day care center
130.16 serving fewer than 30 preschool age persons and which is located in a belowground space
130.17 in a church building is exempt from the State Building Code requirement for a ground level
130.18 exit when the center has more than two stairways to the ground level and its exit.

130.19 (e) **Family and group family day care.** Until the legislature enacts legislation specifying
130.20 appropriate standards, the definition of dwellings constructed in accordance with the
130.21 International Residential Code as adopted as part of the State Building Code applies to
130.22 family and group family day care homes licensed by the Department of Human Services
130.23 under Minnesota Rules, chapter 9502.

130.24 (f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code
130.25 may require stairways of existing multiple dwelling buildings of two stories or less to be
130.26 enclosed.

130.27 (g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of
130.28 the code may prohibit double cylinder dead bolt locks in existing single-family homes,
130.29 townhouses, and first floor duplexes used exclusively as a residential dwelling. Any
130.30 recommendation or promotion of double cylinder dead bolt locks must include a warning
130.31 about their potential fire danger and procedures to minimize the danger.

130.32 (h) **Relocated residential buildings.** A residential building relocated within or into a
130.33 political subdivision of the state need not comply with the State Energy Code or section

131.1 326B.439 provided that, where available, an energy audit is conducted on the relocated
131.2 building.

131.3 (i) **Automatic garage door opening systems.** The code must require all residential
131.4 buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82
131.5 and 325F.83.

131.6 (j) **Exterior wood decks, patios, and balconies.** The code must permit the decking
131.7 surface and upper portions of exterior wood decks, patios, and balconies to be constructed
131.8 of (1) heartwood from species of wood having natural resistance to decay or termites,
131.9 including redwood and cedars, (2) grades of lumber which contain sapwood from species
131.10 of wood having natural resistance to decay or termites, including redwood and cedars, or
131.11 (3) treated wood. The species and grades of wood products used to construct the decking
131.12 surface and upper portions of exterior decks, patios, and balconies must be made available
131.13 to the building official on request before final construction approval.

131.14 (k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be
131.15 imposed by municipalities under the State Building Code, except as required under section
131.16 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92
131.17 administered by the Department of Labor and Industry. All data regarding the material
131.18 production processes, including the bioprocess system's structural design and layout, are
131.19 nonpublic data as provided by section 13.7911.

131.20 (l) **Use of ungraded lumber.** The code must allow the use of ungraded lumber in
131.21 geographic areas of the state where the code did not generally apply as of April 1, 2008, to
131.22 the same extent that ungraded lumber could be used in that area before April 1, 2008.

131.23 (m) **Window cleaning safety.** ~~The code must require the installation of dedicated~~
131.24 ~~anchorages for the purpose of suspended window cleaning on (1) new buildings four stories~~
131.25 ~~or greater; and (2) buildings four stories or greater, only on those areas undergoing~~
131.26 ~~reconstruction, alteration, or repair that includes the exposure of primary structural~~
131.27 ~~components of the roof.~~ The commissioner shall adopt rules, using the expedited rulemaking
131.28 process in section 14.389 requiring window cleaning safety features that comply with a
131.29 nationally recognized standard as part of the State Building Code. Window cleaning safety
131.30 features shall be provided for all windows on:

131.31 (1) new buildings where determined by the code; and

131.32 (2) existing buildings undergoing alterations where both of the following conditions are
131.33 met:

- 132.1 (i) the windows do not currently have safe window cleaning features; and
132.2 (ii) the proposed work area being altered can include provisions for safe window cleaning.

132.3 ~~The commissioner may waive all or a portion of the requirements of this paragraph~~
132.4 ~~related to reconstruction, alteration, or repair, if the installation of dedicated anchorages~~
132.5 ~~would not result in significant safety improvements due to limits on the size of the project,~~
132.6 ~~or other factors as determined by the commissioner.~~

132.7 Sec. 16. Minnesota Statutes 2020, section 326B.145, is amended to read:

132.8 **326B.145 ANNUAL REPORT.**

132.9 (a) Each municipality shall annually report by June 30 to the department, in a format
132.10 prescribed by the department, all construction and development-related fees collected by
132.11 the municipality from developers, builders, and subcontractors if the cumulative fees collected
132.12 exceeded ~~\$5,000~~ \$7,000 in the reporting year, except that, for reports due June 30, 2009,
132.13 to June 30, 2013, the reporting threshold is \$10,000.

132.14 (b) The report must include:

132.15 (1) the number and valuation of units for which fees were paid;

132.16 (2) the amount of building permit fees, plan review fees, administrative fees, engineering
132.17 fees, infrastructure fees, and other construction and development-related fees; and

132.18 (3) the expenses associated with the municipal activities for which fees were collected.

132.19 (c) A municipality that fails to report to the department in accordance with this section
132.20 is subject to the remedies provided by section 326B.082.

132.21 Sec. 17. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended
132.22 to read:

132.23 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required
132.24 in section 326B.107 include:

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

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

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

132.29 (1) \$1 to \$500, ~~\$29.50~~ \$21;

133.1 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100
133.2 or fraction thereof, to and including \$2,000;

133.3 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each
133.4 additional \$1,000 or fraction thereof, to and including \$25,000;

133.5 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each
133.6 additional \$1,000 or fraction thereof, to and including \$50,000;

133.7 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for
133.8 each additional \$1,000 or fraction thereof, to and including \$100,000;

133.9 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for
133.10 each additional \$1,000 or fraction thereof, to and including \$500,000;

133.11 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25
133.12 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

133.13 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75
133.14 for each additional \$1,000 or fraction thereof.

133.15 (c) Other inspections and fees are:

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

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

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

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

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

133.26 **EFFECTIVE DATE.** This section is effective retroactively from October 1, 2021, and
133.27 the amendments to it expire October 1, 2023.

134.1 Sec. 18. Minnesota Statutes 2020, section 326B.153, is amended by adding a subdivision
134.2 to read:

134.3 Subd. 5. **Valuation.** The commissioner shall establish a cost per square foot valuation
134.4 of new one-family and two-family, townhouse, and accessory utility buildings for the purpose
134.5 of setting building permit fees by municipalities.

134.6 Sec. 19. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

134.7 Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical
134.8 transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters,
134.9 hand-powered elevators, endless belt lifts, and ~~wheelchair~~ platform lifts. Elevator does not
134.10 include external temporary material lifts or temporary construction personnel elevators at
134.11 sites of construction of new or remodeled buildings.

134.12 Sec. 20. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision
134.13 to read:

134.14 Subd. 5a. **Platform lift.** As used in this chapter, "platform lift" means a powered hoisting
134.15 and lowering device designed to transport mobility-impaired persons on a guided platform.

134.16 Sec. 21. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

134.17 Subd. 13. **Exemption from licensing.** (a) Employees of a licensed elevator contractor
134.18 or licensed limited elevator contractor are not required to hold or obtain a license under this
134.19 section or be provided with direct supervision by a licensed master elevator constructor,
134.20 licensed limited master elevator constructor, licensed elevator constructor, or licensed limited
134.21 elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts.
134.22 Unlicensed employees performing elevator work under this exemption must comply with
134.23 subdivision 5. This exemption does not include the installation, maintenance, repair, or
134.24 replacement of electrical wiring for elevator equipment.

134.25 (b) Contractors and individuals shall not be required to hold or obtain a license under
134.26 this section when performing work on:

134.27 (1) conveyors, including vertical reciprocating conveyors;

134.28 (2) platform lifts not covered under section 326B.163, subdivision 5a; or

134.29 (3) dock levelers.

135.1 Sec. 22. Minnesota Statutes 2020, section 326B.36, subdivision 7, is amended to read:

135.2 Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not
135.3 be subject to inspection under sections 326B.31 to 326B.399:

135.4 (1) when owned or leased, operated and maintained by any employer whose maintenance
135.5 electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing
135.6 electrical maintenance work only as defined by rule;

135.7 (2) when owned or leased, and operated and maintained by any electrical,
135.8 communications, or railway utility, cable communications company as defined in section
135.9 238.02, or telephone company as defined under section 237.01, in the exercise of its utility,
135.10 antenna, or telephone function; and

135.11 (i) are used exclusively for the generations, transformation, distribution, transmission,
135.12 load control, or metering of electric current, or the operation of railway signals, or the
135.13 transmission of intelligence, and do not have as a principal function the consumption or use
135.14 of electric current by or for the benefit of any person other than such utility, cable
135.15 communications company, or telephone company; and

135.16 (ii) are generally accessible only to employees of such utility, cable communications
135.17 company, or telephone company or persons acting under its control or direction; and

135.18 (iii) are not on the load side of the service point or point of entrance for communication
135.19 systems, except for replacement or repair of load management equipment located on the
135.20 exterior of a building for an electric utility other than a public utility as defined in section
135.21 216B.02, subdivision 4, before December 31, 2027, by a Class A electrical contractor
135.22 licensed under section 326B.33;

135.23 (3) when used in the street lighting operations of an electrical utility;

135.24 (4) when used as outdoor area lights which are owned and operated by an electrical
135.25 utility and which are connected directly to its distribution system and located upon the
135.26 utility's distribution poles, and which are generally accessible only to employees of such
135.27 utility or persons acting under its control or direction;

135.28 (5) when the installation, material, and equipment are in facilities subject to the
135.29 jurisdiction of the federal Mine Safety and Health Act; or

135.30 (6) when the installation, material, and equipment is part of an elevator installation for
135.31 which the elevator contractor, licensed under section 326B.164, is required to obtain a permit
135.32 from the authority having jurisdiction as provided by section 326B.184, and the inspection
135.33 has been or will be performed by an elevator inspector certified and licensed by the

136.1 department. This exemption shall apply only to installations, material, and equipment
136.2 permitted or required to be connected on the load side of the disconnecting means required
136.3 for elevator equipment under National Electrical Code Article 620, and elevator
136.4 communications and alarm systems within the machine room, car, hoistway, or elevator
136.5 lobby.

136.6 Sec. 23. LAWS CHAPTER 32 EFFECTIVE DATE.

136.7 Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2,
136.8 sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter
136.9 32, article 1, section 1, applies to appointments made on or after that date.

136.10

ARTICLE 7

136.11

OSHA PENALTY CONFORMANCE

136.12 Section 1. Minnesota Statutes 2020, section 182.666, subdivision 1, is amended to read:

136.13 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
136.14 violates the requirements of section 182.653, or any standard, rule, or order adopted under
136.15 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
136.16 exceed ~~\$70,000~~ \$145,027 for each violation. The minimum fine for a willful violation is
136.17 ~~\$5,000~~ \$10,360.

136.18 **EFFECTIVE DATE.** This section is effective July 1, 2022.

136.19 Sec. 2. Minnesota Statutes 2020, section 182.666, subdivision 2, is amended to read:

136.20 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
136.21 violation of its duties under section 182.653, or any standard, rule, or order adopted under
136.22 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
136.23 to exceed ~~\$7,000~~ \$14,502 for each violation. If a serious violation under section 182.653,
136.24 subdivision 2, causes or contributes to the death of an employee, the employer shall be
136.25 assessed a fine of up to \$25,000 for each violation.

136.26 **EFFECTIVE DATE.** This section is effective July 1, 2022.

136.27 Sec. 3. Minnesota Statutes 2020, section 182.666, subdivision 3, is amended to read:

136.28 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
136.29 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically

137.1 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
137.2 may be assessed a fine of up to ~~\$7,000~~ \$14,502 for each violation.

137.3 **EFFECTIVE DATE.** This section is effective July 1, 2022.

137.4 Sec. 4. Minnesota Statutes 2020, section 182.666, subdivision 4, is amended to read:

137.5 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
137.6 for which a citation has been issued under section 182.66 within the period permitted for
137.7 its correction, which period shall not begin to run until the date of the final order of the
137.8 commissioner in the case of any review proceedings under this chapter initiated by the
137.9 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
137.10 a fine of not more than ~~\$7,000~~ \$14,502 for each day during which the failure or violation
137.11 continues.

137.12 **EFFECTIVE DATE.** This section is effective July 1, 2022.

137.13 Sec. 5. Minnesota Statutes 2020, section 182.666, subdivision 5, is amended to read:

137.14 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
137.15 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
137.16 3a, shall be assessed a fine of up to ~~\$7,000~~ \$14,502 for each violation.

137.17 **EFFECTIVE DATE.** This section is effective July 1, 2022.

137.18 Sec. 6. Minnesota Statutes 2020, section 182.666, is amended by adding a subdivision to
137.19 read:

137.20 Subd. 6a. **Increases for inflation.** (a) Each year, beginning in 2022, the commissioner
137.21 shall determine the percentage change in the Minneapolis-St. Paul-Bloomington, MN-WI,
137.22 Consumer Price Index for All Urban Consumers (CPI-U) from the month of October in the
137.23 preceding calendar year to the month of October in the current calendar year.

137.24 (b) The commissioner shall increase the fines in subdivisions 1 through 5, except for
137.25 the fine for a serious violation under section 182.653, subdivision 2, that causes or contributes
137.26 to the death of an employee, by the percentage change determined by the commissioner
137.27 under paragraph (a), if the percentage change is greater than zero. The fines shall be increased
137.28 to the nearest one dollar.

137.29 (c) If the percentage change determined by the commissioner under paragraph (a) is not
137.30 greater than zero, the commissioner shall not change any of the fines in subdivisions 1
137.31 through 5.

138.1 (d) A fine increased under this subdivision takes effect on the next January 15 after the
138.2 commissioner determines the percentage change under paragraph (a) and applies to all fines
138.3 assessed on or after the next January 15.

138.4 (e) No later than December 1 of each year, the commissioner shall give notice in the
138.5 State Register of any increase to the fines in subdivisions 1 through 5.

138.6 **EFFECTIVE DATE.** This section is effective July 1, 2022.

138.7 **ARTICLE 8**
138.8 **FAIR LABOR STANDARDS FOR AGRICULTURAL AND FOOD PROCESSING**
138.9 **WORKERS**

138.10 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

138.11 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
138.12 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
138.13 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
138.14 subdivision 2a, 181.722, 181.79, 181.86 to 181.88, and 181.939 to 181.943, or with any
138.15 rule promulgated under section 177.28. The commissioner shall issue an order requiring an
138.16 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes
138.17 of this subdivision only, a violation is repeated if at any time during the two years that
138.18 preceded the date of violation, the commissioner issued an order to the employer for violation
138.19 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer
138.20 have entered into a settlement agreement that required the employer to pay back wages that
138.21 were required by sections 177.41 to 177.435. The department shall serve the order upon the
138.22 employer or the employer's authorized representative in person or by certified mail at the
138.23 employer's place of business. An employer who wishes to contest the order must file written
138.24 notice of objection to the order with the commissioner within 15 calendar days after being
138.25 served with the order. A contested case proceeding must then be held in accordance with
138.26 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the
138.27 employer fails to file a written notice of objection with the commissioner, the order becomes
138.28 a final order of the commissioner.

138.29 Sec. 2. Minnesota Statutes 2020, section 179.86, subdivision 1, is amended to read:

138.30 Subdivision 1. **Definition.** For the purpose of this section, "employer" means an employer
138.31 in the meatpacking or poultry processing industry.

139.1 Sec. 3. Minnesota Statutes 2020, section 179.86, subdivision 3, is amended to read:

139.2 Subd. 3. **Information provided to employee by employer.** (a) At the start of
139.3 employment, an employer must provide an explanation in an employee's native language
139.4 of the employee's rights and duties as an employee ~~either~~ both person to person ~~or~~ and
139.5 through written materials that, at a minimum, include:

139.6 (1) a complete description of the salary and benefits plans as they relate to the employee;

139.7 (2) a job description for the employee's position;

139.8 (3) a description of leave policies;

139.9 (4) a description of the work hours and work hours policy; ~~and~~

139.10 (5) a description of the occupational hazards known to exist for the position; and

139.11 (6) the name of the employer's workers' compensation insurance carrier, the carrier's
139.12 phone number, and the insurance policy number.

139.13 (b) The explanation must also include information on the following employee rights as
139.14 protected by state or federal law and a description of where additional information about
139.15 those rights may be obtained:

139.16 (1) the right to organize and bargain collectively and refrain from organizing and
139.17 bargaining collectively;

139.18 (2) the right to a safe workplace; ~~and~~

139.19 (3) the right to be free from discrimination; and

139.20 (4) the right to workers' compensation insurance coverage.

139.21 (c) The requirements under this subdivision are in addition to the requirements under
139.22 section 181.032.

139.23 Sec. 4. Minnesota Statutes 2020, section 179.86, is amended by adding a subdivision to
139.24 read:

139.25 Subd. 5. **Civil action.** An employee injured by a violation of this section has a cause of
139.26 action for damages for the greater of \$1,000 per violation or twice the employee's actual
139.27 damages, plus costs and reasonable attorney fees. A damage award shall be the greater of
139.28 \$1,400 or three times actual damages for an employee injured by an intentional violation
139.29 of this section.

140.1 Sec. 5. Minnesota Statutes 2020, section 179.86, is amended by adding a subdivision to
140.2 read:

140.3 Subd. 6. **Fine.** The commissioner of labor and industry shall fine an employer not less
140.4 than \$400 or more than \$1,000 for each violation of subdivision 3.

140.5 Sec. 6. Minnesota Statutes 2020, section 181.14, subdivision 1, is amended to read:

140.6 Subdivision 1. **Prompt payment required.** (a) When any such employee quits or resigns
140.7 employment, the wages or commissions earned and unpaid at the time the employee quits
140.8 or resigns shall be paid in full not later than the first regularly scheduled payday following
140.9 the employee's final day of employment, unless an employee is subject to a collective
140.10 bargaining agreement with a different provision. Wages are earned and unpaid if the
140.11 employee was not paid for all time worked at the employee's regular rate of pay or at the
140.12 rate required by law, including any applicable statute, regulation, rule, ordinance, government
140.13 resolution or policy, contract, or other legal authority, whichever rate of pay is greater. If
140.14 the first regularly scheduled payday is less than five calendar days following the employee's
140.15 final day of employment, full payment may be delayed until the second regularly scheduled
140.16 payday but shall not exceed a total of 20 calendar days following the employee's final day
140.17 of employment.

140.18 (b) Notwithstanding the provisions of paragraph (a), in the case of migrant workers, as
140.19 defined in section 181.85, the wages or commissions earned and unpaid at the time the
140.20 employee quits or resigns shall become due and payable within ~~five~~ three days thereafter.

140.21 Sec. 7. Minnesota Statutes 2020, section 181.635, subdivision 1, is amended to read:

140.22 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

140.23 (a) "Employer" means a person who employs another to perform a service for hire.
140.24 Employer includes any agent or attorney of an employer who, for money or other valuable
140.25 consideration paid or promised to be paid, performs any recruiting.

140.26 (b) "Person" means a corporation, partnership, limited liability company, limited liability
140.27 partnership, association, individual, or group of persons.

140.28 (c) "Recruits" means to induce an individual, directly or through an agent, to relocate
140.29 to Minnesota or within Minnesota to work in food processing by an offer of employment
140.30 or of the possibility of employment.

140.31 (d) "Food processing" means canning, packing, or otherwise processing poultry or meat
140.32 for consumption.

- 141.1 (e) "Terms and conditions of employment" means the following:
- 141.2 (1) nature of the work to be performed;
- 141.3 (2) wage rate, nature and amount of deductions for tools, clothing, supplies, or other
- 141.4 items;
- 141.5 (3) anticipated hours of work per week, including overtime;
- 141.6 (4) anticipated slowdown or shutdown or if hours of work per week vary more than 25
- 141.7 percent from clause (3);
- 141.8 (5) duration of the work;
- 141.9 (6) workers' compensation coverage and name, address, and telephone number of insurer
- 141.10 and Department of Labor and Industry;
- 141.11 (7) employee benefits available, including any health plans, sick leave, or paid vacation;
- 141.12 (8) transportation and relocation arrangements with allocation of costs between employer
- 141.13 and employee;
- 141.14 (9) availability and description of housing and any costs to employee associated with
- 141.15 housing; and
- 141.16 (10) any other item of value offered, and allocation of costs of item between employer
- 141.17 and employee.

141.18 Sec. 8. Minnesota Statutes 2020, section 181.635, subdivision 2, is amended to read:

141.19 Subd. 2. **Recruiting; required disclosure.** (a) An employer shall provide written

141.20 disclosure of the terms and conditions of employment to a person at the time it recruits the

141.21 person to relocate to work in the food processing industry. The disclosure requirement does

141.22 not apply to an exempt employee as defined in United States Code, title 29, section 213(a)(1).

141.23 The disclosure must be written in English and Spanish, or another language if the person's

141.24 preferred language is not Spanish, dated and signed by the employer and the person recruited,

141.25 and maintained by the employer for ~~two~~ three years. A copy of the signed and completed

141.26 disclosure must be delivered immediately to the recruited person. The disclosure may not

141.27 be construed as an employment contract.

141.28 (b) The requirements under this subdivision are in addition to the requirements under

141.29 section 181.032.

142.1 Sec. 9. Minnesota Statutes 2020, section 181.635, subdivision 3, is amended to read:

142.2 Subd. 3. **Civil action.** A person injured by a violation of this section has a cause of action
142.3 for damages for the greater of ~~\$500~~ \$1,000 per violation or twice their actual damages, plus
142.4 costs and reasonable attorney's fees. A damage award shall be the greater of ~~\$750~~ \$1,400
142.5 or three times actual damages for a person injured by an intentional violation of this section.

142.6 Sec. 10. Minnesota Statutes 2020, section 181.635, subdivision 4, is amended to read:

142.7 Subd. 4. **Fine.** The Department of Labor and Industry shall fine an employer not less
142.8 than ~~\$200~~ \$400 or more than ~~\$500~~ \$1,000 for each violation of this section.

142.9 Sec. 11. Minnesota Statutes 2020, section 181.635, subdivision 6, is amended to read:

142.10 Subd. 6. **Standard disclosure form.** The Department of Labor and Industry shall provide
142.11 a standard form for use at the employer's option in making the disclosure required in
142.12 subdivision 2. The form shall be available in English and Spanish and additional languages
142.13 upon request.

142.14 Sec. 12. Minnesota Statutes 2020, section 181.85, subdivision 2, is amended to read:

142.15 Subd. 2. **Agricultural labor.** "Agricultural labor" means field labor associated with the
142.16 cultivation and harvest of fruits and vegetables and work performed in processing fruits and
142.17 vegetables for market, as well as labor performed in agriculture as defined in Minnesota
142.18 Rules, part 5200.0260.

142.19 Sec. 13. Minnesota Statutes 2020, section 181.85, subdivision 4, is amended to read:

142.20 Subd. 4. **Employer.** "Employer" means ~~a processor of fruits or vegetables~~ an individual,
142.21 partnership, association, corporation, business trust, or any person or group of persons that
142.22 employs, either directly or indirectly through a recruiter, more than 30 migrant workers per
142.23 day for more than seven days in any calendar year.

142.24 Sec. 14. Minnesota Statutes 2020, section 181.86, subdivision 1, is amended to read:

142.25 Subdivision 1. **Terms.** (a) An employer that recruits a migrant worker shall provide the
142.26 migrant worker, at the time the worker is recruited, with a written employment statement
142.27 which shall state clearly and plainly, in English and Spanish, or another language if the
142.28 worker's preferred language is not Spanish:

142.29 (1) the date on which and the place at which the statement was completed and provided
142.30 to the migrant worker;

143.1 (2) the name and permanent address of the migrant worker, of the employer, and of the
143.2 recruiter who recruited the migrant worker;

143.3 (3) the date on which the migrant worker is to arrive at the place of employment, the
143.4 date on which employment is to begin, the approximate hours of employment, and the
143.5 minimum period of employment;

143.6 (4) the crops and the operations on which the migrant worker will be employed;

143.7 (5) the wage rates to be paid;

143.8 (6) the payment terms, as provided in section 181.87;

143.9 (7) any deduction to be made from wages; ~~and~~

143.10 (8) whether housing will be provided; and

143.11 (9) the name of the employer's workers' compensation insurance carrier, the carrier's
143.12 phone number, and the insurance policy number.

143.13 (b) The requirements under this subdivision are in addition to the requirements under
143.14 section 181.032.

143.15 Sec. 15. Minnesota Statutes 2020, section 181.87, subdivision 2, is amended to read:

143.16 Subd. 2. **Biweekly pay.** The employer shall pay wages due to the migrant worker at
143.17 least every two weeks, except on termination, when the employer shall pay within three
143.18 days unless payment is required sooner pursuant to section 181.13.

143.19 Sec. 16. Minnesota Statutes 2020, section 181.87, subdivision 3, is amended to read:

143.20 Subd. 3. **Guaranteed hours.** The employer shall guarantee to each recruited migrant
143.21 worker a minimum of 70 hours pay for work in any two successive weeks and, should the
143.22 pay for hours actually offered by the employer and worked by the migrant worker provide
143.23 a sum of pay less than the minimum guarantee, the employer shall pay the migrant worker
143.24 the difference within three days after the scheduled payday for the pay period involved.
143.25 Payment for the guaranteed hours shall be at the hourly wage rate, if any, specified in the
143.26 employment statement, or the federal or state minimum wage, whichever is ~~higher~~ highest.
143.27 Any pay in addition to the hourly wage rate specified in the employment statement shall be
143.28 applied against the guarantee. This guarantee applies for the minimum period of employment
143.29 specified in the employment statement beginning with the date on which employment is to
143.30 begin as specified in the employment statement. The date on which employment is to begin
143.31 may be changed by the employer by written, telephonic, or telegraphic notice to the migrant

144.1 worker, at the worker's last known address, no later than ten days prior to the previously
144.2 stated beginning date. The migrant worker shall contact the recruiter to obtain the latest
144.3 information regarding the date upon which employment is to begin no later than five days
144.4 prior to the previously stated beginning date. This guarantee shall be reduced, when there
144.5 is no work available for a period of seven or more consecutive days during any two-week
144.6 period subsequent to the commencement of work, by five hours pay for each such day,
144.7 when the unavailability of work is caused by climatic conditions or an act of God, provided
144.8 that the employer pays the migrant worker, on the normal payday, the sum of ~~\$5~~ \$16 for
144.9 each such day.

144.10 Sec. 17. Minnesota Statutes 2020, section 181.87, subdivision 7, is amended to read:

144.11 Subd. 7. **Statement itemizing deductions from wages.** The employer shall provide a
144.12 written statement at the time wages are paid clearly itemizing each deduction from wages.
144.13 The written statement shall also comply with all other requirements for an earnings statement
144.14 in section 181.032.

144.15 Sec. 18. Minnesota Statutes 2020, section 181.88, is amended to read:

144.16 **181.88 RECORD KEEPING.**

144.17 Every employer subject to the provisions of sections 181.85 to 181.90 shall maintain
144.18 complete and accurate records ~~of the names of, the daily hours worked by, the rate of pay~~
144.19 ~~for and the wages paid each pay period to~~ for every individual migrant worker recruited by
144.20 that employer, as required by section 177.30 and shall ~~preserve the records~~ also maintain
144.21 the employment statements required under section 181.86 for a period of at least three years.

144.22 Sec. 19. Minnesota Statutes 2020, section 181.89, subdivision 2, is amended to read:

144.23 Subd. 2. **Judgment; damages.** If the court finds that any defendant has violated the
144.24 provisions of sections 181.86 to 181.88, the court shall enter judgment for the actual damages
144.25 incurred by the plaintiff or the appropriate penalty as provided by this subdivision, whichever
144.26 is greater. The court may also award court costs and a reasonable attorney's fee. The penalties
144.27 shall be as follows:

144.28 (1) whenever the court finds that an employer has violated the record-keeping
144.29 requirements of section 181.88, ~~\$50~~ \$200;

144.30 (2) whenever the court finds that an employer has recruited a migrant worker without
144.31 providing a written employment statement as provided in section 181.86, subdivision 1,
144.32 ~~\$250~~ \$800;

145.1 (3) whenever the court finds that an employer has recruited a migrant worker after having
145.2 provided a written employment statement, but finds that the employment statement fails to
145.3 comply with the requirement of section 181.86, subdivision 1 or section 181.87, ~~\$250~~ \$800;

145.4 (4) whenever the court finds that an employer has failed to comply with the terms of an
145.5 employment statement which the employer has provided to a migrant worker or has failed
145.6 to comply with any payment term required by section 181.87, ~~\$500~~ \$1,600;

145.7 (5) whenever the court finds that an employer has failed to pay wages to a migrant worker
145.8 within a time period set forth in section 181.87, subdivision 2 or 3, ~~\$500~~ \$1,600; and

145.9 (6) whenever penalties are awarded, they shall be awarded severally in favor of each
145.10 migrant worker plaintiff and against each defendant found liable.

145.11 Sec. 20. Minnesota Statutes 2020, section 181.89, is amended by adding a subdivision to
145.12 read:

145.13 Subd. 3. **Enforcement.** In addition to any other remedies available, the commissioner
145.14 may assess the penalties in subdivision 2 and provide the penalty to the migrant worker
145.15 aggrieved by the employer's noncompliance.

145.16 ARTICLE 9

145.17 COMBATIVE SPORTS

145.18 Section 1. Minnesota Statutes 2020, section 341.21, subdivision 2a, is amended to read:

145.19 Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack
145.20 and defense as a professional boxer, professional or amateur tough person, ~~martial artist,~~
145.21 or professional or amateur mixed martial artist while engaged in a combative sport.

145.22 Sec. 2. Minnesota Statutes 2020, section 341.21, subdivision 2c, is amended to read:

145.23 Subd. 2c. **Combative sports contest.** "Combative sports contest" means a professional
145.24 boxing, a professional or amateur tough person, or a professional or amateur ~~martial art~~
145.25 ~~contest~~ or mixed martial arts contest, bout, competition, match, or exhibition.

145.26 Sec. 3. Minnesota Statutes 2020, section 341.21, subdivision 7, is amended to read:

145.27 Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed
145.28 as tough man or tough woman contests, means a ~~contest of two-minute rounds consisting~~
145.29 ~~of not more than four rounds between two or more individuals who use their hands, or their~~
145.30 ~~feet, or both in any manner. Tough person contest includes kickboxing and other recognized~~

146.1 ~~martial art contest.~~ boxing match or similar contest where each combatant wears headgear
146.2 and gloves that weigh at least 12 ounces.

146.3 Sec. 4. Minnesota Statutes 2020, section 341.221, is amended to read:

146.4 **341.221 ADVISORY COUNCIL.**

146.5 (a) The commissioner must appoint a Combative Sports Advisory Council to advise the
146.6 commissioner on the administration of duties under this chapter.

146.7 (b) The council shall have ~~nine~~ five members appointed by the commissioner. ~~One~~
146.8 ~~member must be a retired judge of the Minnesota District Court, Minnesota Court of Appeals,~~
146.9 ~~Minnesota Supreme Court, the United States District Court for the District of Minnesota,~~
146.10 ~~or the Eighth Circuit Court of Appeals. At least four~~ All five members must have knowledge
146.11 of the boxing combative sports industry. ~~At least four members must have knowledge of~~
146.12 ~~the mixed martial arts industry.~~ The commissioner shall make serious efforts to appoint
146.13 qualified women to serve on the council.

146.14 ~~(e) Council members shall serve terms of four years with the terms ending on the first~~
146.15 ~~Monday in January.~~

146.16 ~~(d)~~ (c) The council shall annually elect from its membership a chair.

146.17 ~~(e)~~ (d) Meetings shall be convened by the commissioner, or by the chair with the approval
146.18 of the commissioner.

146.19 ~~(f) The commissioner shall designate two of the members to serve until the first Monday~~
146.20 ~~in January 2013; two members to serve until the first Monday in January 2014; two members~~
146.21 ~~to serve until the first Monday in January 2015; and three members to serve until the first~~
146.22 ~~Monday in January 2016.~~

146.23 (e) Appointments to the council and the terms of council members shall be governed by
146.24 sections 15.059 and 15.0597.

146.25 ~~(g)~~ (f) Removal of members, filling of vacancies, and compensation of members shall
146.26 be as provided in section 15.059.

146.27 (g) Meetings convened for the purpose of advising the commissioner on issues related
146.28 to a challenge filed under section 341.345 are exempt from the open meeting requirements
146.29 of chapter 13D.

147.1 Sec. 5. Minnesota Statutes 2020, section 341.25, is amended to read:

147.2 **341.25 RULES.**

147.3 (a) The commissioner may adopt rules that include standards for the physical examination
147.4 and condition of combatants and referees.

147.5 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
147.6 chapter, including, but not limited to, the conduct of all combative sport contests and their
147.7 manner, supervision, time, and place.

147.8 (c) The commissioner must adopt unified rules for mixed martial arts contests.

147.9 (d) The commissioner may adopt the rules of the Association of Boxing Commissions,
147.10 with amendments.

147.11 (e) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated
147.12 by the Association of Boxing Commissions ~~and amended August 2, 2016~~, are incorporated
147.13 by reference and made a part of this chapter except as qualified by this chapter and Minnesota
147.14 Rules, chapter 2202. In the event of a conflict between this chapter and the Unified Rules,
147.15 this chapter must govern.

147.16 (f) The most recent version of the Unified Rules of Boxing, as promulgated by the
147.17 Association of Boxing Commissions, are incorporated by reference and made a part of this
147.18 chapter except as modified by this chapter and Minnesota Rules, chapter 2201. In the event
147.19 of a conflict between this chapter and the Unified Rules, this chapter must govern.

147.20 Sec. 6. Minnesota Statutes 2020, section 341.28, is amended to read:

147.21 **341.28 REGULATION OF COMBATIVE SPORT CONTESTS.**

147.22 Subdivision 1. **Regulatory authority; combative sports.** All combative sport contests
147.23 within this state must be conducted according to the requirements of this chapter.

147.24 Subd. 1a. **Regulatory authority; professional boxing contests.** All professional boxing
147.25 contests are subject to this chapter. Every combatant in a boxing contest shall wear padded
147.26 gloves that weigh at least eight ounces. Officials at all boxing contests must be licensed
147.27 under this chapter.

147.28 Subd. 2. **Regulatory authority; tough person contests.** All professional and amateur
147.29 tough person contests are subject to this chapter. All tough person contests are subject to
147.30 ~~Association of Boxing Commissions rules~~ the most recent version of the Unified Rules of
147.31 Boxing, as promulgated by the Association of Boxing Commissions. Every contestant in a
147.32 tough person contest shall have a physical examination prior to their bouts. Every contestant

148.1 in a tough person contest shall wear headgear and padded gloves that weigh at least 12
148.2 ounces. ~~All tough person bouts are limited to two-minute rounds and a maximum of four~~
148.3 ~~total rounds.~~ Officials at all tough person contests shall be licensed under this chapter.

148.4 Subd. 3. **Regulatory authority; mixed martial arts contests; ~~similar sporting~~**
148.5 **events.** All professional and amateur mixed martial arts contests, ~~martial arts contests except~~
148.6 ~~amateur contests regulated by the Minnesota State High School League (MSHSL), recognized~~
148.7 ~~martial arts studios and schools in Minnesota, and recognized national martial arts~~
148.8 ~~organizations holding contests between students, ultimate fight contests, and similar sporting~~
148.9 ~~events~~ are subject to this chapter and all officials at these events must be licensed under this
148.10 chapter.

148.11 Subd. 4. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this
148.12 chapter specifically states otherwise, contests or exhibitions for martial arts and amateur
148.13 boxing are exempt from the requirements of this chapter and officials at these events are
148.14 not required to be licensed under this chapter.

148.15 (b) All martial arts and amateur boxing contests must be regulated by the Thai Boxing
148.16 Association, International Sports Karate Association, World Kickboxing Association, United
148.17 States Muay Thai Association, United States Muay Thai Federation, World Association of
148.18 Kickboxing Organizations, International Kickboxing Federation, USA Boxing, or an
148.19 organization that governs interscholastic athletics under subdivision 5.

148.20 (c) Any regulatory body overseeing a martial arts or amateur boxing event must submit
148.21 bout results to the commissioner within 72 hours after the event. If the regulatory body
148.22 issues suspensions, it must submit to the commissioner, within 72 hours after the event, a
148.23 list of any suspensions resulting from the event.

148.24 Subd. 5. **Regulatory authority; certain students.** Amateur martial arts and amateur
148.25 boxing contests regulated by the Minnesota State High School League, National Collegiate
148.26 Athletic Association, National Junior Collegiate Athletic Association, National Association
148.27 of Intercollegiate Athletics, or any similar organization that governs interscholastic athletics
148.28 are not subject to this chapter and officials at these events are not required to be licensed
148.29 under this chapter.

148.30 Sec. 7. Minnesota Statutes 2020, section 341.30, subdivision 4, is amended to read:

148.31 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's
148.32 license to an individual, corporation, or other business entity, the applicant shall, ~~a minimum~~
148.33 ~~of six weeks before the combative sport contest is scheduled to occur,~~ complete a licensing

149.1 application on the Office of Combative Sports website or on forms ~~furnished or approved~~
149.2 prescribed by the commissioner and shall:

149.3 ~~(1) provide the commissioner with a copy of any agreement between a combatant and~~
149.4 ~~the applicant that binds the applicant to pay the combatant a certain fixed fee or percentage~~
149.5 ~~of the gate receipts;~~

149.6 ~~(2)~~ (1) show on the licensing application the owner or owners of the applicant entity and
149.7 the percentage of interest held by each owner holding a 25 percent or more interest in the
149.8 applicant;

149.9 ~~(3)~~ (2) provide the commissioner with a copy of the latest financial statement of the
149.10 applicant;

149.11 ~~(4) provide the commissioner with a copy or other proof acceptable to the commissioner~~
149.12 ~~of the insurance contract or policy required by this chapter;~~

149.13 ~~(5)~~ (3) provide proof, where applicable, of authorization to do business in the state of
149.14 Minnesota; and

149.15 ~~(6)~~ (4) deposit with the commissioner a ~~cash bond or~~ surety bond in an amount set by
149.16 the commissioner, which must not be less than \$10,000. The bond shall be executed in favor
149.17 of this state and shall be conditioned on the faithful performance by the promoter of the
149.18 promoter's obligations under this chapter and the rules adopted under it.

149.19 (b) Before the commissioner issues a license to a combatant, the applicant shall:

149.20 (1) submit to the commissioner the results of a current medical ~~examination~~ examinations
149.21 on forms ~~furnished or approved~~ prescribed by the commissioner. ~~The medical examination~~
149.22 ~~must include an ophthalmological and neurological examination, and documentation of test~~
149.23 ~~results for HBV, HCV, and HIV, and any other blood test as the commissioner by rule may~~
149.24 ~~require. The ophthalmological examination must be designed to detect any retinal defects~~
149.25 ~~or other damage or condition of the eye that could be aggravated by combative sports. The~~
149.26 ~~neurological examination must include an electroencephalogram or medically superior test~~
149.27 ~~if the combatant has been knocked unconscious in a previous contest. The commissioner~~
149.28 ~~may also order an electroencephalogram or other appropriate neurological or physical~~
149.29 ~~examination before any contest if it determines that the examination is desirable to protect~~
149.30 ~~the health of the combatant. The commissioner shall not issue a license to an applicant~~
149.31 ~~submitting positive test results for HBV, HCV, or HIV; that state that the combatant is~~
149.32 cleared to participate in a combative sport contest. The applicant must undergo and submit

150.1 the results of the following medical examinations, which do not exempt a combatant from
150.2 the requirements set forth in section 341.33:

150.3 (i) a physical examination performed by a licensed medical doctor, doctor of osteopathic
150.4 medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations
150.5 are valid for one year from the date of the exam;

150.6 (ii) an ophthalmological examination performed by an ophthalmologist or optometrist
150.7 that includes dilation designed to detect any retinal defects or other damage or a condition
150.8 of the eye that could be aggravated by combative sports. Ophthalmological examinations
150.9 are valid for one year from the date of the exam;

150.10 (iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C
150.11 antibody), and HIV. Blood work results are good for one year from the date blood was
150.12 drawn. The commissioner shall not issue a license to an applicant submitting positive test
150.13 results for HBsAg, HCV, or HIV; and

150.14 (iv) other appropriate neurological or physical examinations before any contest, if the
150.15 commissioner determines that the examination is desirable to protect the health of the
150.16 combatant.

150.17 (2) complete a licensing application on the Office of Combative Sports website or on
150.18 forms furnished or approved by the commissioner; and

150.19 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's
150.20 license, state photo identification card, passport, or birth certificate combined with additional
150.21 photo identification.

150.22 (c) Before the commissioner issues a license to a referee, judge, or timekeeper, the
150.23 applicant must submit proof of qualifications that may include certified training from the
150.24 Association of Boxing Commissions, licensure with other regulatory bodies, three
150.25 professional references, or a log of bouts worked.

150.26 (d) Before the commissioner issues a license to a ringside physician, the applicant must
150.27 submit proof that they are licensed to practice medicine in the state of Minnesota and in
150.28 good standing.

150.29 Sec. 8. Minnesota Statutes 2020, section 341.32, subdivision 2, is amended to read:

150.30 Subd. 2. **Expiration and application.** Licenses expire annually on ~~December 31~~ June
150.31 30. A license may be applied for each year by filing an application for licensure and satisfying
150.32 all licensure requirements established in section 341.30, and submitting payment of the

151.1 license fees established in section 341.321. An application for a license and renewal of a
151.2 license must be on a form provided by the commissioner. Any license received or renewed
151.3 in the year 2022 shall be valid until June 30, 2023.

151.4 Sec. 9. Minnesota Statutes 2020, section 341.321, is amended to read:

151.5 **341.321 FEE SCHEDULE.**

151.6 (a) The fee schedule for professional and amateur licenses issued by the commissioner
151.7 is as follows:

151.8 (1) referees, \$25;

151.9 (2) promoters, \$700;

151.10 (3) judges and knockdown judges, \$25;

151.11 (4) trainers and seconds, \$80;

151.12 (5) timekeepers, \$25;

151.13 (6) professional combatants, \$70;

151.14 (7) amateur combatants, \$50; and

151.15 (8) ringside physicians, \$25.

151.16 ~~License fees for promoters are due at least six weeks prior to the combative sport contest.~~
151.17 All ~~other~~ license fees shall be paid no later than the weigh-in prior to the contest. No license
151.18 may be issued until all prelicensure requirements outlined in section 341.30 are satisfied
151.19 and fees are paid.

151.20 ~~(b) The commissioner shall establish a contest fee for each combative sport contest and~~
151.21 ~~shall consider the size and type of venue when establishing a contest fee. The A promoter~~
151.22 ~~or event organizer of an event regulated by the Department of Labor and Industry must pay,~~
151.23 ~~per event, a combative sport contest fee is of \$1,500 per event or not more than four percent~~
151.24 ~~of the gross ticket sales, whichever is greater, as determined by the commissioner when the~~
151.25 ~~combative sport contest is scheduled. The fee must be paid as follows:~~

151.26 ~~(c) A professional or amateur combative sport contest fee is nonrefundable and shall be~~
151.27 ~~paid as follows:~~

151.28 (1) \$500 ~~at the time~~ is due when the combative sport contest is scheduled; ~~and~~

151.29 (2) \$1,000 is due at the weigh-in prior to the contest;

152.1 (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to
152.2 the commissioner within 14 days of the completed contest; and

152.3 (4) the face value of all complimentary tickets distributed for an event, to the extent they
152.4 exceed 15 percent of total event attendance, count toward gross tickets sales for the purposes
152.5 of determining a combative sport contest fee.

152.6 ~~If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the~~
152.7 ~~commissioner within seven days of the completed contest.~~

152.8 ~~(d) The commissioner may establish the maximum number of complimentary tickets~~
152.9 ~~allowed for each event by rule.~~

152.10 ~~(e)~~ (c) All fees and penalties collected by the commissioner must be deposited in the
152.11 commissioner account in the special revenue fund.

152.12 Sec. 10. **[341.322] PAYMENT SCHEDULE.**

152.13 The commissioner may establish a schedule of fees to be paid by a promoter to referees,
152.14 judges and knockdown judges, timekeepers, and ringside physicians.

152.15 Sec. 11. **[341.323] EVENT APPROVAL.**

152.16 Subdivision 1. Preapproval documentation. Before the commissioner approves a
152.17 combative sport contest, the promoter shall:

152.18 (1) provide the commissioner, at least six weeks before the combative sport contest is
152.19 scheduled to occur, information about the time, date, and location of the contest;

152.20 (2) provide the commissioner, at least 72 hours before the combative sport contest is
152.21 scheduled to occur, with a copy of any agreement between a combatant and the promoter
152.22 that binds the promoter to pay the combatant a certain fixed fee or percentage of the gate
152.23 receipts;

152.24 (3) provide the commissioner, at least 72 hours before the combative sport contest is
152.25 scheduled to occur, with a copy or other proof acceptable to the commissioner of the
152.26 insurance contract or policy required by this chapter; and

152.27 (4) provide the commissioner, at least 72 hours before the combative sport contest is
152.28 scheduled to occur, proof acceptable to the commissioner that the promoter will provide,
152.29 at the cost of the promoter, at least one uniformed security guard or uniformed off-duty
152.30 member of law enforcement to provide security at any event regulated by the Department

153.1 of Labor and Industry. The commissioner may require a promoter to take additional security
153.2 measures to ensure the safety of participants and spectators at an event.

153.3 Subd. 2. **Proper licensure.** Before the commissioner approves a combative sport contest,
153.4 the commissioner must ensure that the promoter is properly licensed under this chapter.
153.5 The promoter must maintain proper licensure from the time the promoter schedules a
153.6 combative sport contest through the date of the contest.

153.7 Subd. 3. **Discretion.** Nothing in this section limits the commissioner's discretion in
153.8 deciding whether to approve a combative sport contest or event.

153.9 Sec. 12. **[341.324] AMBULANCE.**

153.10 A promoter must ensure, at the cost of the promoter, that an ambulance and two
153.11 emergency medical technicians are on the premises during a combative sport contest.

153.12 Sec. 13. Minnesota Statutes 2020, section 341.33, is amended to read:

153.13 **341.33 PHYSICAL EXAMINATION REQUIRED; FEES.**

153.14 Subdivision 1. **Examination by physician.** All combatants must be examined by a
153.15 physician licensed by this state within 36 hours before entering the ring, and the examining
153.16 physician shall immediately file with the commissioner a written report of the examination.
153.17 Each female combatant shall take and submit a negative pregnancy test as part of the
153.18 examination. The physician's examination may report on the condition of the combatant's
153.19 heart and general physical and general neurological condition. The physician's report may
153.20 record the condition of the combatant's nervous system and brain as required by the
153.21 commissioner. The physician may prohibit the combatant from entering the ring if, in the
153.22 physician's professional opinion, it is in the best interest of the combatant's health. The cost
153.23 of the examination is payable by the promoter conducting the contest or exhibition.

153.24 Subd. 2. **Attendance of physician.** A promoter holding or sponsoring a combative sport
153.25 contest shall have in attendance a physician licensed by ~~this~~ the state of Minnesota. ~~The~~
153.26 ~~commissioner may establish a schedule of fees to be paid to each attending physician by~~
153.27 ~~the promoter holding or sponsoring the contest.~~

154.1 Sec. 14. [341.345] CHALLENGING THE OUTCOME OF A COMBATIVE SPORT
154.2 CONTEST.

154.3 Subdivision 1. **Challenge.** (a) If a combatant disagrees with the outcome of a combative
154.4 sport contest regulated by the Department of Labor and Industry in which the combatant
154.5 participated, the combatant may challenge the outcome.

154.6 (b) If a third party makes a challenge on behalf of a combatant, the third party must
154.7 provide written confirmation that they are authorized to make the challenge on behalf of
154.8 the combatant. The written confirmation must contain the combatant's signature and must
154.9 be submitted with the challenge.

154.10 Subd. 2. **Form.** A challenge must be submitted on a form prescribed by the commissioner,
154.11 set forth all relevant facts and the basis for the challenge, and state what remedy is being
154.12 sought. A combatant may submit photos, videos, documents, or any other evidence the
154.13 combatant would like the commissioner to consider in connection to the challenge. A
154.14 combatant may challenge the outcome of a contest only if it is alleged that:

154.15 (1) the referee made an incorrect call or missed a rule violation that directly affected the
154.16 outcome of the contest;

154.17 (2) there was collusion amongst officials to affect the outcome of the contest; or

154.18 (3) scores were miscalculated.

154.19 Subd. 3. **Timing.** (a) A challenge must be submitted within ten days of the contest.

154.20 (b) For purposes of this subdivision, the day of the contest shall not count toward the
154.21 ten-day period. If the tenth day falls on a Saturday, Sunday, or legal holiday, then a combatant
154.22 shall have until the next day that is not a Saturday, Sunday, or legal holiday to submit a
154.23 challenge.

154.24 (c) The challenge must be submitted to the commissioner at the address, fax number, or
154.25 e-mail address designated on the commissioner's website. The date on which a challenge
154.26 is submitted by mail shall be the postmark date on the envelope in which the challenge is
154.27 mailed. If the challenge is faxed or e-mailed, it must be received by the commissioner by
154.28 4:30 p.m. central time on the day the challenge is due.

154.29 Subd. 4. **Opponent's response.** If the requirements of subdivisions 1 to 3 are met, the
154.30 commissioner shall send a complete copy of the challenge documents, along with any
154.31 supporting materials submitted, to the opposing combatant by mail, fax, or e-mail. The
154.32 opposing combatant shall have 14 days from the date the commissioner sends the challenge
154.33 and supporting materials to submit a response to the commissioner. Additional response

155.1 time is not added when the commissioner sends the challenge to the opposing combatant
155.2 by mail. The opposing combatant may submit photos, videos, documents, or any other
155.3 evidence the opposing combatant would like the commissioner to consider in connection
155.4 to the challenge. The response must be submitted to the commissioner at the address, fax
155.5 number, or e-mail address designated on the commissioner's website. The date on which a
155.6 response is submitted by mail shall be the postmark date on the envelope in which the
155.7 response is mailed. If the response is faxed or e-mailed, it must be received by the
155.8 commissioner by 4:30 p.m. central time on the day the response is due.

155.9 Subd. 5. **Licensed official review.** The commissioner may, if the commissioner
155.10 determines it would be helpful in resolving the issues raised in the challenge, send a complete
155.11 copy of the challenge or response, along with any supporting materials submitted, to any
155.12 licensed official involved in the combative sport contest at issue by mail, fax, or e-mail and
155.13 request their views on the issues raised in the challenge.

155.14 Subd. 6. **Order.** The commissioner shall issue an order on the challenge within 60 days
155.15 after receiving the opposing combatant's response. If the opposing combatant does not
155.16 submit a response, the commissioner shall issue an order on the challenge within 75 days
155.17 after receiving the challenge.

155.18 Subd. 7. **Nonacceptance.** If the requirements of subdivisions 1 to 3 are not met, the
155.19 commissioner must not accept the challenge and may send correspondence to the person
155.20 who submitted the challenge stating the reasons for nonacceptance of the challenge. A
155.21 combatant has no further appeal rights if the combatant's challenge is not accepted by the
155.22 commissioner.

155.23 Subd. 8. **Administrative hearing.** After the commissioner issues an order under
155.24 subdivision 6, each combatant, under section 326B.082, subdivision 8, has 30 days after
155.25 service of the order to submit a request for hearing before an administrative law judge.

155.26 Sec. 15. Minnesota Statutes 2020, section 341.355, is amended to read:

155.27 **341.355 CIVIL PENALTIES.**

155.28 When the commissioner finds that a person has violated one or more provisions of any
155.29 statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the
155.30 commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each
155.31 violation, or a civil penalty that deprives the person of any economic advantage gained by
155.32 the violation, or both. The commissioner may also impose these penalties against a person
155.33 who has violated section 341.28, subdivision 4, paragraph (b) or (c).

ARTICLE 10

PUBLIC EMPLOYMENT RELATIONS BOARD

Section 1. Minnesota Statutes 2020, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board.** Personnel data may be disseminated to labor organizations and the Public Employment Relations Board to the extent that the responsible authority determines that the dissemination is necessary to conduct elections, notify employees of fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public Employment Relations Board, and to the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services or the Public Employment Relations Board or its designee.

Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

Subdivision 1. Definition. For purposes of this section, "board" means the Public Employment Relations Board.

Subd. 2. Nonpublic data. (a) Except as provided in this subdivision, all data maintained by the board about a charge or complaint of unfair labor practices and appeals of determinations of the commissioner under section 179A.12, subdivision 11, are classified as protected nonpublic data or confidential data, and become public when admitted into evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to a protective order as determined by the board or a hearing officer.

(b) Notwithstanding sections 13.43 and 181.932, the following data are public:

(1) the filing date of unfair labor practice charges;

(2) the status of unfair labor practice charges as an original or amended charge;

(3) the names and job classifications of charging parties and charged parties;

(4) the provisions of law alleged to have been violated in unfair labor practice charges;

(5) the complaint issued by the board and all data in the complaint;

(6) the full and complete record of an evidentiary hearing before a hearing officer, including the hearing transcript, exhibits admitted into evidence, and posthearing briefs, unless subject to a protective order;

157.1 (7) recommended decisions and orders of hearing officers pursuant to section 179A.13,
157.2 subdivision 1, paragraph (i);

157.3 (8) exceptions to the hearing officer's recommended decision and order filed with the
157.4 board pursuant to section 179A.13, subdivision 1, paragraph (k);

157.5 (9) briefs filed with the board; and

157.6 (10) decisions and orders issued by the board.

157.7 (c) Notwithstanding paragraph (a), individuals have access to their own statements
157.8 provided to the board under paragraph (a).

157.9 (d) The board may make any data classified as protected nonpublic or confidential
157.10 pursuant to this subdivision accessible to any person or party if the access will aid the
157.11 implementation of chapters 179 and 179A or ensure due process protection of the parties.

157.12 Sec. 3. Minnesota Statutes 2020, section 179A.041, is amended by adding a subdivision
157.13 to read:

157.14 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when
157.15 it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12,
157.16 and 179A.13; reviewing a recommended decision and order of a hearing officer under
157.17 section 179A.13; or reviewing decisions of the commissioner of the Bureau of Mediation
157.18 Services relating to unfair labor practices under section 179A.12, subdivision 11.

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

157.20 Sec. 4. **PUBLIC EMPLOYMENT RELATIONS BOARD.**

157.21 Notwithstanding any other law to the contrary, Laws 2014, chapter 211, sections 1 to 3
157.22 and 6 to 11, as amended by Laws 2015, First Special Session chapter 1, article 7, section
157.23 1; Laws 2016, chapter 189, article 7, section 42; Laws 2017, chapter 94, article 12, section
157.24 1; and Laws 2021, First Special Session chapter 10, article 3, section 19, are effective the
157.25 day following final enactment and apply to any claims brought on or after that date. From
157.26 July 1, 2021, until the day following final enactment, the district court of the county in
157.27 which the practice is alleged to have occurred retains jurisdiction over any action by any
157.28 employee, employer, employee or employer organization, exclusive representative, or any
157.29 other person or organization aggrieved by an unfair labor practice as defined in Minnesota
157.30 Statutes, section 179A.13.

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

ARTICLE 11**REFINERY SAFETY**

158.1

158.2

158.3 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

158.4 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
158.5 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
158.6 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
158.7 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.987, or with any rule
158.8 promulgated under section 177.28. The commissioner shall issue an order requiring an
158.9 employer to comply with sections 177.41 to 177.435 or 181.987 if the violation is repeated.
158.10 For purposes of this subdivision only, a violation is repeated if at any time during the two
158.11 years that preceded the date of violation, the commissioner issued an order to the employer
158.12 for violation of sections 177.41 to 177.435 or 181.987 and the order is final or the
158.13 commissioner and the employer have entered into a settlement agreement that required the
158.14 employer to pay back wages that were required by sections 177.41 to 177.435. The
158.15 department shall serve the order upon the employer or the employer's authorized
158.16 representative in person or by certified mail at the employer's place of business. An employer
158.17 who wishes to contest the order must file written notice of objection to the order with the
158.18 commissioner within 15 calendar days after being served with the order. A contested case
158.19 proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15
158.20 calendar days after being served with the order, the employer fails to file a written notice
158.21 of objection with the commissioner, the order becomes a final order of the commissioner.

158.22 **EFFECTIVE DATE.** This section is effective October 15, 2022.

158.23 Sec. 2. **[181.987] USE OF SKILLED AND TRAINED CONTRACTOR**

158.24 **WORKFORCES AT PETROLEUM REFINERIES.**

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

158.27 (b) "Contractor" means a vendor that enters into or seeks to enter into a contract with
158.28 an owner or operator of a petroleum refinery to perform construction, alteration, demolition,
158.29 installation, repair, maintenance, or hazardous material handling work at the site of the
158.30 petroleum refinery. Contractor includes all contractors or subcontractors of any tier
158.31 performing work as described in this paragraph at the site of the petroleum refinery.
158.32 Contractor does not include employees of the owner or operator of a petroleum refinery.

159.1 (c) "Registered apprenticeship program" means an apprenticeship program providing
159.2 each trainee with combined classroom and on-the-job training under the direct and close
159.3 supervision of a highly skilled worker in an occupation recognized as an apprenticeable
159.4 occupation registered with the Department of Labor and Industry under chapter 178 or with
159.5 the United States Department of Labor Office of Apprenticeship or a recognized state
159.6 apprenticeship agency under Code of Federal Regulations, title 29, parts 29 and 30.

159.7 (d) "Skilled and trained workforce" means a workforce in which employees of the
159.8 contractor or subcontractor of any tier working at the site of the petroleum refinery meet
159.9 one of the following criteria:

159.10 (1) are currently registered as apprentices in a registered apprenticeship program in the
159.11 applicable trade;

159.12 (2) have graduated from a registered apprenticeship program in the applicable trade; or

159.13 (3) have completed all of the classroom training and work hour requirements needed to
159.14 graduate from the registered apprenticeship program their employer participates in.

159.15 (e) A contractor's workforce must meet the requirements of paragraph (d) according to
159.16 the following schedule:

159.17 (1) 65 percent of the contractor's workforce by October 15, 2022;

159.18 (2) 75 percent of the contractor's workforce by October 15, 2023; and

159.19 (3) 85 percent of the contractor's workforce by October 15, 2024.

159.20 (f) "Petroleum refinery" means a facility engaged in producing gasoline, kerosene,
159.21 distillate fuel oils, residual fuel oils, lubricants, or other products through distillation of
159.22 petroleum or through redistillation, cracking, or reforming of unfinished petroleum
159.23 derivatives.

159.24 (g) "Apprenticeable occupation" means any trade, form of employment, or occupation
159.25 approved for apprenticeship by the United States secretary of labor or the commissioner of
159.26 labor and industry.

159.27 (h) "Original equipment manufacturer" or "OEM" means an organization that
159.28 manufactures or fabricates equipment for sale directly to purchasers or other resellers.

159.29 Subd. 2. Use of contractors by owner, operator; requirement. (a) An owner or operator
159.30 of a petroleum refinery shall, when contracting with contractors for the performance of
159.31 construction, alteration, demolition, installation, repair, maintenance, or hazardous material
159.32 handling work at the site of the petroleum refinery, require that the contractors performing

160.1 that work, and any subcontractors of any tier, use a skilled and trained workforce when
160.2 performing all work at the site of the petroleum refinery.

160.3 (b) The requirement under this subdivision applies only when each contractor and
160.4 subcontractor of any tier is performing work at the site of the petroleum refinery.

160.5 (c) This subdivision does not apply to contractors or subcontractors hired to perform
160.6 OEM work necessary to comply with equipment warranty requirements.

160.7 Subd. 3. **Penalties.** The Division of Labor Standards shall receive complaints of violations
160.8 of this section. The commissioner of labor and industry shall fine an owner, operator,
160.9 contractor, or subcontractor of any tier not less than \$5,000 nor more than \$10,000 for each
160.10 violation of the requirements in this section. Each shift on which a violation of this section
160.11 occurs shall be considered a separate violation. This penalty is in addition to any penalties
160.12 provided under section 177.27, subdivision 7. In determining the amount of a civil penalty
160.13 under this subdivision, the appropriateness of the penalty to the size of the violator's business
160.14 and the gravity of the violation shall be considered.

160.15 Subd. 4. **Civil actions.** A person injured by a violation of this section may bring a civil
160.16 action for damages against an owner or operator of a petroleum refinery. The court may
160.17 award to a prevailing plaintiff under this subdivision damages, attorney fees, costs,
160.18 disbursements, and any other appropriate relief as otherwise provided by law.

160.19 **EFFECTIVE DATE.** This section is effective October 15, 2022.

160.20 **ARTICLE 12**

160.21 **AGRICULTURAL WORKER WELLNESS**

160.22 Section 1. **[179.911] OMBUDSPERSON FOR THE SAFETY, HEALTH, AND**
160.23 **WELL-BEING OF AGRICULTURAL AND FOOD PROCESSING WORKERS.**

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

160.26 (b) "Agricultural work" is defined broadly to include but is not limited to farming in all
160.27 its branches including dairy work; field production, cultivation, growing, and harvesting of
160.28 any agricultural or horticultural commodity; and raising livestock, bees, fur-bearing animals,
160.29 and poultry.

160.30 (c) "Food processing" has the meaning given in section 181.635, subdivision 1, paragraph
160.31 (d). For the purposes of this section and section 179.912, food processing also includes
160.32 meatpacking and poultry processing.

161.1 Subd. 2. **Appointment.** The governor shall appoint an ombudsperson for the safety,
161.2 health, and well-being of agricultural and food processing workers. The ombudsperson shall
161.3 serve in the unclassified service to assist agricultural and food processing workers with
161.4 housing, workplace safety, fair labor standards, and other challenges. The ombudsperson
161.5 must be selected without regard to the person's political affiliation. The ombudsperson shall
161.6 serve a term of four years, which may be renewed, and may be removed prior to the end of
161.7 the term for just cause.

161.8 Subd. 3. **Qualifications.** The ombudsperson must be highly competent and qualified to
161.9 analyze questions of law, administration, and public policy regarding the safety, health, and
161.10 well-being of agricultural and food processing workers. The ombudsperson must have
161.11 knowledge and experience in the fields of workplace safety, housing, and fair labor standards.
161.12 The ombudsperson must be familiar with governmental entities and their roles, interpretation
161.13 of laws and regulations, record keeping, report writing, public speaking, and management.
161.14 In addition, the ombudsperson must have experience working with agricultural and food
161.15 processing workers and must be knowledgeable about the needs and experiences of those
161.16 communities. No individual may serve as the ombudsperson for the safety, health, and
161.17 well-being of agricultural and food processing workers while running for or holding any
161.18 other public office. The ombudsperson must speak fluently in a language in addition to
161.19 English that is commonly used by agricultural and food processing workers.

161.20 Subd. 4. **Duties.** (a) The ombudsperson's duties shall include but are not limited to the
161.21 following:

161.22 (1) creating and collecting educational materials in relevant languages to orient
161.23 agricultural and food processing workers about their rights under Minnesota laws and rules
161.24 and state services available to them;

161.25 (2) outreach to agricultural and food processing stakeholders, including workers and
161.26 employers, to inform them of the services of the office in order to support workers in
161.27 navigating their concerns;

161.28 (3) acting as a member of the Minnesota Migrant Services Consortium and having a
161.29 formal relationship with any other relevant and appropriate state committees, work groups,
161.30 or task forces engaged in work related to agricultural and food processing workers;

161.31 (4) coordinating across state agencies to develop strategies to better assist agricultural
161.32 and food processing workers;

162.1 (5) providing recommendations to state agencies for coordinated communication strategies
162.2 to promote workplace safety, adequate housing, fair labor standards, and other issues for
162.3 agricultural and food processing workers;

162.4 (6) offering accessible methods of contact, including telephone, text, and virtual
162.5 communication platforms, to answer questions, receive complaints, and discuss agency
162.6 actions with agricultural stakeholders; and

162.7 (7) addressing complaints and requests for assistance related to workplace safety, housing,
162.8 labor standards, and other concerns by supporting agricultural stakeholders in navigating
162.9 regulatory authorities.

162.10 (b) The ombudsperson must report to the commissioner annually by December 31 on
162.11 the services provided by the ombudsperson to agricultural and food processing workers,
162.12 including the number of stakeholders served and the activities of the ombudsperson in
162.13 carrying out the duties under this section. The commissioner shall determine the form of
162.14 the report and may specify additional reporting requirements.

162.15 Subd. 5. **Complaints.** The ombudsperson may receive a complaint from any source
162.16 concerning an action of an agency, facility, or program. After completing a review, the
162.17 ombudsperson shall inform the complainant, agency, facility, or program.

162.18 Subd. 6. **Access to records.** (a) The ombudsperson or designee, excluding volunteers,
162.19 has access to any data of a state agency necessary for the discharge of the ombudsperson's
162.20 duties, including records classified as confidential data on individuals or private data on
162.21 individuals under chapter 13 or any other law. The ombudsperson's data request must relate
162.22 to a specific case and is subject to section 13.03, subdivision 4. If the data concerns an
162.23 individual, the ombudsperson or designee shall first obtain the individual's consent. If the
162.24 individual is unable to consent and has no parent or legal guardian, the ombudsperson's or
162.25 designee's access to the data is authorized by this section.

162.26 (b) The ombudsperson and designee must adhere to chapter 13 and must not disseminate
162.27 any private or confidential data on individuals unless specifically authorized by state, local,
162.28 or federal law or pursuant to a court order.

162.29 Subd. 7. **Staff support.** The ombudsperson may appoint and compensate out of available
162.30 funds a confidential secretary in the unclassified service as authorized by law. The
162.31 ombudsperson and the ombudsperson's full-time staff are members of the Minnesota State
162.32 Retirement Association. The ombudsperson may delegate to staff members any authority
162.33 or duties of the office, except the duty to provide reports to the governor, commissioner, or
162.34 legislature.

163.1 Subd. 8. **Independence of action.** In carrying out the duties under this section, the
163.2 ombudsperson may provide testimony to the legislature, make periodic reports to the
163.3 legislature, and address areas of concern to agricultural and food processing workers.

163.4 Subd. 9. **Civil actions.** The ombudsperson and designees are not civilly liable for any
163.5 action taken under this section if the action was taken in good faith, was within the scope
163.6 of the ombudsperson's authority, and did not constitute willful or reckless misconduct.

163.7 Subd. 10. **Posting.** (a) The commissioners of labor and industry, employment and
163.8 economic development, health, administration, and human rights shall post on their
163.9 departments' websites the mailing address, e-mail address, and telephone number for the
163.10 ombudsperson's office. The commissioners shall provide agricultural stakeholders with the
163.11 mailing address, e-mail address, and telephone number of the ombudsperson's office upon
163.12 request. Departmental programs or contractors providing services to agricultural stakeholders
163.13 must provide those stakeholders with the mailing address, e-mail address, and telephone
163.14 number of the ombudsperson's office upon request.

163.15 (b) The ombudsperson must approve all postings and notices required by the departments
163.16 and counties under this subdivision.

163.17 Sec. 2. **[179.912] AGRICULTURAL WORKER WELLNESS COMMITTEE.**

163.18 Subdivision 1. **Agricultural Worker Wellness Committee established.** The Agricultural
163.19 Worker Wellness Committee is established to carry out the work of the committee established
163.20 by the governor's Executive Order No. 21-14. The commissioner of labor and industry shall
163.21 hire two full-time equivalent staff to support the committee.

163.22 Subd. 2. **Definitions.** For the purposes of this section:

163.23 (1) "food processing" and "agricultural work" have the meanings given under section
163.24 179.911, subdivision 1; and

163.25 (2) "musculoskeletal disorders" includes carpal tunnel syndrome, tendinitis, rotator cuff
163.26 injuries, trigger finger, epicondylitis, muscle strains, and lower back injuries.

163.27 Subd. 3. **Membership.** (a) The committee shall consist of up to 21 voting members who
163.28 shall serve three-year terms including, at a minimum:

163.29 (1) the commissioners of labor and industry, employment and economic development,
163.30 agriculture, health, and housing finance, or their designees; and

163.31 (2) the following members appointed by the governor:

163.32 (i) one representative from the Migrant Services Consortium;

164.1 (ii) three representatives of agricultural employers;

164.2 (iii) three at-large representatives from geographic regions of the state dependent on the
164.3 agricultural sector;

164.4 (iv) three representatives of community-based organizations with expertise in agricultural
164.5 workers and communities;

164.6 (v) three union representatives; and

164.7 (vi) three representatives of local public health.

164.8 (b) Other commissioners or their designees not named in paragraph (a), clause (1), may
164.9 serve on the board as nonvoting members.

164.10 Subd. 4. **Membership terms; compensation.** (a) The governor shall make initial
164.11 appointments to the board by October 1, 2022. Initial appointees shall serve staggered terms
164.12 of three years or as determined by the secretary of state.

164.13 (b) Members shall be compensated as provided in section 15.0575, subdivision 3.

164.14 Subd. 5. **Chairs; other officers.** The commissioners of agriculture and labor and industry
164.15 or their designees shall serve as co-chairs of the committee. The committee may elect other
164.16 officers as necessary from its members.

164.17 Subd. 6. **Committee responsibilities.** The committee shall:

164.18 (1) analyze and recommend policies to address housing, workplace safety, including the
164.19 reduction and prevention of musculoskeletal disorders, and fair labor issues faced by migrant,
164.20 food processing, and meatpacking agricultural workers;

164.21 (2) serve as an ongoing forum for the stakeholder groups represented on the committee
164.22 and coordinate state, local, and private partners' collaborative work to maintain a healthy
164.23 and equitable agricultural and food processing industry which is foundational to Minnesota's
164.24 economy; and

164.25 (3) coordinate and support pandemic response and public health and safety initiatives,
164.26 including ergonomic hazard and risk prevention, as they affect agricultural and food
164.27 processing workers in upcoming growing, harvesting, and processing seasons.

164.28 Subd. 7. **Central inventory of reports and analyses on agricultural and food**
164.29 **processing workers.** Within available appropriations and in collaboration with stakeholders,
164.30 the committee shall work to establish a central inventory of data reports and analyses
164.31 regarding agricultural and food processing workers, including demographic information
164.32 and definitions of agricultural and food processing workers to help policymakers in state

165.1 and local government agencies, stakeholders, and the public to understand the population
165.2 needs and assets and to advance state and local initiatives.

165.3 Subd. 8. Report to legislature and governor. The committee shall present to the
165.4 governor and chairs and ranking minority members of the legislative committees with
165.5 jurisdiction over labor and agriculture an annual work plan and report regarding its
165.6 accomplishments. Measurements of success must include tracking:

165.7 (1) stakeholder engagement;

165.8 (2) efficient and effective response to a pandemic or other disruptions of growing,
165.9 harvesting, and processing seasons;

165.10 (3) increased coordination among governmental, employer, and advocacy organizations
165.11 connected to the agricultural and food processing industry; and

165.12 (4) advancement of recommendations that strengthen the industry, including but not
165.13 limited to procedures to identify and eliminate ergonomic hazards and contributing risk
165.14 factors.

165.15 **ARTICLE 13**

165.16 **EARNED SICK AND SAFE TIME**

165.17 Section 1. Minnesota Statutes 2020, section 181.942, subdivision 1, is amended to read:

165.18 Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence
165.19 under section 181.941 is entitled to return to employment in the employee's former position
165.20 or in a position of comparable duties, number of hours, and pay. An employee returning
165.21 from a leave of absence longer than one month must notify a supervisor at least two weeks
165.22 prior to return from leave. An employee returning from a leave under section 181.9412 or
165.23 ~~181.9413~~ sections 181.9445 to 181.9448 is entitled to return to employment in the employee's
165.24 former position.

165.25 (b) If, during a leave under sections 181.940 to 181.944, the employer experiences a
165.26 layoff and the employee would have lost a position had the employee not been on leave,
165.27 pursuant to the good faith operation of a bona fide layoff and recall system, including a
165.28 system under a collective bargaining agreement, the employee is not entitled to reinstatement
165.29 in the former or comparable position. In such circumstances, the employee retains all rights
165.30 under the layoff and recall system, including a system under a collective bargaining
165.31 agreement, as if the employee had not taken the leave.

166.1 Sec. 2. [181.9445] DEFINITIONS.

166.2 Subdivision 1. Definitions. For the purposes of section 177.50 and sections 181.9445
166.3 to 181.9447, the terms defined in this section have the meanings given them.

166.4 Subd. 2. Commissioner. "Commissioner" means the commissioner of labor and industry
166.5 or authorized designee or representative.

166.6 Subd. 3. Domestic abuse. "Domestic abuse" has the meaning given in section 518B.01.

166.7 Subd. 4. Earned sick and safe time. "Earned sick and safe time" means leave, including
166.8 paid time off and other paid leave systems, that is paid at the same hourly rate as an employee
166.9 earns from employment that may be used for the same purposes and under the same
166.10 conditions as provided under section 181.9447.

166.11 Subd. 5. Employee. "Employee" means any person who is employed by an employer,
166.12 including temporary and part-time employees, who performs work for at least 80 hours in
166.13 a year for that employer in Minnesota. Employee does not include:

166.14 (1) an independent contractor; or

166.15 (2) an individual employed by an air carrier as a flight deck or cabin crew member who
166.16 is subject to United States Code, title 45, sections 181 to 188, and who is provided with
166.17 paid leave equal to or exceeding the amounts in section 181.9446.

166.18 Subd. 6. Employer. "Employer" means a person who has one or more employees.
166.19 Employer includes an individual, a corporation, a partnership, an association, a business
166.20 trust, a nonprofit organization, a group of persons, a state, county, town, city, school district,
166.21 or other governmental subdivision. In the event that a temporary employee is supplied by
166.22 a staffing agency, absent a contractual agreement stating otherwise, that individual shall be
166.23 an employee of the staffing agency for all purposes of section 177.50 and sections 181.9445
166.24 to 181.9448.

166.25 Subd. 7. Family member. "Family member" means:

166.26 (1) an employee's:

166.27 (i) child, foster child, adult child, legal ward, or child for whom the employee is legal
166.28 guardian;

166.29 (ii) spouse or registered domestic partner;

166.30 (iii) sibling, stepsibling, or foster sibling;

166.31 (iv) parent or stepparent;

167.1 (v) grandchild, foster grandchild, or stepgrandchild; or

167.2 (vi) grandparent or stepgrandparent;

167.3 (2) any of the family members listed in clause (1) of a spouse or registered domestic
167.4 partner;

167.5 (3) any individual related by blood or affinity whose close association with the employee
167.6 is the equivalent of a family relationship; and

167.7 (4) up to one individual annually designated by the employee.

167.8 Subd. 8. **Health care professional.** "Health care professional" means any person licensed
167.9 under federal or state law to provide medical or emergency services, including doctors,
167.10 physician assistants, nurses, and emergency room personnel.

167.11 Subd. 9. **Prevailing wage rate.** "Prevailing wage rate" has the meaning given in section
167.12 177.42 and as calculated by the Department of Labor and Industry.

167.13 Subd. 10. **Retaliatory personnel action.** "Retaliatory personnel action" means:

167.14 (1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse
167.15 employment action, including discipline, discharge, suspension, transfer, or reassignment
167.16 to a lesser position in terms of job classification, job security, or other condition of
167.17 employment; reduction in pay or hours or denial of additional hours; the accumulation of
167.18 points under an attendance point system; informing another employer that the person has
167.19 engaged in activities protected by this chapter; or reporting or threatening to report the actual
167.20 or suspected citizenship or immigration status of an employee, former employee, or family
167.21 member of an employee to a federal, state, or local agency; and

167.22 (2) interference with or punishment for participating in any manner in an investigation,
167.23 proceeding, or hearing under this chapter.

167.24 Subd. 11. **Sexual assault.** "Sexual assault" means an act that constitutes a violation
167.25 under sections 609.342 to 609.3453 or 609.352.

167.26 Subd. 12. **Stalking.** "Stalking" has the meaning given in section 609.749.

167.27 Subd. 13. **Year.** "Year" means a regular and consecutive 12-month period, as determined
167.28 by an employer and clearly communicated to each employee of that employer.

167.29 Sec. 3. **[181.9446] ACCRUAL OF EARNED SICK AND SAFE TIME.**

167.30 (a) An employee accrues a minimum of one hour of earned sick and safe time for every
167.31 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year.

168.1 Employees may not accrue more than 48 hours of earned sick and safe time in a year unless
168.2 the employer agrees to a higher amount.

168.3 (b) Employers must permit an employee to carry over accrued but unused sick and safe
168.4 time into the following year. The total amount of accrued but unused earned sick and safe
168.5 time for an employee must not exceed 80 hours at any time, unless an employer agrees to
168.6 a higher amount.

168.7 (c) Employees who are exempt from overtime requirements under United States Code,
168.8 title 29, section 213(a)(1), as amended through the effective date of this section, are deemed
168.9 to work 40 hours in each workweek for purposes of accruing earned sick and safe time,
168.10 except that an employee whose normal workweek is less than 40 hours will accrue earned
168.11 sick and safe time based on the normal workweek.

168.12 (d) Earned sick and safe time under this section begins to accrue at the commencement
168.13 of employment of the employee.

168.14 (e) Employees may use accrued earned sick and safe time beginning 90 calendar days
168.15 after the day their employment commenced. After 90 days from the day employment
168.16 commenced, employees may use earned sick and safe time as it is accrued. The
168.17 90-calendar-day period under this paragraph includes both days worked and days not worked.

168.18 **Sec. 4. [181.9447] USE OF EARNED SICK AND SAFE TIME.**

168.19 Subdivision 1. **Eligible use.** An employee may use accrued earned sick and safe time
168.20 for:

168.21 (1) an employee's:

168.22 (i) mental or physical illness, injury, or other health condition;

168.23 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,
168.24 or health condition; or

168.25 (iii) need for preventive medical or health care;

168.26 (2) care of a family member:

168.27 (i) with a mental or physical illness, injury, or other health condition;

168.28 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,
168.29 injury, or other health condition; or

168.30 (iii) who needs preventive medical or health care;

169.1 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or
169.2 employee's family member, provided the absence is to:

169.3 (i) seek medical attention related to physical or psychological injury or disability caused
169.4 by domestic abuse, sexual assault, or stalking;

169.5 (ii) obtain services from a victim services organization;

169.6 (iii) obtain psychological or other counseling;

169.7 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or

169.8 (v) seek legal advice or take legal action, including preparing for or participating in any
169.9 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,
169.10 or stalking;

169.11 (4) closure of the employee's place of business due to weather or other public emergency
169.12 or an employee's need to care for a family member whose school or place of care has been
169.13 closed due to weather or other public emergency; and

169.14 (5) when it has been determined by the health authorities having jurisdiction or by a
169.15 health care professional that the presence of the employee or family member of the employee
169.16 in the community would jeopardize the health of others because of the exposure of the
169.17 employee or family member of the employee to a communicable disease, whether or not
169.18 the employee or family member has actually contracted the communicable disease.

169.19 Subd. 2. **Notice.** An employer may require notice of the need for use of earned sick and
169.20 safe time as provided in this paragraph. If the need for use is foreseeable, an employer may
169.21 require advance notice of the intention to use earned sick and safe time but must not require
169.22 more than seven days' advance notice. If the need is unforeseeable, an employer may require
169.23 an employee to give notice of the need for earned sick and safe time as soon as practicable.

169.24 Subd. 3. **Documentation.** When an employee uses earned sick and safe time for more
169.25 than three consecutive days, an employer may require reasonable documentation that the
169.26 earned sick and safe time is covered by subdivision 1. For earned sick and safe time under
169.27 subdivision 1, clauses (1) and (2), reasonable documentation may include a signed statement
169.28 by a health care professional indicating the need for use of earned sick and safe time. For
169.29 earned sick and safe time under subdivision 1, clause (3), an employer must accept a court
169.30 record or documentation signed by a volunteer or employee of a victims services organization,
169.31 an attorney, a police officer, or an antiviolence counselor as reasonable documentation. An
169.32 employer must not require disclosure of details relating to domestic abuse, sexual assault,
169.33 or stalking or the details of an employee's or an employee's family member's medical

170.1 condition as related to an employee's request to use earned sick and safe time under this
170.2 section.

170.3 Subd. 4. **Replacement worker.** An employer may not require, as a condition of an
170.4 employee using earned sick and safe time, that the employee seek or find a replacement
170.5 worker to cover the hours the employee uses as earned sick and safe time.

170.6 Subd. 5. **Increment of time used.** Earned sick and safe time may be used in the smallest
170.7 increment of time tracked by the employer's payroll system, provided such increment is not
170.8 more than four hours.

170.9 Subd. 6. **Retaliation prohibited.** An employer shall not take retaliatory personnel action
170.10 against an employee because the employee has requested earned sick and safe time, used
170.11 earned sick and safe time, requested a statement of accrued sick and safe time, or made a
170.12 complaint or filed an action to enforce a right to earned sick and safe time under this section.

170.13 Subd. 7. **Reinstatement to comparable position after leave.** An employee returning
170.14 from a leave under this section is entitled to return to employment in a comparable position.
170.15 If, during a leave under this section, the employer experiences a layoff and the employee
170.16 would have lost a position had the employee not been on leave, pursuant to the good faith
170.17 operation of a bona fide layoff and recall system, including a system under a collective
170.18 bargaining agreement, the employee is not entitled to reinstatement in the former or
170.19 comparable position. In such circumstances, the employee retains all rights under the layoff
170.20 and recall system, including a system under a collective bargaining agreement, as if the
170.21 employee had not taken the leave.

170.22 Subd. 8. **Pay and benefits after leave.** An employee returning from a leave under this
170.23 section is entitled to return to employment at the same rate of pay the employee had been
170.24 receiving when the leave commenced, plus any automatic adjustments in the employee's
170.25 pay scale that occurred during the leave period. The employee returning from a leave is
170.26 entitled to retain all accrued preleave benefits of employment and seniority as if there had
170.27 been no interruption in service, provided that nothing under this section prevents the accrual
170.28 of benefits or seniority during the leave pursuant to a collective bargaining or other agreement
170.29 between the employer and employees.

170.30 Subd. 9. **Part-time return from leave.** An employee, by agreement with the employer,
170.31 may return to work part time during the leave period without forfeiting the right to return
170.32 to employment at the end of the leave, as provided under this section.

170.33 Subd. 10. **Notice and posting by employer.** (a) Employers must give notice to all
170.34 employees that they are entitled to earned sick and safe time, including the amount of earned

171.1 sick and safe time, the accrual year for the employee, and the terms of its use under this
171.2 section; that retaliation against employees who request or use earned sick and safe time is
171.3 prohibited; and that each employee has the right to file a complaint or bring a civil action
171.4 if earned sick and safe time is denied by the employer or the employee is retaliated against
171.5 for requesting or using earned sick and safe time.

171.6 (b) Employers must supply employees with a notice in English and other appropriate
171.7 languages that contains the information required in paragraph (a) at commencement of
171.8 employment or the effective date of this section, whichever is later.

171.9 (c) The means used by the employer must be at least as effective as the following options
171.10 for providing notice:

171.11 (1) posting a copy of the notice at each location where employees perform work and
171.12 where the notice must be readily observed and easily reviewed by all employees performing
171.13 work; or

171.14 (2) providing a paper or electronic copy of the notice to employees.

171.15 The notice must contain all information required under paragraph (a). The commissioner
171.16 shall create and make available to employers a poster and a model notice that contains the
171.17 information required under paragraph (a) for their use in complying with this section.

171.18 (d) An employer that provides an employee handbook to its employees must include in
171.19 the handbook notice of employee rights and remedies under this section.

171.20 Subd. 11. **Required statement to employee.** (a) Upon request of the employee, the
171.21 employer must provide, in writing or electronically, current information stating the
171.22 employee's amount of:

171.23 (1) earned sick and safe time available to the employee; and

171.24 (2) used earned sick and safe time.

171.25 (b) Employers may choose a reasonable system for providing the information in paragraph
171.26 (a), including but not limited to listing information on each pay stub or developing an online
171.27 system where employees can access their own information.

171.28 Subd. 12. **Employer records.** (a) Employers shall retain accurate records documenting
171.29 hours worked by employees and earned sick and safe time taken and comply with all
171.30 requirements under section 177.30.

171.31 (b) An employer must allow an employee to inspect records required by this section and
171.32 relating to that employee at a reasonable time and place.

172.1 Subd. 13. Confidentiality and nondisclosure. (a) If, in conjunction with this section,
172.2 an employer possesses:

172.3 (1) health or medical information regarding an employee or an employee's family
172.4 member;

172.5 (2) information pertaining to domestic abuse, sexual assault, or stalking;

172.6 (3) information that the employee has requested or obtained leave under this section; or

172.7 (4) any written or oral statement, documentation, record, or corroborating evidence
172.8 provided by the employee or an employee's family member, the employer must treat such
172.9 information as confidential.

172.10 Information given by an employee may only be disclosed by an employer if the disclosure
172.11 is requested or consented to by the employee, when ordered by a court or administrative
172.12 agency, or when otherwise required by federal or state law.

172.13 (b) Records and documents relating to medical certifications, recertifications, or medical
172.14 histories of employees or family members of employees created for purposes of section
172.15 177.50 or sections 181.9445 to 181.9448 must be maintained as confidential medical records
172.16 separate from the usual personnel files. At the request of the employee, the employer must
172.17 destroy or return the records required by sections 181.9445 to 181.9448 that are older than
172.18 three years prior to the current calendar year.

172.19 (c) Employers may not discriminate against any employee based on records created for
172.20 the purposes of section 177.50 or sections 181.9445 to 181.9448.

172.21 **Sec. 5. [181.9448] EFFECT ON OTHER LAW OR POLICY.**

172.22 Subdivision 1. No effect on more generous sick and safe time policies. (a) Nothing
172.23 in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting
172.24 or retaining earned sick and safe time policies that meet or exceed, and do not otherwise
172.25 conflict with, the minimum standards and requirements provided in sections 181.9445 to
172.26 181.9447.

172.27 (b) Nothing in sections 181.9445 to 181.9447 shall be construed to limit the right of
172.28 parties to a collective bargaining agreement to bargain and agree with respect to earned sick
172.29 and safe time policies or to diminish the obligation of an employer to comply with any
172.30 contract, collective bargaining agreement, or any employment benefit program or plan that
172.31 meets or exceeds, and does not otherwise conflict with, the minimum standards and
172.32 requirements provided in this section.

173.1 (c) Employers who provide earned sick and safe time to their employees under a paid
173.2 time off policy or other paid leave policy that meets or exceeds, and does not otherwise
173.3 conflict with, the minimum standards and requirements provided in sections 181.9445 to
173.4 181.9448 are not required to provide additional earned sick and safe time.

173.5 (d) An employer may opt to satisfy the requirements of sections 181.9445 to 181.9448
173.6 for construction industry employees by:

173.7 (1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated
173.8 by the Department of Labor and Industry; or

173.9 (2) paying at least the required rate established in a registered apprenticeship agreement
173.10 for apprentices registered with the Department of Labor and Industry.

173.11 An employer electing this option is deemed to be in compliance with sections 181.9445 to
173.12 181.9448 for construction industry employees who receive either at least the prevailing
173.13 wage rate or the rate required in the applicable apprenticeship agreement regardless of
173.14 whether the employees are working on private or public projects.

173.15 (e) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a policy
173.16 whereby employees may donate unused accrued sick and safe time to another employee.

173.17 (f) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick and
173.18 safe time to an employee before accrual by the employee.

173.19 Subd. 2. **Termination; separation; transfer.** Sections 181.9445 to 181.9448 do not
173.20 require financial or other reimbursement to an employee from an employer upon the
173.21 employee's termination, resignation, retirement, or other separation from employment for
173.22 accrued earned sick and safe time that has not been used. If an employee is transferred to
173.23 a separate division, entity, or location, but remains employed by the same employer, the
173.24 employee is entitled to all earned sick and safe time accrued at the prior division, entity, or
173.25 location and is entitled to use all earned sick and safe time as provided in sections 181.9445
173.26 to 181.9448. When there is a separation from employment and the employee is rehired
173.27 within 180 days of separation by the same employer, previously accrued earned sick and
173.28 safe time that had not been used must be reinstated. An employee is entitled to use accrued
173.29 earned sick and safe time and accrue additional earned sick and safe time at the
173.30 commencement of reemployment.

173.31 Subd. 3. **Employer succession.** (a) When a different employer succeeds or takes the
173.32 place of an existing employer, all employees of the original employer who remain employed
173.33 by the successor employer are entitled to all earned sick and safe time accrued but not used

174.1 when employed by the original employer, and are entitled to use all earned sick and safe
174.2 time previously accrued but not used.

174.3 (b) If, at the time of transfer of the business, employees are terminated by the original
174.4 employer and hired within 30 days by the successor employer following the transfer, those
174.5 employees are entitled to all earned sick and safe time accrued but not used when employed
174.6 by the original employer, and are entitled to use all earned sick and safe time previously
174.7 accrued but not used.

174.8 Sec. 6. **REPEALER.**

174.9 Minnesota Statutes 2020, section 181.9413, is repealed.

174.10 Sec. 7. **EFFECTIVE DATE.**

174.11 This article is effective 180 days following final enactment.

174.12 **ARTICLE 14**

174.13 **EARNED SICK AND SAFE TIME ENFORCEMENT**

174.14 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 2, is amended to read:

174.15 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
174.16 of employees working in the state to submit to the commissioner photocopies, certified
174.17 copies, or, if necessary, the originals of employment records which the commissioner deems
174.18 necessary or appropriate. The records which may be required include full and correct
174.19 statements in writing, including sworn statements by the employer, containing information
174.20 relating to wages, hours, names, addresses, and any other information pertaining to the
174.21 employer's employees and the conditions of their employment as the commissioner deems
174.22 necessary or appropriate.

174.23 The commissioner may require the records to be submitted by certified mail delivery
174.24 or, if necessary, by personal delivery by the employer or a representative of the employer,
174.25 as authorized by the employer in writing.

174.26 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit
174.27 or deliver records as required by this section, ~~and up to \$5,000 for each repeated failure.~~
174.28 This penalty is in addition to any penalties provided under section 177.32, subdivision 1.
174.29 In determining the amount of a civil penalty under this subdivision, the appropriateness of
174.30 such penalty to the size of the employer's business and the gravity of the violation shall be
174.31 considered.

175.1 Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

175.2 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
175.3 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
175.4 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
175.5 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445 to 181.9448, or
175.6 with any rule promulgated under section 177.28. The commissioner shall issue an order
175.7 requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated.
175.8 For purposes of this subdivision only, a violation is repeated if at any time during the two
175.9 years that preceded the date of violation, the commissioner issued an order to the employer
175.10 for violation of sections 177.41 to 177.435 and the order is final or the commissioner and
175.11 the employer have entered into a settlement agreement that required the employer to pay
175.12 back wages that were required by sections 177.41 to 177.435. The department shall serve
175.13 the order upon the employer or the employer's authorized representative in person or by
175.14 certified mail at the employer's place of business. An employer who wishes to contest the
175.15 order must file written notice of objection to the order with the commissioner within 15
175.16 calendar days after being served with the order. A contested case proceeding must then be
175.17 held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being
175.18 served with the order, the employer fails to file a written notice of objection with the
175.19 commissioner, the order becomes a final order of the commissioner.

175.20 Sec. 3. Minnesota Statutes 2020, section 177.27, subdivision 7, is amended to read:

175.21 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
175.22 violated a section identified in subdivision 4, or any rule adopted under section 177.28, and
175.23 the commissioner issues an order to comply, the commissioner shall order the employer to
175.24 cease and desist from engaging in the violative practice and to take such affirmative steps
175.25 that in the judgment of the commissioner will effectuate the purposes of the section or rule
175.26 violated. The commissioner shall order the employer to pay to the aggrieved parties back
175.27 pay, gratuities, and compensatory damages, less any amount actually paid to the employee
175.28 by the employer, and for an additional equal amount as liquidated damages. Any employer
175.29 who is found by the commissioner to have repeatedly or willfully violated a section or
175.30 sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000
175.31 for each violation for each employee. In determining the amount of a civil penalty under
175.32 this subdivision, the appropriateness of such penalty to the size of the employer's business
175.33 and the gravity of the violation shall be considered. In addition, the commissioner may order
175.34 the employer to reimburse the department and the attorney general for all appropriate
175.35 litigation and hearing costs expended in preparation for and in conducting the contested

176.1 case proceeding, unless payment of costs would impose extreme financial hardship on the
176.2 employer. If the employer is able to establish extreme financial hardship, then the
176.3 commissioner may order the employer to pay a percentage of the total costs that will not
176.4 cause extreme financial hardship. Costs include but are not limited to the costs of services
176.5 rendered by the attorney general, private attorneys if engaged by the department,
176.6 administrative law judges, court reporters, and expert witnesses as well as the cost of
176.7 transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's
176.8 order from the date the order is signed by the commissioner until it is paid, at an annual rate
176.9 provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish
176.10 escrow accounts for purposes of distributing damages.

176.11 **Sec. 4. [177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.**

176.12 **Subdivision 1. Definitions.** The definitions in section 181.9445 apply to this section.

176.13 **Subd. 2. Rulemaking authority.** The commissioner may adopt rules to carry out the
176.14 purposes of this section and sections 181.9445 to 181.9448.

176.15 **Subd. 3. Individual remedies.** In addition to any other remedies provided by law, a
176.16 person injured by a violation of sections 181.9445 to 181.9448 may bring a civil action to
176.17 recover general and special damages, along with costs, fees, and reasonable attorney fees,
176.18 and may receive injunctive and other equitable relief as determined by a court. An action
176.19 to recover damages under this subdivision must be commenced within three years of the
176.20 violation of sections 181.9445 to 181.9448 that caused the injury to the employee.

176.21 **Subd. 4. Grants to community organizations.** The commissioner may make grants to
176.22 community organizations for the purpose of outreach to and education for employees
176.23 regarding their rights under sections 181.9445 to 181.9448. The community-based
176.24 organizations must be selected based on their experience, capacity, and relationships in
176.25 high-violation industries. The work under such a grant may include the creation and
176.26 administration of a statewide worker hotline.

176.27 **Subd. 5. Report to legislature.** (a) The commissioner must submit an annual report to
176.28 the legislature, including to the chairs and ranking minority members of any relevant
176.29 legislative committee. The report must include but is not limited to:

176.30 **(1) a list of all violations of sections 181.9445 to 181.9448, including the employer**
176.31 **involved, and the nature of any violations; and**

176.32 **(2) an analysis of noncompliance with sections 181.9445 to 181.9448, including any**
176.33 **patterns by employer, industry, or county.**

177.1 (b) A report under this section must not include an employee's name or other identifying
177.2 information, any health or medical information regarding an employee or an employee's
177.3 family member, or any information pertaining to domestic abuse, sexual assault, or stalking
177.4 of an employee or an employee's family member.

177.5 Subd. 6. **Contract for labor or services.** It is the responsibility of all employers to not
177.6 enter into any contract or agreement for labor or services where the employer has any actual
177.7 knowledge or knowledge arising from familiarity with the normal facts and circumstances
177.8 of the business activity engaged in, or has any additional facts or information that, taken
177.9 together, would make a reasonably prudent person undertake to inquire whether, taken
177.10 together, the contractor is not complying or has failed to comply with this section. For
177.11 purposes of this subdivision, "actual knowledge" means information obtained by the employer
177.12 that the contractor has violated this section within the past two years and has failed to present
177.13 the employer with credible evidence that such noncompliance has been cured going forward.

177.14 **EFFECTIVE DATE.** This section is effective 180 days after final enactment.

177.15 **ARTICLE 15**

177.16 **WAREHOUSE DISTRIBUTION WORKER SAFETY**

177.17 Section 1. **[182.6526] WAREHOUSE DISTRIBUTION WORKER SAFETY.**

177.18 Subdivision 1. **Definitions.** (a) The terms defined in this subdivision have the meanings
177.19 given them.

177.20 (b) "Commissioner" means the commissioner of labor and industry.

177.21 (c) "Employee" means a nonexempt employee who works at a warehouse distribution
177.22 center.

177.23 (d) "Employee work speed data" means information an employer collects, stores, analyzes,
177.24 or interprets relating to an individual employee's or group of employees' pace of work,
177.25 including but not limited to quantities of tasks performed, quantities of items or materials
177.26 handled or produced, rates or speeds of tasks performed, measurements or metrics of
177.27 employee performance in relation to a quota, and time categorized as performing tasks or
177.28 not performing tasks.

177.29 (e) "Employer" means a person who directly or indirectly, or through an agent or any
177.30 other person, including through the services of a third-party employer, temporary service,
177.31 or staffing agency or similar entity, employs or exercises control over the wages, hours, or
177.32 working conditions of 250 or more employees at a single warehouse distribution center or

178.1 1,000 or more employees at one or more warehouse distribution centers in the state. For
178.2 purposes of this paragraph, all employees of an employer's unitary business, as that term is
178.3 defined in section 290.17, subdivision 4, shall be counted in determining the number of
178.4 employees employed at a single warehouse distribution center or at one or more warehouse
178.5 distribution centers in the state.

178.6 (f) "Warehouse distribution center" means an establishment as defined by any of the
178.7 following North American Industry Classification System (NAICS) codes:

178.8 (1) 493110 for General Warehousing and Storage;

178.9 (2) 423 for Merchant Wholesalers, Durable Goods;

178.10 (3) 424 for Merchant Wholesalers, Nondurable Goods;

178.11 (4) 454110 for Electronic Shopping and Mail-Order Houses; and

178.12 (5) 492110 for Couriers and Express Delivery Services.

178.13 (g) "Quota" means a work standard under which:

178.14 (1) an employee or group of employees is assigned or required to perform at a specified
178.15 productivity speed, or perform a quantified number of tasks, or handle or produce a quantified
178.16 amount of material, or perform without a certain number of errors or defects, as measured
178.17 at the individual or group level within a defined time period; or

178.18 (2) an employee's actions are categorized between time performing tasks and not
178.19 performing tasks, and the employee's failure to complete a task performance standard or
178.20 recommendation may have an adverse impact on the employee's continued employment.

178.21 Subd. 2. **Notice required.** (a) Each employer shall provide to each employee a written
178.22 description of each quota to which the employee is subject and how it is measured, including
178.23 the quantified number of tasks to be performed or materials to be produced or handled or
178.24 the limit on time categorized as not performing tasks, within the defined time period, and
178.25 any potential adverse employment action that could result from failure to meet the quota.

178.26 (b) The written description must be understandable in plain language and in the
178.27 employee's language of preference.

178.28 (c) The written description must be provided:

178.29 (1) upon hire or within 30 days of the effective date of this section; and

178.30 (2) no fewer than two working days prior to the effective date of any modification of
178.31 existing quotas.

179.1 (d) An employer shall not take adverse employment action against an employee for
179.2 failure to meet a quota that has not been disclosed to the employee.

179.3 Subd. 3. **Breaks.** An employee shall not be required to meet a quota that prevents
179.4 compliance with meal or rest or prayer periods, use of restroom facilities, including
179.5 reasonable travel time to and from restroom facilities as provided under section 177.253,
179.6 subdivision 1, or occupational health and safety standards under this chapter or Minnesota
179.7 Rules, chapter 5205. An employer shall not take adverse employment action against an
179.8 employee for failure to meet a quota that does not allow a worker to comply with meal or
179.9 rest or prayer periods, or occupational health and safety standards under this chapter.

179.10 Subd. 4. **Work speed data.** (a) Employees have the right to request orally or in writing
179.11 from any supervisor, and the employer shall provide within 72 hours, a written description
179.12 of each quota to which the employee is subject and a copy of the most recent 90 days of the
179.13 employee's own personal work speed data. The written description of each quota must meet
179.14 the requirements of subdivision 2, paragraph (b), and the employee work speed data must
179.15 be provided in a manner understandable to the employee. An employee can make a request
179.16 under this paragraph no more than four times per year.

179.17 (b) If an employer disciplines an employee for failure to meet a quota, the employer
179.18 must, at the time of discipline, provide the employee with a written copy of the most recent
179.19 90 days of the employee's own personal work speed data. If an employer dismisses an
179.20 employee for any reason, they must, at the time of firing, provide the employee with a
179.21 written copy of the most recent 90 days of the employee's own personal work speed data.
179.22 An employer shall not retaliate against an employee for requesting data under this
179.23 subdivision.

179.24 Subd. 5. **High rates of injury.** If a particular work site or employer is found to have an
179.25 employee incidence rate in a given year, based on data reported to the federal Occupational
179.26 Safety and Health Administration, of at least 30 percent higher than that year's average
179.27 incidence rate for the relevant NAICS code's nonfatal occupational injuries and illnesses
179.28 by industry and case types, released by the United States Bureau of Labor Statistics, the
179.29 commissioner shall open an investigation of violations under this section. The employer
179.30 must also hold its safety committee meetings as provided under section 182.676 monthly
179.31 until, for two consecutive years, the work site or employer does not have an employee
179.32 incidence rate 30 percent higher than the average yearly incidence rate for the relevant
179.33 NAICS code.

180.1 Subd. 6. Enforcement. (a) Subdivision 2, paragraphs (a) to (c), subdivision 4, and
 180.2 subdivision 5 shall be enforced by the commissioner under sections 182.66, 182.661, and
 180.3 182.669. A violation of this section is subject to the penalties provided under sections
 180.4 182.666 and 182.669.

180.5 (b) A current or former employee aggrieved by a violation of this section may bring a
 180.6 civil cause of action for damages and injunctive relief to obtain compliance with this section,
 180.7 may receive other equitable relief as determined by a court, including reinstatement with
 180.8 back pay, and may, upon prevailing in the action, recover costs and reasonable attorney
 180.9 fees in that action. A cause of action under this section must be commenced within one year
 180.10 of the date of injury.

180.11 (c) Nothing in this section shall be construed to prevent local enforcement of occupational
 180.12 health and safety standards that are more restrictive than this section.

180.13 **Sec. 2. SEVERABILITY.**

180.14 If any provision of this act or the application thereof to any person or circumstance is
 180.15 held invalid, the invalidity does not affect other provisions or applications of the act which
 180.16 can be given effect without the invalid provision or application.

180.17 **ARTICLE 16**

180.18 **COMMERCE APPROPRIATIONS**

180.19 **Section 1. APPROPRIATIONS.**

180.20 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 180.21 and for the purposes specified in this article. The appropriations are from the general fund,
 180.22 or another named fund, and are available for the fiscal years indicated for each purpose.
 180.23 The figures "2022" and "2023" used in this article mean that the appropriations listed under
 180.24 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2022</u>	<u>2023</u>
180.25			
180.26			
180.27			
180.28			
180.29	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>	\$	<u>-0-</u> \$ <u>66,341,000</u>
180.30	<u>(a) \$4,000,000 in fiscal year 2023 is for</u>		
180.31	<u>deposit in the solar on public buildings grant</u>		
180.32	<u>program account for the grant program</u>		
180.33	<u>described in Minnesota Statutes, section</u>		

181.1 216C.377. This appropriation may not be used
181.2 to provide grants to public buildings located
181.3 within the electric service area of the electric
181.4 utility subject to Minnesota Statutes, section
181.5 116C.779. This is a onetime appropriation and
181.6 remains available until June 30, 2025.

181.7 (b) \$30,000,000 in fiscal year 2023 is to
181.8 provide grants to community action agencies
181.9 and other agencies to weatherize residences
181.10 and to install preweatherization measures in
181.11 residential buildings occupied by eligible
181.12 low-income households, as provided under
181.13 Minnesota Statutes, sections 216B.2403,
181.14 subdivision 5; 216B.241, subdivision 7; and
181.15 216C.264. Of this amount:

181.16 (1) up to ten percent may be used to
181.17 supplement utility spending on
181.18 preweatherization measures as part of a
181.19 low-income conservation program; and

181.20 (2) up to ten percent may be used to:

181.21 (i) recruit and train energy auditors and
181.22 installers of weatherization assistance services;
181.23 and

181.24 (ii) provide financial incentives to contractors
181.25 and workers who install weatherization
181.26 assistance services.

181.27 The base in fiscal year 2024 is \$15,000,000
181.28 and the base in fiscal year 2025 is
181.29 \$15,000,000.

181.30 For the purposes of this paragraph:

181.31 (A) "low-income conservation program"
181.32 means a utility program that offers energy
181.33 conservation services to low-income

182.1 households as part of the utility's energy
182.2 conservation and optimization plan under
182.3 Minnesota Statutes, section 216B.2403,
182.4 subdivision 5, or 216B.241, subdivision 7;

182.5 (B) "preweatherization measure" has the
182.6 meaning given in Minnesota Statutes, section
182.7 216B.2402, subdivision 20;

182.8 (C) "weatherization assistance program"
182.9 means the federal program described in Code
182.10 of Federal Regulations, title 10, part 440 et
182.11 seq., designed to assist low-income households
182.12 to reduce energy use in a cost-effective
182.13 manner; and

182.14 (D) "weatherization assistance services" means
182.15 the energy conservation measures installed in
182.16 households under the weatherization assistance
182.17 program and under utility low-income
182.18 conservation programs.

182.19 (c) \$2,195,000 in fiscal year 2023 is for
182.20 residential electric panel upgrade grants under
182.21 Minnesota Statutes, section 216C.45, and to
182.22 pay the reasonable costs incurred by the
182.23 department to administer Minnesota Statutes,
182.24 section 216C.45. This is a onetime
182.25 appropriation and is available until June 30,
182.26 2025.

182.27 (d) \$500,000 in fiscal year 2023 is to award
182.28 grants to auto dealers to seek certification from
182.29 electric vehicle manufacturers to sell electric
182.30 vehicles under Minnesota Statutes, section
182.31 216C.402. This is a onetime appropriation and
182.32 is available until June 30, 2025.

182.33 (e) \$3,000,000 in fiscal year 2023 is for grants
182.34 under the solar for schools program

- 183.1 established in Minnesota Statutes, section
183.2 216C.375. This is a onetime appropriation and
183.3 is available until June 30, 2025.
- 183.4 (f) \$10,000,000 in fiscal year 2023 is for
183.5 deposit in the state competitiveness account
183.6 established in Minnesota Statutes, section
183.7 216C.391, to leverage federal formula and
183.8 competitive funds for energy-related
183.9 infrastructure and clean energy investments
183.10 in Minnesota. This is a onetime appropriation
183.11 and is available until June 30, 2034.
- 183.12 (g) \$5,000,000 in fiscal year 2023 is for grants
183.13 from the energy alley start-up fund established
183.14 in Minnesota Statutes, section 216C.46, to
183.15 businesses developing decarbonization
183.16 technologies. This is a onetime appropriation
183.17 and is available until June 30, 2025.
- 183.18 (h) \$500,000 in fiscal year 2023 is to install a
183.19 network of electric vehicle charging stations
183.20 in public parking facilities in county
183.21 government centers. This is a onetime
183.22 appropriation and is available until June 30,
183.23 2025.
- 183.24 (i) \$531,000 in fiscal year 2023 is to develop
183.25 an energy benchmarking program under which
183.26 building owners report the energy use of
183.27 certain types of buildings under Minnesota
183.28 Statutes, section 216C.331. This is a onetime
183.29 appropriation and is available until June 30,
183.30 2024.
- 183.31 (j) \$109,000 in fiscal year 2023 is for
183.32 participation in customer disputes before the
183.33 Minnesota Public Utilities Commission under

184.1 the consumer dispute process established in
184.2 Minnesota Statutes, section 216B.172.

184.3 (k) \$35,000 in fiscal year 2023 is to participate
184.4 in the participant compensation process under
184.5 Minnesota Statutes, section 216B.631.

184.6 (l) \$10,000,000 in fiscal year 2023 is for a
184.7 grant to the Minnesota Innovation Finance
184.8 Authority for organizational start-up costs and
184.9 for the purposes of Minnesota Statutes, section
184.10 216C.441. The commissioner of commerce is
184.11 the fiscal agent for the grant and shall establish
184.12 reporting requirements with respect to
184.13 activities and expenditures of the authority.

184.14 This is a onetime appropriation and is
184.15 available until June 30, 2025.

184.16 (m) \$141,000 in fiscal year 2023 is for
184.17 participation in proceedings of the Minnesota
184.18 Public Utilities Commission regarding energy
184.19 storage systems under Minnesota Statutes,
184.20 sections 216B.1616 and 216C.378.

184.21 (n) \$70,000 in fiscal year 2023 is for
184.22 participation in Minnesota Public Utilities
184.23 Commission proceedings regarding utility
184.24 transportation electrification plans under
184.25 Minnesota Statutes, section 216B.1615.

184.26 (o) \$225,000 in fiscal year 2023 is for
184.27 participation in proceedings of the Minnesota
184.28 Public Utilities Commission regarding the
184.29 issuance of extraordinary event natural gas
184.30 utility bonds under Minnesota Statutes,
184.31 sections 216B.491 to 216B.499.

184.32 (p) \$35,000 in fiscal year 2023 is for
184.33 participation in proceedings of the Minnesota
184.34 Public Utilities Commission regarding utility

185.1 programs to deploy electric school buses under
 185.2 Minnesota Statutes, section 216B.1617.

185.3 **Sec. 3. PUBLIC UTILITIES COMMISSION** **\$** **-0-** **\$** **637,000**

185.4 (a) \$234,000 in fiscal year 2023 is to
 185.5 administer the customer dispute process
 185.6 established in Minnesota Statutes, section
 185.7 216B.172. The base for this appropriation in
 185.8 fiscal year 2024 and thereafter is \$228,000.

185.9 (b) \$32,000 in fiscal year 2023 is to administer
 185.10 the participant compensation process under
 185.11 Minnesota Statutes, section 216B.631.

185.12 (c) \$135,000 in fiscal year 2023 is for
 185.13 commission proceedings regarding energy
 185.14 storage systems under Minnesota Statutes,
 185.15 sections 216B.1616 and 216C.378.

185.16 (d) \$32,000 is for the commission's review of
 185.17 utility transportation electrification plans under
 185.18 Minnesota Statutes, section 216B.1615.

185.19 (e) \$32,000 is for the commission's review of
 185.20 utility electric school bus deployment
 185.21 programs under Minnesota Statutes, section
 185.22 216B.1617.

185.23 (f) \$172,000 is for the commission's
 185.24 contracting with consultants with expertise in
 185.25 securitized utilities customer-backed bond
 185.26 financing under Minnesota Statutes, section
 185.27 216B.494.

185.28 **Sec. 4. DEPARTMENT OF EMPLOYMENT**
 185.29 **AND ECONOMIC DEVELOPMENT** **\$** **-0-** **\$** **2,500,000**

185.30 (a) \$500,000 in fiscal year 2023 is to the
 185.31 commissioner of employment and economic
 185.32 development for a grant to Unidos MN
 185.33 Education Fund and the New Justice Project
 185.34 MN to address employment and economic

186.1 disparities for people of color, immigrant
 186.2 communities, and low-income unemployed or
 186.3 underemployed individuals. The money must
 186.4 be used to support preapprenticeship and
 186.5 workforce training, career development,
 186.6 worker rights training, employment placement
 186.7 and entrepreneurship support, related support
 186.8 services, and the development of transferable
 186.9 skills in high-demand fields related to
 186.10 construction, clean energy, and energy
 186.11 efficiency. Of this amount, 50 percent is for a
 186.12 grant to Unidos MN Education Fund and 50
 186.13 percent is for a grant to the New Justice
 186.14 Project MN. This is a onetime appropriation
 186.15 and is available until June 30, 2025.

186.16 (b) \$2,000,000 in fiscal year 2023 is to the
 186.17 commissioner of employment and economic
 186.18 development for the community energy
 186.19 transition grant program under Minnesota
 186.20 Statutes, section 116J.55. This is a onetime
 186.21 appropriation and is available until June 30,
 186.22 2025.

186.23 **Sec. 5. POLLUTION CONTROL AGENCY \$ -0- \$ 3,300,000**

186.24 (a) \$300,000 in fiscal year 2023 is to the
 186.25 commissioner of the Pollution Control Agency
 186.26 for a report describing potential strategies to
 186.27 reduce statewide greenhouse gas emissions in
 186.28 order to comply with the state's greenhouse
 186.29 gas emissions reduction goals established in
 186.30 Minnesota Statutes, section 216H.02,
 186.31 subdivision 1, and the 2030 emissions
 186.32 reduction goal established by the United States
 186.33 under the United Nations Framework
 186.34 Convention on Climate Change, also known
 186.35 as the Paris Agreement. This is a onetime

187.1 appropriation and is available until June 30,
 187.2 2024.

187.3 (b) \$3,000,000 in fiscal year 2023 is to the
 187.4 commissioner of the Pollution Control Agency
 187.5 to award grants to political subdivisions to
 187.6 encourage the formation of organizations and
 187.7 plans to reduce contributions to and mitigate
 187.8 the impacts of climate change. This is a
 187.9 onetime appropriation and is available until
 187.10 June 30, 2024.

187.11	Sec. 6. DEPARTMENT OF NATURAL			
187.12	RESOURCES	\$	-0-	\$ 4,100,000

187.13 \$4,100,000 in fiscal year 2023 is to the
 187.14 commissioner of natural resources for funding
 187.15 the installation of electric vehicle charging
 187.16 stations in public parking facilities located in
 187.17 state and regional parks. This is a onetime
 187.18 appropriation and is available until June 30,
 187.19 2025.

187.20	Sec. 7. DEPARTMENT OF			
187.21	TRANSPORTATION	\$	-0-	\$ 2,181,000

187.22 (a) Notwithstanding any other law to the
 187.23 contrary, including any law prohibiting the
 187.24 servicing of vehicles or the conduct of private
 187.25 business on the right-of-way of a trunk
 187.26 highway, \$2,100,000 in fiscal year 2023 is to
 187.27 the commissioner of transportation for funding
 187.28 the installation of electric vehicle charging
 187.29 stations at highway safety rest areas. The
 187.30 charging stations may be free or fee-based.
 187.31 This is a onetime appropriation and is
 187.32 available until June 30, 2025.

187.33 (b) \$81,000 in fiscal year 2023 is to the
 187.34 commissioner of transportation for
 187.35 administrative work on the Buy Clean Task

188.1 Force to advise the commissioner of
 188.2 administration on developing environmental
 188.3 standards for state purchases of asphalt paving
 188.4 materials. This is a onetime appropriation and
 188.5 is available until June 30, 2024.

188.6 **Sec. 8. DEPARTMENT OF LABOR AND**
 188.7 **INDUSTRY** **\$** **-0-** **\$** **279,000**

188.8 (a) \$133,000 in fiscal year 2023 is to the
 188.9 commissioner of labor and industry for
 188.10 modifying the State Building Code to address
 188.11 needs for electric vehicle charging in parking
 188.12 facilities in new commercial and multifamily
 188.13 buildings that provide on-site parking, as
 188.14 described in Minnesota Statutes, section
 188.15 326B.103. This is a onetime appropriation and
 188.16 is available until June 30, 2024.

188.17 (b) \$146,000 in fiscal year 2023 is to the
 188.18 commissioner of labor and industry to
 188.19 implement new commercial energy codes, as
 188.20 described in Minnesota Statutes, section
 188.21 326B.106, subdivision 1. This is a onetime
 188.22 appropriation and is available until June 30,
 188.23 2025.

188.24 **Sec. 9. DEPARTMENT OF**
 188.25 **ADMINISTRATION** **\$** **-0-** **\$** **914,000**

188.26 (a) \$314,000 in fiscal year 2023 is to the
 188.27 commissioner of administration to staff a task
 188.28 force to advise the commissioner on
 188.29 developing environmental standards for the
 188.30 state's procurement of certain building
 188.31 materials. This is a onetime appropriation and
 188.32 is available until June 30, 2024.

188.33 (b) \$600,000 in fiscal year 2023 is for the
 188.34 commissioner of administration to contract
 188.35 with the Board of Regents of the University

189.1 of Minnesota for a grant to the Institute on the
189.2 Environment to conduct research examining
189.3 how projections of future weather trends may
189.4 exacerbate conditions such as drought,
189.5 elevated temperatures, and flooding that:

189.6 (1) can be integrated into the design and
189.7 evaluation of buildings constructed by the state
189.8 of Minnesota and local units of government
189.9 so as to:

189.10 (i) reduce energy costs by deploying
189.11 cost-effective energy efficiency measures,
189.12 innovative construction materials and
189.13 techniques, and renewable energy sources;
189.14 and

189.15 (ii) prevent and minimize damage to buildings
189.16 caused by extreme weather conditions,
189.17 including but not limited to increased
189.18 frequency of intense precipitation events and
189.19 tornadoes, flooding, and elevated
189.20 temperatures; and

189.21 (2) may weaken the ability of natural systems
189.22 to mitigate those conditions to the point where
189.23 human intervention in the form of building or
189.24 redesigning the scale and operation of
189.25 infrastructure is required to address those
189.26 conditions in order to:

189.27 (i) maintain and increase the amount and
189.28 quality of food and wood production;

189.29 (ii) reduce fire risk on forested land;

189.30 (iii) maintain and enhance water quality; and

189.31 (iv) maintain and enhance natural habitats.

189.32 The contract must provide that, no later than
189.33 February 1, 2025, the director of the Institute

190.1 on the Environment, or the director's designee,
 190.2 submit a written report to the chairs and
 190.3 ranking minority members of the legislative
 190.4 committees with primary jurisdiction over
 190.5 environment policy and capital investment
 190.6 summarizing the findings and
 190.7 recommendations of the research, including
 190.8 any recommendations for policy changes or
 190.9 other legislation. This is a onetime
 190.10 appropriation and is available until June 30,
 190.11 2024.

190.12 **Sec. 10. UNIVERSITY OF MINNESOTA \$ -0- \$ 1,000,000**

190.13 \$1,000,000 in fiscal year 2023 is to the Board
 190.14 of Regents of the University of Minnesota for
 190.15 a program in the University of Minnesota
 190.16 Extension Service that will enhance the
 190.17 capacity of the state's agricultural sector, land
 190.18 and resource managers, and communities to
 190.19 plan for and adapt to weather extremes like
 190.20 droughts and floods. This appropriation shall
 190.21 be used to support existing extension service
 190.22 staff members and to hire additional staff
 190.23 members for a program with broad geographic
 190.24 reach throughout the state. The program shall:
 190.25 (1) identify, develop, implement, and evaluate
 190.26 educational programs that increase the
 190.27 capacity of Minnesota's agricultural sector,
 190.28 land and resource managers, and communities
 190.29 to adapt and be prepared for projected physical
 190.30 changes in temperature, precipitation, and
 190.31 other weather parameters that affect crops,
 190.32 lands, horticulture, pests, and wildlife in ways
 190.33 that present challenges to the state's
 190.34 agricultural sector and the communities that
 190.35 depend on it; and

191.1 (2) communicate and interpret the latest
 191.2 research on critical weather trends and the
 191.3 science behind them to further prepare
 191.4 extension service staff throughout the state to
 191.5 educate the agricultural sector, land and
 191.6 resource managers, and community members
 191.7 at the local level regarding technical
 191.8 information on water resource management,
 191.9 agriculture and forestry, engineering and
 191.10 infrastructure design, and emergency
 191.11 management that is necessary for the
 191.12 development of strategies to mitigate the
 191.13 effects of extreme weather change. This is a
 191.14 onetime appropriation and is available until
 191.15 June 30, 2025.

191.16 **ARTICLE 17**

191.17 **RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**

191.18 Section 1. **APPROPRIATIONS.**

191.19 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
 191.20 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,
 191.21 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable
 191.22 development account in the special revenue fund established in Minnesota Statutes, section
 191.23 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.
 191.24 The figures "2022" and "2023" used in this article mean that the appropriations listed under
 191.25 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

191.26 (b) If an appropriation in this article is enacted more than once in the 2022 regular or
 191.27 special legislative session, the appropriation must be given effect only once.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2022</u>	<u>2023</u>
191.28			
191.29			
191.30			
191.31			
191.32	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>	<u>\$</u>	<u>-0- \$ 42,221,000</u>
191.33	<u>(a) \$5,000,000 in fiscal year 2023 is to operate</u>		
191.34	<u>the grants for renewable integration and</u>		
191.35	<u>demonstration program under Minnesota</u>		

- 192.1 Statutes, section 216C.47, to award grants to
192.2 businesses to develop decarbonization
192.3 technologies for commercialization.
- 192.4 (b) \$4,000,000 in fiscal year 2023 is to
192.5 implement a program that awards grants to
192.6 upgrade electrical panels in single-family and
192.7 multifamily residences under Minnesota
192.8 Statutes, section 216C.45. This is a onetime
192.9 appropriation and is available until June 30,
192.10 2025.
- 192.11 (c) \$3,000,000 in fiscal year 2023 is for
192.12 deposit in a contingency fund for disbursement
192.13 to the owner of a solar energy generating
192.14 system installed on land on the former Ford
192.15 Motor Company in St. Paul known as Area C.
192.16 Disbursement under this paragraph must occur
192.17 only if the Pollution Control Agency requires
192.18 actions to be taken to remediate contaminated
192.19 land at the site that requires the solar energy
192.20 generating system to be removed while
192.21 remediation takes place, as provided in
192.22 Minnesota Statutes, section 116C.7793. This
192.23 is a onetime appropriation.
- 192.24 (d) \$6,500,000 in fiscal year 2023 is for a
192.25 grant to the Independent School District No.
192.26 11, Anoka-Hennepin, to construct a
192.27 geothermal energy system at the Sorteberg
192.28 Early Childhood Center that uses the constant
192.29 temperature of the earth, in conjunction with
192.30 a heat pump, new HVAC system, and new
192.31 boilers, to provide space heating and cooling
192.32 to the building. This is a onetime appropriation
192.33 and is available until December 31, 2025.
- 192.34 (e) The base for fiscal year 2024 is \$531,000
192.35 to implement an energy benchmarking

193.1 program under which building owners report
193.2 certain types of buildings' annual energy use
193.3 under Minnesota Statutes, section 216C.331.
193.4 The base in fiscal year 2025 and thereafter is
193.5 \$431,000.

193.6 (f) \$500,000 in fiscal year 2023 is to install a
193.7 network of electric vehicle charging stations
193.8 in public parking facilities located in county
193.9 government centers. This is a onetime
193.10 appropriation and is available until June 30,
193.11 2025. This appropriation may be expended
193.12 only in county government centers located
193.13 within the electric service area of the public
193.14 utility subject to Minnesota Statutes, section
193.15 116C.779.

193.16 (g) \$5,000,000 in fiscal year 2023 is to be
193.17 withheld by the public utility subject to
193.18 Minnesota Statutes, section 116C.779, from
193.19 deposit in the renewable development account,
193.20 as provided in Minnesota Statutes, section
193.21 116C.7792, for a financial incentive to install
193.22 solar energy generating systems under
193.23 Minnesota Statutes, section 116C.7792. The
193.24 amount to be withheld for this purpose in
193.25 fiscal year 2024 is \$5,000,000 and in fiscal
193.26 year 2025 is \$10,000,000.

193.27 (h) \$4,000,000 in fiscal year 2023 is for a
193.28 financial incentive for the installation of
193.29 energy storage systems under Minnesota
193.30 Statutes, section 216C.378.

193.31 (i) \$4,000,000 in fiscal year 2023 is for the
193.32 solar on public buildings grant program
193.33 described under Minnesota Statutes, section
193.34 216C.377. The appropriation must be used to
193.35 provide grants to public buildings located

194.1 within the electric service area of the electric
 194.2 utility subject to Minnesota Statutes, section
 194.3 116C.779. The base in fiscal year 2024 and
 194.4 thereafter is \$2,000,000.

194.5 (j) \$10,000,000 in fiscal year 2023 is for
 194.6 deposit in the state competitiveness account
 194.7 established in Minnesota Statutes, section
 194.8 216C.391, to leverage federal formula and
 194.9 competitive funds for energy-related
 194.10 infrastructure and clean energy investments
 194.11 in Minnesota. This appropriation must be used
 194.12 to obtain federal funds that benefit Minnesota
 194.13 ratepayers receiving electric service from the
 194.14 utility that owns a nuclear-powered electric
 194.15 generating plant in Minnesota, the Prairie
 194.16 Island Indian community, or Prairie Island
 194.17 Indian community members. This is a onetime
 194.18 appropriation and is available until June 30,
 194.19 2034.

194.20 (k) \$221,000 in fiscal year 2023 is for
 194.21 participation in proceedings of the Minnesota
 194.22 Public Utilities Commission regarding energy
 194.23 storage systems under Minnesota Statutes,
 194.24 sections 216B.1616 and 216C.378.

194.25 Sec. 3. **METROPOLITAN COUNCIL** **\$** **-0-** **\$** **3,000,000**

194.26 \$3,000,000 in fiscal year 2023 is for the
 194.27 Metropolitan Council to purchase buses that
 194.28 operate solely on electric propulsion provided
 194.29 by electric motors and rechargeable on-board
 194.30 batteries. This is a onetime appropriation and
 194.31 is available until June 30, 2025.

195.1

ARTICLE 18

195.2

ENERGY CONSERVATION

195.3 Section 1. Minnesota Statutes 2020, section 216C.264, is amended by adding a subdivision
195.4 to read:

195.5 Subd. 1a. **State supplementary weatherization grants account.** (a) A state
195.6 supplementary weatherization grants account is established as a separate account in the
195.7 special revenue fund in the state treasury. The commissioner must credit appropriations and
195.8 transfers to the account. Earnings, such as interest, dividends, and any other earnings arising
195.9 from assets of the account, must be credited to the account. Money remaining in the account
195.10 at the end of a fiscal year does not cancel to the general fund, but remains in the account
195.11 until expended. The commissioner must manage the account.

195.12 (b) Money in the account is appropriated to the commissioner for the purposes of
195.13 subdivision 5.

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

195.15 Sec. 2. Minnesota Statutes 2020, section 216C.264, subdivision 5, is amended to read:

195.16 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state
195.17 grants in a manner consistent with the goal of producing the maximum number of weatherized
195.18 units. Supplementary state grants ~~are provided primarily for the payment of~~ may be used
195.19 for the following purposes:

195.20 (1) to address physical deficiencies in a residence that increase heat loss, including
195.21 deficiencies that prohibit the residence from being eligible to receive federal weatherization
195.22 assistance;

195.23 (2) to install preweatherization measures, as defined in section 216B.2402, subdivision
195.24 20, established by the commissioner under section 216B.241, subdivision 7, paragraph (g);

195.25 (3) to increase the number of weatherized residences;

195.26 (4) to conduct outreach activities to make income-eligible households aware of the
195.27 weatherization services available to income-eligible households, to assist applicants to fill
195.28 out applications for weatherization assistance, and to provide translation services where
195.29 necessary;

195.30 (5) to enable projects in multifamily buildings to proceed even if projects cannot comply
195.31 with the federal requirement that projects must be completed within the same federal fiscal
195.32 year in which the project begins;

196.1 (6) to address shortages of workers trained to provide weatherization services, including
196.2 expanding training opportunities in existing and new training programs;

196.3 (7) to support the operation of the weatherization training program under section
196.4 216C.2641;

196.5 (8) to pay additional labor costs for the federal weatherization program; and

196.6 (9) as an incentive for the increased production of weatherized units.

196.7 (b) Criteria for the allocation of state grants to local agencies include existing local
196.8 agency production levels, emergency needs, and the potential for maintaining or increasing
196.9 acceptable levels of production in the area.

196.10 (c) An eligible local agency may receive advance funding for 90 days' production, but
196.11 thereafter must receive grants solely on the basis of program criteria.

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

196.13 **Sec. 3. [216C.2641] WEATHERIZATION TRAINING GRANT PROGRAM.**

196.14 **Subdivision 1. Establishment.** The commissioner of commerce must establish a
196.15 weatherization training grant program to award grants to train workers for careers in the
196.16 weatherization industry.

196.17 **Subd. 2. Grants.** (a) The commissioner must award grants through a competitive grant
196.18 process.

196.19 (b) An eligible entity under paragraph (c) seeking a grant under this section must submit
196.20 a written application to the commissioner, using a form developed by the commissioner.

196.21 (c) Grants may be awarded under this section only to:

196.22 (1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United
196.23 States Internal Revenue Code;

196.24 (2) a labor organization, as defined in section 179.01, subdivision 6; or

196.25 (3) a job training center or educational institution that the commissioner of commerce
196.26 determines has the ability to train workers for weatherization careers.

196.27 (d) Grant funds must be used to pay costs associated with training workers for careers
196.28 in the weatherization industry, including related supplies, materials, instruction, and
196.29 infrastructure.

197.1 (e) When awarding grants under this section, the commissioner must give priority to
197.2 applications that provide the highest quality training to prepare trainees for weatherization
197.3 employment opportunities that meet technical standards and certifications developed by the
197.4 Building Performance Institute, Inc. or the Standard Work Specifications developed by the
197.5 United States Department of Energy for the federal Weatherization Assistance Program.

197.6 Subd. 3. **Reports.** By January 15, 2024, and each January 15 thereafter, the commissioner
197.7 must submit a report to the chairs and ranking minority members of the senate and house
197.8 of representatives committees with jurisdiction over energy policy that details the use of
197.9 grant funds under this section, including data on the number of trainees trained and the
197.10 career progress of trainees supported by prior grants.

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

197.12 Sec. 4. **[216C.331] ENERGY BENCHMARKING.**

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

197.15 (b) "Benchmark" means to electronically input into a benchmarking tool the total energy
197.16 use data and other descriptive information about a building that is required by a benchmarking
197.17 tool.

197.18 (c) "Benchmarking information" means data related to a building's energy use generated
197.19 by a benchmarking tool and other information about the building's physical and operational
197.20 characteristics. Benchmarking information includes but is not limited to the building's:

197.21 (1) address;

197.22 (2) owner and, if applicable, the building manager responsible for operating the building's
197.23 physical systems;

197.24 (3) total floor area, expressed in square feet;

197.25 (4) energy use intensity;

197.26 (5) greenhouse gas emissions; and

197.27 (6) energy performance score comparing the building's energy use with that of similar
197.28 buildings.

197.29 (d) "Benchmarking tool" means the United States Environmental Protection Agency's
197.30 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

- 198.1 (e) "Covered property" means a building whose total floor area is equal to or greater
198.2 than 50,000 square feet. Covered property does not include:
- 198.3 (1) a residential property containing fewer than five dwelling units;
198.4 (2) a property classified as mining or manufacturing under the North American Industrial
198.5 Classification System (NAICS); or
- 198.6 (3) other property types that do not meet the purposes of this section, as determined by
198.7 the commissioner.
- 198.8 (f) "Energy" means electricity, natural gas, steam, or another product used to (1) provide
198.9 heating, cooling, lighting, or water heating, or (2) power other end uses in a building.
- 198.10 (g) "Energy audit" has the meaning given in section 216C.435, subdivision 4.
- 198.11 (h) "Energy intensity" means the total annual energy consumed in a building divided by
198.12 the building's total floor area.
- 198.13 (i) "Energy performance score" means a numerical value from one to 100 that the Energy
198.14 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
198.15 comparable buildings nationwide.
- 198.16 (j) "Energy Star Portfolio Manager" means an interactive resource management tool
198.17 developed by the United States Environmental Protection Agency that (1) enables the
198.18 periodic entry of a building's energy use data and other descriptive information about a
198.19 building, and (2) rates a building's energy efficiency against that of comparable buildings
198.20 nationwide.
- 198.21 (k) "Financial distress" means a covered property that, at the time benchmarking is
198.22 conducted:
- 198.23 (1) is the subject of a qualified tax lien sale or public auction due to property tax
198.24 arrears;
- 198.25 (2) is controlled by a court-appointed receiver based on financial distress;
198.26 (3) is owned by a financial institution through default by the borrower;
198.27 (4) has been acquired by deed in lieu of foreclosure; or
198.28 (5) has a senior mortgage that is subject to a notice of default.
- 198.29 (l) "Owner" means (1) an individual or entity that possesses title to a covered property,
198.30 or (2) an agent authorized to act on behalf of the covered property owner.

199.1 (m) "Total floor area" means the sum of gross square footage inside a building's envelope,
 199.2 measured between the outside exterior walls of the building. Total floor area includes covered
 199.3 parking structures.

199.4 Subd. 2. **Establishment.** A building energy benchmarking program is established in the
 199.5 department. The purpose of the program is to:

199.6 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's
 199.7 energy consumption levels and patterns, and (ii) how the building's energy use compares
 199.8 with that of similar buildings nationwide; and

199.9 (2) enhance the likelihood that owners adopt energy conservation measures in the owners'
 199.10 buildings as a way to reduce energy use, operating costs, and greenhouse gas emissions.

199.11 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered
 199.12 property is classified as follows:

199.13	<u>Class</u>	<u>Total Floor Area (sq. ft.)</u>
199.14	<u>1</u>	<u>150,000 or more</u>
199.15	<u>2</u>	<u>100,000 to 149,999</u>
199.16	<u>3</u>	<u>75,000 to 99,999</u>
199.17	<u>4</u>	<u>50,000 to 74,999</u>

199.18 Subd. 4. **Benchmarking requirement.** (a) In conformity with the schedule in subdivision
 199.19 6, an owner must annually benchmark all covered property owned as of December 31 during
 199.20 the previous calendar year. Energy use data must be compiled by:

199.21 (1) obtaining the data from the utility providing the energy; or

199.22 (2) reading a master meter.

199.23 (b) Before entering information in a benchmarking tool, an owner must run all automated
 199.24 data quality assurance functions available within the benchmarking tool and must correct
 199.25 all missing or incorrect data identified.

199.26 (c) An owner who becomes aware that any information entered into a benchmarking
 199.27 tool is inaccurate or incomplete must amend the information in the benchmarking tool within
 199.28 30 days of the date the owner learned of the inaccuracy.

199.29 Subd. 5. **Exemption.** (a) The commissioner may exempt an owner from the requirements
 199.30 of subdivision 4 for a covered property if the owner provides evidence satisfying the
 199.31 commissioner that the covered property:

199.32 (1) is presently experiencing financial distress;

200.1 (2) has been less than 50 percent occupied during the previous calendar year;

200.2 (3) does not have a certificate of occupancy or temporary certificate of occupancy for
200.3 the full previous calendar year;

200.4 (4) was issued a demolition permit during the previous calendar year that remains current;

200.5 (5) received no energy services for at least 30 days during the previous calendar year;

200.6 or

200.7 (6) is participating in a benchmarking program operated by a city or other political
200.8 subdivision that the commissioner determines is equivalent to the benchmarking program
200.9 established in this section.

200.10 (b) An exemption granted under this subdivision applies only to a single calendar year.
200.11 An owner must reapply to the commissioner each year an extension is sought.

200.12 (c) Within 30 days of the date an owner makes a request under this paragraph, each
200.13 tenant of a covered property subject to this section must provide the owner with any
200.14 information regarding energy use of the tenant's rental unit that the property owner cannot
200.15 otherwise obtain and that is needed by the owner to comply with this section. The tenant
200.16 must provide the information required under this paragraph in a format approved by the
200.17 commissioner.

200.18 Subd. 6. **Benchmarking schedule.** An owner must annually benchmark each covered
200.19 property for the previous calendar year according to the following schedule:

200.20 (1) all Class 1 properties by June 1, 2023, and by every June 1 thereafter;

200.21 (2) all Class 2 properties by June 1, 2024, and by every June 1 thereafter;

200.22 (3) all Class 3 properties by June 1, 2025, and by every June 1 thereafter; and

200.23 (4) all Class 4 properties by June 1, 2026, and by every June 1 thereafter.

200.24 Subd. 7. **Energy audit.** (a) The commissioner must notify in writing an owner of a
200.25 building whose energy performance score is 25 or lower or whose calculated energy intensity
200.26 is among the highest 25 percent compared to similar building types within the building's
200.27 class, as determined by the commissioner, that, except as provided in paragraph (c), the
200.28 owner is required to contract for an energy audit of the building no later than one year after
200.29 the notice is issued, unless the commissioner extends the deadline.

200.30 (b) The commissioner must award a grant to an owner who completes an energy audit
200.31 after receiving notice under this subdivision. The grant amount must be the lower of \$2,000

201.1 or 50 percent of the cost of the audit. An owner must not receive more than one grant under
201.2 this subdivision.

201.3 (c) If a building owner that receives notice under this subdivision submits evidence to
201.4 the commissioner's satisfaction that an energy audit of the building that is the subject of the
201.5 notice was conducted within the previous five years, the owner is exempt from the
201.6 requirement to conduct an energy audit.

201.7 Subd. 8. **Data collection and management.** (a) The commissioner must:

201.8 (1) collect benchmarking information generated by a benchmarking tool and other related
201.9 information for each covered property;

201.10 (2) provide technical assistance to owners entering data into a benchmarking tool; and

201.11 (3) collaborate with utilities regarding the provision of energy use information to owners
201.12 and tenants to enable owners to comply with this section.

201.13 (b) A utility must comply with a request from the commissioner to provide to the
201.14 commissioner or to an owner energy use information that is needed to effectively operate
201.15 the energy benchmarking program.

201.16 (c) The commissioner must:

201.17 (1) rank benchmarked covered properties in each property class from highest to lowest
201.18 performance score, or, if a performance score is unavailable for a covered property, from
201.19 lowest to highest energy use intensity;

201.20 (2) divide covered properties in each property class into four quartiles based on the
201.21 applicable measure in clause (1);

201.22 (3) assign four stars to each covered property in the quartile of each property class with
201.23 the highest performance scores or lowest energy use intensities, as applicable;

201.24 (4) assign three stars to each covered property in the quartile of each property class with
201.25 the second highest performance scores or second lowest energy use intensities, as applicable;

201.26 (5) assign two stars to each covered property in the quartile of each property class with
201.27 the third highest performance scores or third lowest energy use intensities, as applicable;

201.28 (6) assign one star to each covered property in the quartile of each property class with
201.29 the lowest performance scores or highest energy use intensities, as applicable; and

201.30 (7) serve notice in writing to each owner identifying the number of stars assigned the
201.31 commissioner to each of the owner's covered properties.

202.1 Subd. 9. **Data disclosure to public.** (a) The commissioner must post on the department's
202.2 website and update annually the following information for the previous calendar year:

202.3 (1) annual summary statistics on energy use for all covered properties in Minnesota;

202.4 (2) annual summary statistics on energy use for all covered properties, aggregated by

202.5 (i) covered property class, as defined in subdivision 3, (ii) city, and (iii) county;

202.6 (3) the percentage of covered properties in each building class listed in subdivision 3

202.7 that are in compliance with the benchmarking requirements under subdivisions 4 to 6; and

202.8 (4) for each covered property, at a minimum, the total energy use, energy use per square

202.9 foot of total floor area, annual greenhouse gas emissions, and an energy performance score,

202.10 if available.

202.11 (b) The commissioner must post the information required under this subdivision for each

202.12 class of covered property beginning one year after the date the initial benchmarking

202.13 submission is made by the owner under the schedule in subdivision 6.

202.14 Subd. 10. **Building performance disclosure to potential tenants.** An owner must, on

202.15 any application provided to a potential tenant seeking to rent a unit in a covered property,

202.16 include the following language in a 12-point or larger font on the first page of the application:

202.17 "This building has received a [insert number of stars assigned to the building by the

202.18 commissioner under subdivision 8, paragraph (c)] star rating of the building's energy

202.19 efficiency from the Minnesota Department of Commerce, where four stars represents the

202.20 most energy efficient buildings and one star represents the least energy efficient buildings."

202.21 Subd. 11. **Notifications.** (a) By March 1 each year, the commissioner must notify the

202.22 owner of each covered property required to benchmark for the previous calendar year of

202.23 the requirement to benchmark by June 1 of that year.

202.24 (b) By July 15 each year, the commissioner must notify the owner of each covered

202.25 property required to benchmark for the previous calendar year that failed to benchmark that

202.26 the owner has 30 days to comply with the benchmarking requirement.

202.27 Subd. 12. **Program implementation.** The commissioner may contract with an

202.28 independent third party to implement any or all of the duties the commissioner is required

202.29 to perform under subdivisions 2 to 10.

202.30 Subd. 13. **Enforcement.** If the commissioner determines that an owner has failed to

202.31 benchmark in a timely, complete, and accurate fashion as required under this section, the

202.32 commissioner may impose on the owner a civil fine of up to \$1,000. Each day that the owner

202.33 fails to benchmark to the satisfaction of the commissioner for each covered property owned

203.1 by the owner may be deemed a separate offense and the commissioner may impose a separate
203.2 civil penalty.

203.3 Subd. 14. Rules. The commissioner is authorized to adopt rules under chapter 14 to
203.4 implement this section.

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

203.6 Sec. 5. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

203.7 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
203.8 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
203.9 Construction Codes Advisory Council establish a code of standards for the construction,
203.10 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
203.11 design and construction, fire protection, health, sanitation, and safety, including design and
203.12 construction standards regarding heat loss control, illumination, and climate control. The
203.13 code must also include duties and responsibilities for code administration, including
203.14 procedures for administrative action, penalties, and suspension and revocation of certification.
203.15 The code must conform insofar as practicable to model building codes generally accepted
203.16 and in use throughout the United States, including a code for building conservation. In the
203.17 preparation of the code, consideration must be given to the existing statewide specialty
203.18 codes presently in use in the state. Model codes with necessary modifications and statewide
203.19 specialty codes may be adopted by reference. The code must be based on the application
203.20 of scientific principles, approved tests, and professional judgment. To the extent possible,
203.21 the code must be adopted in terms of desired results instead of the means of achieving those
203.22 results, avoiding wherever possible the incorporation of specifications of particular methods
203.23 or materials. To that end the code must encourage the use of new methods and new materials.
203.24 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
203.25 administer and enforce the provisions of those sections.

203.26 (b) The commissioner shall develop rules addressing the plan review fee assessed to
203.27 similar buildings without significant modifications including provisions for use of building
203.28 systems as specified in the industrial/modular program specified in section 326B.194.
203.29 Additional plan review fees associated with similar plans must be based on costs
203.30 commensurate with the direct and indirect costs of the service.

203.31 (c) Beginning with the 2018 edition of the model building codes and every six years
203.32 thereafter, the commissioner shall review the new model building codes and adopt the model
203.33 codes as amended for use in Minnesota, within two years of the published edition date. The
203.34 commissioner may adopt amendments to the building codes prior to the adoption of the

204.1 new building codes to advance construction methods, technology, or materials, or, where
204.2 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
204.3 or the use of a building.

204.4 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
204.5 residential energy code and the new model commercial energy code in accordance with
204.6 federal law for which the United States Department of Energy has issued an affirmative
204.7 determination in compliance with United States Code, title 42, section 6833. A municipality
204.8 may adopt the most recently published new model commercial energy code ASHRAE 90.1
204.9 until a more energy efficient code is adopted by the commissioner. A municipality may not
204.10 amend or otherwise change any provisions of the most recent ASHRAE 90.1 standard,
204.11 except that a municipality is required to adopt amendments to the previous version of
204.12 ASHRAE 90.1 in the current commercial energy code adopted by the commissioner. The
204.13 commissioner may adopt amendments prior to adoption of the new energy codes, as amended
204.14 for use in Minnesota, to advance construction methods, technology, or materials, or, where
204.15 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
204.16 or use of a building. The commissioner of commerce may include energy code support
204.17 measures in the technical guidance developed under section 216B.241, subdivision 1d.

204.18 ARTICLE 19

204.19 COMMISSION PROCEEDINGS

204.20 Section 1. Minnesota Statutes 2020, section 216B.17, subdivision 1, is amended to read:

204.21 Subdivision 1. **Investigation.** On ~~its~~ the commission's own motion or upon a complaint
204.22 made against any public utility; by the governing body of any political subdivision, by
204.23 another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility,
204.24 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or
204.25 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting
204.26 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity
204.27 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly
204.28 discriminatory, or that any service is inadequate or cannot be obtained, the commission
204.29 shall proceed, with notice, to make such investigation as it may deem necessary. The
204.30 commission may dismiss any complaint without a hearing if in its opinion a hearing is not
204.31 in the public interest.

204.32 **EFFECTIVE DATE.** This section is effective the day following final enactment and
204.33 applies to any complaint filed with the commission on or after that date.

205.1 Sec. 2. [216B.172] CONSUMER DISPUTES.

205.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
205.3 the meanings given.

205.4 (b) "Appeal" means a request filed with the commission by a complainant to review and
205.5 make a final decision regarding the resolution of the complainant's complaint by the consumer
205.6 affairs office.

205.7 (c) "Complainant" means an individual residential customer of a public utility who has
205.8 filed a complaint with the consumer affairs office.

205.9 (d) "Complaint" means an allegation submitted to the consumer affairs office by a
205.10 complainant that a public utility's action or practice regarding billing or terms and conditions
205.11 of service:

205.12 (1) violates a statute, rule, tariff, service contract, or other provision of law;

205.13 (2) is unreasonable; or

205.14 (3) has harmed or, if not addressed, will harm a complainant.

205.15 Complaint does not include an objection to or a request to modify a natural gas or electricity
205.16 rate contained in a tariff that has been approved by the commission. A complaint under this
205.17 section is an informal complaint under Minnesota Rules, chapter 7829.

205.18 (e) "Consumer affairs office" means the staff unit of the commission that is organized
205.19 to receive and respond to complaints.

205.20 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,
205.21 subpart 8.

205.22 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

205.23 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

205.24 Subd. 2. Complaint resolution procedure. A complainant must first attempt to resolve
205.25 a dispute with a public utility by filing a complaint with the consumer affairs office. The
205.26 consumer affairs office must (1) notify the complainant of the resolution of the complaint,
205.27 (2) provide written notice of the complainant's right to appeal the resolution to the
205.28 commission, and (3) provide steps the complainant may take to appeal the resolution. Upon
205.29 request, the consumer affairs office must provide to the complainant a written notice
205.30 containing the substance of and basis for the resolution.

206.1 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with
206.2 the resolution of a complaint by the consumer affairs office, the complainant may file an
206.3 appeal with the commission requesting the commission to make a final decision on the
206.4 complaint. The commission's response to an appeal filed under this subdivision must comply
206.5 with the notice requirements under section 216B.17, subdivisions 2 to 5.

206.6 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of
206.7 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to
206.8 review the resolution of the complaint must decide whether the complaint should be:

206.9 (1) dismissed because there is no reasonable basis on which to proceed;

206.10 (2) resolved through an informal commission proceeding; or

206.11 (3) referred to the Office of Administrative Hearings for a contested case proceeding
206.12 under chapter 14.

206.13 A decision made under this paragraph must be provided in writing to the complainant and
206.14 the public utility.

206.15 (c) If the commission decides that the complaint should be resolved through an informal
206.16 commission proceeding or referred to the Office of Administrative Hearings for a contested
206.17 case proceeding, the executive secretary must issue a procedural schedule and any notices
206.18 or orders required to initiate a contested case proceeding under chapter 14.

206.19 (d) The commission's dismissal of an appeal request or a decision rendered after
206.20 conducting an informal proceeding is a final decision constituting an order or determination
206.21 of the commission.

206.22 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek
206.23 judicial review in district court of an adverse final decision under subdivision 3, paragraph
206.24 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred
206.25 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

206.26 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue
206.27 or promptly restore service to a complainant during the pendency of an administrative or
206.28 judicial procedure pursued by a complainant under this section, provided that the
206.29 complainant:

206.30 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

206.31 (2) posts the full disputed payment in escrow;

206.32 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

207.1 (4) demonstrates the complainant's household income is at or below 50 percent of state
207.2 median income.

207.3 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the
207.4 purposes of this section.

207.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
207.6 applies to any complaint filed with the commission on or after that date.

207.7 Sec. 3. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision
207.8 to read:

207.9 Subd. 8. **Transmission planning in advance of generation retirement.** A utility must
207.10 identify in a resource plan each nonrenewable energy facility on the utility's system that
207.11 has a depreciation term, probable service life, or operating license term that ends within 15
207.12 years of the resource plan filing date. For each nonrenewable energy facility identified, the
207.13 utility must include in the resource plan an initial plan to: (1) replace the nonrenewable
207.14 energy facility; and (2) upgrade any transmission or other grid capabilities needed to support
207.15 the retirement of that nonrenewable energy facility.

207.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
207.17 applies to an integrated resource plan filed with the commission on or after that date.

207.18 Sec. 4. **[216B.491] DEFINITIONS.**

207.19 Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms
207.20 defined in this subdivision have the meanings given.

207.21 Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,
207.22 letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity
207.23 or credit support arrangement, or other financial arrangement entered into in connection
207.24 with extraordinary event bonds that is designed to promote the credit quality and
207.25 marketability of extraordinary event bonds or to mitigate the risk of an increase in interest
207.26 rates.

207.27 Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary
207.28 event property is sold, assigned, transferred, or conveyed, other than as security, and any
207.29 successor to or subsequent assignee of the person.

207.30 Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event
207.31 bonds.

208.1 Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a
208.2 natural gas utility for consumption of natural gas in Minnesota.

208.3 Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from
208.4 unforeseen circumstances and of sufficient magnitude, as determined by the commission:

208.5 (1) to impose significant costs on customers; and

208.6 (2) for which the issuance of extraordinary event bonds in response to the event meets
208.7 the conditions of section 216B.492, subdivision 2, as determined by the commission.

208.8 (b) Extraordinary event includes but is not limited to a storm event or other natural
208.9 disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a
208.10 temporary significant increase in the wholesale price of natural gas.

208.11 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity
208.12 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide
208.13 natural gas service following one or more extraordinary events, including but not limited
208.14 to activities related to mobilization, staging, construction, reconstruction, replacement, or
208.15 repair of natural gas transmission, distribution, storage, or general facilities.

208.16 Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means low-cost
208.17 corporate securities, including but not limited to senior secured bonds, debentures, notes,
208.18 certificates of participation, certificates of beneficial interest, certificates of ownership, or
208.19 other evidences of indebtedness or ownership that have a scheduled maturity of no longer
208.20 than 30 years and a final legal maturity date that is not later than 32 years from the issue
208.21 date, that are rated AA or Aa2 or better by a major independent credit rating agency at the
208.22 time of issuance, and that are issued by a utility or an assignee under a financing order.

208.23 Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a
208.24 nonbypassable charge that:

208.25 (1) is imposed on all customer bills by a utility that is the subject of a financing order
208.26 or the utility's successors or assignees;

208.27 (2) is separate from the utility's base rates; and

208.28 (3) provides a source of revenue solely to repay, finance, or refinance extraordinary
208.29 event costs.

208.30 Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

208.31 (1) means all incremental costs of extraordinary event activities that are approved by
208.32 the commission in a financing order issued under section 216B.492 as being:

209.1 (i) necessary to enable the utility to restore or maintain natural gas service to customers
209.2 after the utility experiences an extraordinary event; and

209.3 (ii) prudent and reasonable;

209.4 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary
209.5 event activities;

209.6 (3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts
209.7 intended to reimburse the utility for extraordinary event activities, including government
209.8 grants or aid of any kind;

209.9 (4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by
209.10 a government agency or court under a federal or state environmental statute, rule, or
209.11 regulation; and

209.12 (5) must be adjusted to reflect:

209.13 (i) the difference, as determined by the commission, between extraordinary event costs
209.14 that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

209.15 (ii) a more fair or reasonable allocation of extraordinary event costs to customers over
209.16 time, as expressed in a commission order.

209.17 **Subd. 11. Extraordinary event property.** "Extraordinary event property" means:

209.18 (1) all rights and interests of a utility or the utility's successor or assignee under a
209.19 financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments
209.20 to extraordinary event charges authorized under a financing order issued by the commission;
209.21 and

209.22 (2) all revenue, collections, claims, rights to payments, payments, money, or proceeds
209.23 arising from the rights and interests specified in clause (1), regardless of whether any are
209.24 commingled with other revenue, collections, rights to payment, payments, money, or
209.25 proceeds.

209.26 **Subd. 12. Extraordinary event revenue.** "Extraordinary event revenue" means revenue,
209.27 receipts, collections, payments, money, claims, or other proceeds arising from extraordinary
209.28 event property.

209.29 **Subd. 13. Financing costs.** "Financing costs" means:

209.30 (1) principal, interest, and redemption premiums that are payable on extraordinary event
209.31 bonds;

210.1 (2) payments required under an ancillary agreement and amounts required to fund or
210.2 replenish a reserve account or other accounts established under the terms of any indenture,
210.3 ancillary agreement, or other financing document pertaining to the bonds;

210.4 (3) other demonstrable costs related to issuing, supporting, repaying, refunding, and
210.5 servicing the bonds, including but not limited to servicing fees, accounting and auditing
210.6 fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees,
210.7 placement and underwriting fees, capitalized interest, rating agency fees, stock exchange
210.8 listing and compliance fees, security registration fees, filing fees, information technology
210.9 programming costs, and any other demonstrable costs necessary to otherwise ensure and
210.10 guarantee the timely payment of the bonds or other amounts or charges payable in connection
210.11 with the bonds;

210.12 (4) taxes and license fees imposed on the revenue generated from collecting an
210.13 extraordinary event charge;

210.14 (5) state and local taxes, including franchise, sales and use, and other taxes or similar
210.15 charges, including but not limited to regulatory assessment fees, whether paid, payable, or
210.16 accrued; and

210.17 (6) costs incurred by the commission to hire and compensate additional temporary staff
210.18 needed to perform the commission's responsibilities under this section and, in accordance
210.19 with section 216B.494, to engage specialized counsel and expert consultants experienced
210.20 in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

210.21 Subd. 14. **Financing order.** "Financing order" means an order issued by the commission
210.22 under section 216B.492 that authorizes an applicant to:

210.23 (1) issue extraordinary event bonds in one or more series;

210.24 (2) impose, charge, and collect extraordinary event charges; and

210.25 (3) create extraordinary event property.

210.26 Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event
210.27 bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other
210.28 person acting for the benefit of extraordinary event bondholders.

210.29 Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines,
210.30 including distribution lines, underground storage areas, liquefied natural gas facilities,
210.31 propane storage tanks, and other facilities the commission determines are used and useful
210.32 to provide natural gas service to retail and transportation customers in Minnesota.

211.1 Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary
211.2 event charge required to repay bonds and related costs may not be avoided by any retail
211.3 customer located within a utility service area.

211.4 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved
211.5 by the commission, including but not limited to:

211.6 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed
211.7 by a storm event;

211.8 (2) costs to decommission and restore the site of a natural gas facility damaged or
211.9 destroyed by an extraordinary event;

211.10 (3) other applicable capital and operating costs, accrued carrying charges, deferred
211.11 expenses, reductions for applicable insurance, and salvage proceeds; and

211.12 (4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing
211.13 debt agreements, or for waivers or consents related to existing debt agreements.

211.14 Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm,
211.15 flood, earthquake, or other significant weather or natural disaster that causes substantial
211.16 damage to a utility's infrastructure.

211.17 Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law
211.18 to the rights and obligations of another legal entity as a result of bankruptcy, reorganization,
211.19 restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or
211.20 transfer of assets.

211.21 Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02,
211.22 subdivision 4, that provides natural gas service to Minnesota customers. Utility includes
211.23 the utility's successors or assignees.

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

211.25 Sec. 5. **[216B.492] FINANCING ORDER.**

211.26 Subdivision 1. **Application.** (a) A utility may file an application with the commission
211.27 for the issuance of a financing order to enable the utility to recover extraordinary event costs
211.28 through the issuance of extraordinary event bonds under this section.

211.29 (b) The application must include the following information, as applicable:

211.30 (1) a description of each natural gas facility to be repaired or replaced;

212.1 (2) the undepreciated value remaining in the natural gas facility whose repair or
212.2 replacement is proposed to be financed through the issuance of bonds under sections
212.3 216B.491 to 216B.499, and the method used to calculate the amount;

212.4 (3) the estimated amount of costs imposed on customers resulting from an extraordinary
212.5 event that involves no physical damage to natural gas facilities;

212.6 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if
212.7 the financing order is issued as requested in the application, calculated by comparing the
212.8 costs to customers that are expected to result from implementing the financing order and
212.9 the estimated costs associated with implementing traditional utility financing mechanisms
212.10 with respect to the same undepreciated balance, expressed in net present value terms;

212.11 (5) a description of (i) the nonbypassable extraordinary event charge utility customers
212.12 would be required to pay in order to fully recover financing costs, and (ii) the method and
212.13 assumptions used to calculate the amount;

212.14 (6) a proposed methodology to allocate the revenue requirement for the extraordinary
212.15 event charge among the utility's customer classes;

212.16 (7) a description of a proposed adjustment mechanism to be implemented when necessary
212.17 to correct any overcollection or undercollection of extraordinary event charges, in order to
212.18 complete payment of scheduled principal and interest on extraordinary event bonds and
212.19 other financing costs in a timely fashion;

212.20 (8) a memorandum with supporting exhibits, from a securities firm that is experienced
212.21 in the marketing of bonds and that is approved by the commissioner of management and
212.22 budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher
212.23 rating or equivalent rating criteria of at least one nationally recognized securities rating
212.24 organization for issuances similar to the proposed extraordinary event bonds;

212.25 (9) an estimate of the timing of the issuance and the term of the extraordinary event
212.26 bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance
212.27 does not exceed 30 years;

212.28 (10) identification of plans to sell, assign, transfer, or convey, other than as a security,
212.29 interest in extraordinary event property, including identification of an assignee, and
212.30 demonstration that the assignee is a financing entity wholly owned, directly or indirectly,
212.31 by the utility;

212.32 (11) identification of ancillary agreements that may be necessary or appropriate;

213.1 (12) one or more alternative financing scenarios in addition to the preferred scenario
213.2 contained in the application;

213.3 (13) the extent of damage to the utility's infrastructure caused by an extraordinary event
213.4 and the estimated costs to repair or replace the damaged infrastructure;

213.5 (14) a schedule of the proposed repairs to and replacement of damaged infrastructure;

213.6 (15) a description of the steps taken to provide customers interim natural gas service
213.7 while the damaged infrastructure is being repaired or replaced; and

213.8 (16) a description of the impacts on the utility's current workforce resulting from
213.9 implementing an infrastructure repair or replacement plan following an extraordinary event.

213.10 Subd. 2. **Findings.** After providing notice and holding a public hearing on an application
213.11 filed under subdivision 1, the commission may issue a financing order if the commission
213.12 finds that:

213.13 (1) the extraordinary event costs described in the application are reasonable;

213.14 (2) the proposed issuance of extraordinary event bonds and the imposition and collection
213.15 of extraordinary event charges:

213.16 (i) are just and reasonable;

213.17 (ii) are consistent with the public interest;

213.18 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event
213.19 costs; and

213.20 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that
213.21 would have been achieved absent the issuance of extraordinary event bonds; and

213.22 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

213.23 (i) significantly lower overall costs to customers or significantly mitigate rate impacts
213.24 to customers relative to traditional methods of financing; and

213.25 (ii) achieve significant customer savings or significant mitigation of rate impacts to
213.26 customers, as determined by the commission in a financing order, consistent with market
213.27 conditions at the time of sale and the terms of the financing order.

213.28 Subd. 3. **Contents.** (a) A financing order issued under this section must:

213.29 (1) determine the maximum amount of extraordinary event costs that may be financed
213.30 from proceeds of extraordinary event bonds issued pursuant to the financing order;

214.1 (2) describe the proposed customer billing mechanism for extraordinary event charges
214.2 and include a finding that the mechanism is just and reasonable;

214.3 (3) describe the financing costs that may be recovered through extraordinary event
214.4 charges and the period over which the costs may be recovered, which must end no earlier
214.5 than the date of final legal maturity of the extraordinary event bonds;

214.6 (4) describe the extraordinary event property that is created and that may be used to pay,
214.7 and secure the payment of, the extraordinary event bonds and financing costs authorized in
214.8 the financing order;

214.9 (5) authorize the utility to finance extraordinary event costs through the issuance of one
214.10 or more series of extraordinary event bonds. A utility is not required to secure a separate
214.11 financing order for each issuance of extraordinary event bonds or for each scheduled phase
214.12 of the replacement of natural gas facilities approved in the financing order;

214.13 (6) include a formula-based mechanism that must be used to make expeditious periodic
214.14 adjustments to the extraordinary event charge authorized by the financing order that are
214.15 necessary to correct for any overcollection or undercollection, or to otherwise guarantee
214.16 the timely payment of extraordinary event bonds, financing costs, and other required amounts
214.17 and charges payable in connection with extraordinary event bonds;

214.18 (7) specify the degree of flexibility afforded to the utility in establishing the terms and
214.19 conditions of the extraordinary event bonds, including but not limited to repayment schedules,
214.20 expected interest rates, and other financing costs;

214.21 (8) specify that the extraordinary event bonds must be issued as soon as feasible following
214.22 issuance of the financing order;

214.23 (9) require the utility, at the same time as extraordinary event charges are initially
214.24 collected and independent of the schedule to close and decommission any natural gas facility
214.25 replaced as the result of an extraordinary event, to remove the natural gas facility from the
214.26 utility's rate base and commensurately reduce the utility's base rates;

214.27 (10) specify a future ratemaking process to reconcile any difference between the projected
214.28 pretax costs included in the amount financed by extraordinary event bonds and the final
214.29 actual pretax costs incurred by the utility to retire or replace the natural gas facility;

214.30 (11) specify information regarding bond issuance and repayments, financing costs,
214.31 energy transaction charges, extraordinary event property, and related matters that the natural
214.32 gas utility is required to provide to the commission on a schedule determined by the
214.33 commission;

215.1 (12) allow and may require the creation of a utility's extraordinary event property to be
215.2 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary
215.3 event property to an assignee and the pledge of the extraordinary event property to secure
215.4 the extraordinary event bonds;

215.5 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds
215.6 result in reasonable securitization bond charges and significant customer savings or rate
215.7 impact mitigation, consistent with market conditions and the terms of the financing order;
215.8 and

215.9 (14) specify that a utility financing the replacement of one or more natural gas facilities
215.10 after the natural gas facilities subject to the finance order are removed from the utility's rate
215.11 base is prohibited from:

215.12 (i) operating the natural gas facilities; or

215.13 (ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

215.14 (b) A financing order issued under this section may:

215.15 (1) include conditions different from those requested in the application that the
215.16 commission determines are necessary to:

215.17 (i) promote the public interest; and

215.18 (ii) maximize the financial benefits or minimize the financial risks of the transaction to
215.19 customers and to directly impacted Minnesota workers and communities; and

215.20 (2) specify the selection of one or more underwriters of the extraordinary event bonds.

215.21 Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains
215.22 in effect until the extraordinary event bonds issued under the financing order and all financing
215.23 costs related to the bonds have been paid in full.

215.24 (b) A financing order remains in effect and unabated notwithstanding the bankruptcy,
215.25 reorganization, or insolvency of the utility to which the financing order applies or any
215.26 affiliate, successor, or assignee of the utility to which the financing order applies.

215.27 (c) Subject to judicial review under section 216B.52, a financing order is irrevocable
215.28 and is not reviewable by a future commission. The commission may not reduce, impair,
215.29 postpone, or terminate extraordinary event charges approved in a financing order, or impair
215.30 extraordinary event property or the collection or recovery of extraordinary event revenue.

215.31 (d) Notwithstanding paragraph (c), the commission may, on the commission's own
215.32 motion or at the request of a utility or any other person, commence a proceeding and issue

216.1 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary
216.2 event bonds issued under the original financing order if:

216.3 (1) the commission makes all of the findings specified in subdivision 2 with respect to
216.4 the subsequent financing order; and

216.5 (2) the modification contained in the subsequent financing order does not in any way
216.6 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,
216.7 or refunded.

216.8 Subd. 5. Effect on commission jurisdiction. (a) Except as provided in paragraph (b),
216.9 the commission, in exercising the powers and carrying out the duties under this section, is
216.10 prohibited from:

216.11 (1) considering extraordinary event bonds issued under this section to be debt of the
216.12 utility other than for income tax purposes, unless it is necessary to consider the extraordinary
216.13 event bonds to be debt in order to achieve consistency with prevailing utility debt rating
216.14 methodologies;

216.15 (2) considering the extraordinary event charges paid under the financing order to be
216.16 revenue of the utility;

216.17 (3) considering the extraordinary event or financing costs specified in the financing
216.18 order to be the regulated costs or assets of the utility; or

216.19 (4) determining that any prudent action taken by a utility that is consistent with the
216.20 financing order is unjust or unreasonable.

216.21 (b) Nothing in this subdivision:

216.22 (1) affects the authority of the commission to apply or modify any billing mechanism
216.23 designed to recover extraordinary event charges;

216.24 (2) prevents or precludes the commission from (i) investigating a utility's compliance
216.25 with the terms and conditions of a financing order, and (ii) requiring compliance with the
216.26 financing order; or

216.27 (3) prevents or precludes the commission from imposing regulatory sanctions against a
216.28 utility for failure to comply with the terms and conditions of a financing order or the
216.29 requirements of this section.

216.30 (c) The commission is prohibited from refusing to allow a utility to recover any costs
216.31 associated with the replacement of natural gas facilities solely because the utility has elected

217.1 to finance the natural gas facility replacement through a financing mechanism other than
217.2 extraordinary event bonds.

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

217.4 Sec. 6. **[216B.493] POSTORDER COMMISSION DUTIES.**

217.5 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary
217.6 event bonds are issued, a utility subject to a financing order must file with the commission
217.7 the actual initial and ongoing financing costs, the final structure and pricing of the
217.8 extraordinary event bonds, and the actual extraordinary event charge. The commission must
217.9 review the prudence of the natural gas utility's actions to determine whether the actual
217.10 financing costs were the lowest that could reasonably be achieved given the terms of the
217.11 financing order and market conditions prevailing at the time of the bond's issuance.

217.12 Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this
217.13 section are not prudent or are inconsistent with the financing order, the commission may
217.14 apply any remedies available, provided that any remedy applied may not directly or indirectly
217.15 impair the security for the extraordinary event bonds.

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

217.17 Sec. 7. **[216B.494] USE OF OUTSIDE EXPERTS.**

217.18 (a) In carrying out the duties under this section, the commission may:

217.19 (1) contract with outside consultants and counsel experienced in securitized utility
217.20 customer-backed bond financing similar to extraordinary event bonds; and

217.21 (2) hire and compensate additional temporary staff as needed.

217.22 Expenses incurred by the commission under this paragraph must be treated as financing
217.23 costs and included in the extraordinary event charge. The costs incurred under clause (1)
217.24 are not an obligation of the state and are assigned solely to the transaction.

217.25 (b) A utility presented with a written request from the commission for reimbursement
217.26 of the commission's expenses incurred under paragraph (a), accompanied by a detailed
217.27 account of those expenses, must remit full payment of the expenses to the commission
217.28 within 30 days of receiving the request.

217.29 (c) If a utility's application for a financing order is denied or withdrawn for any reason
217.30 and extraordinary event bonds are not issued, the commission's costs to retain expert

218.1 consultants under this section must be paid by the applicant utility and are deemed to be
218.2 prudent deferred expenses eligible for recovery in the utility's future rates.

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

218.4 Sec. 8. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**

218.5 (a) A utility that obtains a financing order and causes extraordinary event bonds to be
218.6 issued must:

218.7 (1) include on each customer's monthly natural gas bill:

218.8 (i) a statement that a portion of the charges represents extraordinary event charges
218.9 approved in a financing order;

218.10 (ii) the amount and rate of the extraordinary event charge as a separate line item titled
218.11 "extraordinary event charge"; and

218.12 (iii) if extraordinary event property has been transferred to an assignee, a statement that
218.13 the assignee is the owner of the rights to extraordinary event charges and that the utility or
218.14 other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

218.15 (2) file annually with the commission:

218.16 (i) a calculation of the impact of financing the retirement or replacement of natural gas
218.17 facilities on customer rates, itemized by customer class; and

218.18 (ii) evidence demonstrating that extraordinary event revenues are applied solely to the
218.19 repayment of extraordinary event bonds and other financing costs.

218.20 (b) Extraordinary event charges are nonbypassable and must be paid by all existing and
218.21 future customers receiving service from the utility or the utility's successors or assignees
218.22 under commission-approved rate schedules or special contracts.

218.23 (c) A utility's failure to comply with this section does not invalidate, impair, or affect
218.24 any financing order, extraordinary event property, extraordinary event charge, or
218.25 extraordinary event bonds, but does subject the utility to penalties under applicable
218.26 commission rules.

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

218.28 Sec. 9. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**

218.29 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property
218.30 right or interest in a property right, even though the imposition and collection of extraordinary

219.1 event charges depend on the utility collecting extraordinary event charges and on future
219.2 natural gas consumption. The property right or interest exists regardless of whether the
219.3 revenues or proceeds arising from the extraordinary event property have been billed, have
219.4 accrued, or have been collected.

219.5 (b) Extraordinary event property exists until all extraordinary event bonds issued under
219.6 a financing order are paid in full and all financing costs and other costs of the extraordinary
219.7 event bonds have been recovered in full.

219.8 (c) All or any portion of extraordinary event property described in a financing order
219.9 issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee
219.10 that is wholly owned, directly or indirectly, by the utility and is created for the limited
219.11 purpose of acquiring, owning, or administering extraordinary event property or issuing
219.12 extraordinary event bonds authorized by the financing order. All or any portion of
219.13 extraordinary event property may be pledged to secure extraordinary event bonds issued
219.14 under a financing order, amounts payable to financing parties and to counterparties under
219.15 any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,
219.16 assignment, or pledge by a utility or an affiliate of extraordinary event property is a
219.17 transaction in the ordinary course of business.

219.18 (d) If a utility defaults on any required payment of charges arising from extraordinary
219.19 event property described in a financing order, a court, upon petition by an interested party
219.20 and without limiting any other remedies available to the petitioner, must order the
219.21 sequestration and payment of the revenues arising from the extraordinary event property to
219.22 the financing parties.

219.23 (e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary
219.24 event property specified in a financing order issued to a utility, and in the revenue and
219.25 collections arising from the property, is not subject to setoff, counterclaim, surcharge, or
219.26 defense by the utility or any other person, or in connection with the reorganization,
219.27 bankruptcy, or other insolvency of the utility or any other entity.

219.28 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other
219.29 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by
219.30 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations
219.31 of, and has the same duties and rights under, a financing order as the utility to which the
219.32 financing order applies. A successor to a utility must perform the duties and exercise the
219.33 rights in the same manner and to the same extent as the utility, including collecting and

220.1 paying to any person entitled to receive revenues, collections, payments, or proceeds of
220.2 extraordinary event property.

220.3 Subd. 2. Security interests in extraordinary event property. (a) The creation,
220.4 perfection, and enforcement of any security interest in extraordinary event property to secure
220.5 the repayment of the principal and interest on extraordinary event bonds, amounts payable
220.6 under any ancillary agreement, and other financing costs are governed solely by this section.

220.7 (b) A security interest in extraordinary event property is created, valid, and binding
220.8 when:

220.9 (1) the financing order that describes the extraordinary event property is issued;

220.10 (2) a security agreement is executed and delivered; and

220.11 (3) value is received for the extraordinary event bonds.

220.12 (c) Once a security interest in extraordinary event property is created, the security interest
220.13 attaches without any physical delivery of collateral or any other act. The lien of the security
220.14 interest is valid, binding, and perfected against all parties having claims of any kind in tort,
220.15 contract, or otherwise against the person granting the security interest, regardless of whether
220.16 the parties have notice of the lien, upon the filing of a financing statement with the secretary
220.17 of state.

220.18 (d) The description or indication of extraordinary event property in a transfer or security
220.19 agreement and a financing statement is sufficient only if the description or indication refers
220.20 to this section and the financing order creating the extraordinary event property.

220.21 (e) A security interest in extraordinary event property is a continuously perfected security
220.22 interest and has priority over any other lien, created by operation of law or otherwise, which
220.23 may subsequently attach to the extraordinary event property unless the holder of the security
220.24 interest has agreed otherwise in writing.

220.25 (f) The priority of a security interest in extraordinary event property is not affected by
220.26 the commingling of extraordinary event property or extraordinary event revenue with other
220.27 money. An assignee, bondholder, or financing party has a perfected security interest in the
220.28 amount of all extraordinary event property or extraordinary event revenue that is pledged
220.29 to pay extraordinary event bonds, even if the extraordinary event property or extraordinary
220.30 event revenue is deposited in a cash or deposit account of the utility in which the
220.31 extraordinary event revenue is commingled with other money. Any other security interest
220.32 that applies to the other money does not apply to the extraordinary event revenue.

221.1 (g) Neither a subsequent commission order amending a financing order under section
221.2 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a
221.3 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or
221.4 priority of a security interest in or transfer of extraordinary event property.

221.5 (h) A valid and enforceable security interest in extraordinary event property is perfected
221.6 only when the security interest has attached and when a financing order has been filed with
221.7 the secretary of state in accordance with procedures established by the secretary of state.
221.8 The financing order must name the pledgor of the extraordinary event property as debtor
221.9 and identify the property.

221.10 **Subd. 3. Sales of extraordinary event property.** (a) A sale, assignment, or transfer of
221.11 extraordinary event property is an absolute transfer and true sale of, and not a pledge of or
221.12 secured transaction relating to, the seller's right, title, and interest in, to, and under the
221.13 extraordinary event property if the documents governing the transaction expressly state that
221.14 the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary
221.15 event property may be created when:

221.16 (1) the financing order creating and describing the extraordinary event property is
221.17 effective;

221.18 (2) the documents evidencing the transfer of the extraordinary event property are executed
221.19 and delivered to the assignee; and

221.20 (3) value is received.

221.21 (b) A transfer of an interest in extraordinary event property must be filed with the
221.22 secretary of state against all third persons and perfected under sections 336.3-301 to
221.23 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or
221.24 creditors of the seller, other than creditors holding a prior security interest, ownership
221.25 interest, or assignment in the extraordinary event property previously perfected under this
221.26 subdivision or subdivision 2.

221.27 (c) The characterization of a sale, assignment, or transfer as an absolute transfer and
221.28 true sale, and the corresponding characterization of the property interest of the assignee, is
221.29 not affected or impaired by:

221.30 (1) commingling of extraordinary event revenue with other money;

221.31 (2) the retention by the seller of:

221.32 (i) a partial or residual interest, including an equity interest, in the extraordinary event
221.33 property, whether direct or indirect, or whether subordinate or otherwise; or

222.1 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed
222.2 on the collection of extraordinary event revenue;

222.3 (3) any recourse that the purchaser may have against the seller;

222.4 (4) any indemnification rights, obligations, or repurchase rights made or provided by
222.5 the seller;

222.6 (5) an obligation of the seller to collect extraordinary event revenues on behalf of an
222.7 assignee;

222.8 (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other
222.9 purposes;

222.10 (7) any subsequent financing order amending a financing order under section 216B.492,
222.11 subdivision 4, paragraph (d); or

222.12 (8) any application of an adjustment mechanism under section 216B.492, subdivision
222.13 3, paragraph (a), clause (6).

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

222.15 Sec. 10. **[216B.497] EXTRAORDINARY EVENT BONDS.**

222.16 (a) Banks, trust companies, savings and loan associations, insurance companies, executors,
222.17 administrators, guardians, trustees, and other fiduciaries may legally invest any money
222.18 within the individual's or entity's control in extraordinary event bonds.

222.19 (b) Extraordinary event bonds issued under a financing order are not debt of or a pledge
222.20 of the faith and credit or taxing power of the state, any agency of the state, or any political
222.21 subdivision. Holders of extraordinary event bonds may not have taxes levied by the state
222.22 or a political subdivision in order to pay the principal or interest on extraordinary event
222.23 bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently
222.24 obligate the state or a political subdivision to levy any tax or make any appropriation to pay
222.25 principal or interest on the extraordinary event bonds.

222.26 (c) The state pledges to and agrees with holders of extraordinary event bonds, any
222.27 assignee, and any financing parties that the state will not:

222.28 (1) take or permit any action that impairs the value of extraordinary event property; or

222.29 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and
222.30 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any
222.31 financing parties until any principal, interest, and redemption premium payable on

223.1 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or
223.2 financing party under an ancillary agreement are paid in full.

223.3 (d) A person who issues extraordinary event bonds may include the pledge specified in
223.4 paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation
223.5 related to the issuance and marketing of the extraordinary event bonds.

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

223.7 Sec. 11. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**
223.8 **COMMISSION REGULATION.**

223.9 An assignee or financing party that is not already regulated by the commission does not
223.10 become subject to commission regulation solely as a result of engaging in any transaction
223.11 authorized by or described in sections 216B.491 to 216B.499.

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

223.13 Sec. 12. **[216B.499] EFFECT ON OTHER LAWS.**

223.14 (a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law
223.15 regarding the attachment, assignment, perfection, effect of perfection, or priority of any
223.16 security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499
223.17 govern.

223.18 (b) Nothing in this section precludes a utility for which the commission has initially
223.19 issued a financing order from applying to the commission for:

223.20 (1) a subsequent financing order amending the financing order under section 216B.492,
223.21 subdivision 4, paragraph (d); or

223.22 (2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding
223.23 series of extraordinary event bonds.

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

223.25 Sec. 13. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

223.26 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,
223.27 lease, or rent any plant as an operating unit or system in this state for a total consideration
223.28 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or
223.29 transmission company operating in this state, without first being authorized so to do by the
223.30 commission. Upon the filing of an application for the approval and consent of the

224.1 commission, the commission shall investigate, with or without public hearing. The
224.2 commission shall hold a public hearing, upon such notice as the commission may require.
224.3 If the commission finds that the proposed action is consistent with the public interest, it
224.4 shall give its consent and approval by order in writing. In reaching its determination, the
224.5 commission shall take into consideration the reasonable value of the property, plant, or
224.6 securities to be acquired or disposed of, or merged and consolidated.

224.7 This section does not apply to the purchase of property to replace or add to the plant of
224.8 the public utility by construction.

224.9 Sec. 14. [216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.

224.10 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
224.11 the meanings given.

224.12 (b) "Participant" means a person who:

224.13 (1) meets the requirements of subdivision 2;

224.14 (2) either (i) files comments or appears in a commission proceeding concerning one or
224.15 more public utilities, excluding public hearings held in contested cases and commission
224.16 proceedings conducted to receive general public comments; or (ii) is permitted by the
224.17 commission to intervene in a commission proceeding concerning one or more public utilities;
224.18 and

224.19 (3) files a request for compensation under this section.

224.20 (c) "Party" means a person who files comments or appears in a commission proceeding,
224.21 other than public hearings, concerning one or more public utilities.

224.22 (d) "Proceeding" means an undertaking of the commission in which the commission
224.23 seeks to resolve an issue affecting one or more public utilities and which results in a
224.24 commission order.

224.25 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

224.26 Subd. 2. Participants; eligibility. The following participants are eligible to receive
224.27 compensation under this section:

224.28 (1) a nonprofit organization that is:

224.29 (i) exempt from taxation under section 501(c)(3) of the United States Internal Revenue
224.30 Code;

224.31 (ii) incorporated or organized in Minnesota;

- 225.1 (iii) governed under chapter 317A or section 322C.1101; and
- 225.2 (iv) determined by the commission under subdivision 3, paragraph (c), to suffer financial
- 225.3 hardship if not compensated for the nonprofit organization's participation in the applicable
- 225.4 proceeding;
- 225.5 (2) a Tribal government of a federally recognized Indian Tribe that is located in
- 225.6 Minnesota; or
- 225.7 (3) a Minnesota resident, except that an individual who owns a for-profit business that
- 225.8 has earned revenue from a Minnesota utility in the past two years is not eligible for
- 225.9 compensation.
- 225.10 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to
- 225.11 compensate all or part of a participant's reasonable costs to participate in a proceeding before
- 225.12 the commission if the commission finds:
- 225.13 (1) that the participant has materially assisted the commission's deliberation; and
- 225.14 (2) if the participant is a nonprofit organization, that the participant would suffer financial
- 225.15 hardship if the nonprofit organization's participation in the proceeding was not compensated.
- 225.16 (b) When determining whether a participant has materially assisted the commission's
- 225.17 deliberation, the commission must find that:
- 225.18 (1) the participant made a unique contribution to the record and represented an interest
- 225.19 that would not otherwise have been adequately represented;
- 225.20 (2) the evidence or arguments presented or the positions taken by the participant were
- 225.21 an important factor in producing a fair decision;
- 225.22 (3) the participant's position promoted a public purpose or policy;
- 225.23 (4) the evidence presented, arguments made, issues raised, or positions taken by the
- 225.24 participant would not otherwise have been part of the record;
- 225.25 (5) the participant was active in any stakeholder process included in the proceeding; and
- 225.26 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a
- 225.27 position advocated by the participant.
- 225.28 (c) When determining whether a nonprofit participant has demonstrated that a lack of
- 225.29 compensation would present financial hardship, the commission must find that the nonprofit
- 225.30 participant:

226.1 (1) incorporated or organized within three years of the date the applicable proceeding
226.2 began;

226.3 (2) has payroll expenses below \$750,000; or

226.4 (3) has secured less than \$100,000 in current year funding dedicated to participation in
226.5 commission proceedings, not including any participant compensation awarded under this
226.6 section.

226.7 (d) When reviewing a compensation request, the commission must consider whether
226.8 the costs presented in the participant's claim are reasonable.

226.9 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a
226.10 single participant in any proceeding, except that:

226.11 (1) if a proceeding extends longer than 12 months, a participant may request compensation
226.12 of up to \$50,000 for costs incurred in each calendar year; and

226.13 (2) in a general rate case proceeding under section 216B.16 or an integrated resource
226.14 plan proceeding under section 216B.2422, the maximum single participant compensation
226.15 per proceeding under this section must not exceed \$75,000.

226.16 (b) A single participant must not be granted more than \$200,000 under this section in a
226.17 single calendar year.

226.18 (c) Compensation requests from joint participants must be presented as a single request.

226.19 (d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar
226.20 year, require a single public utility to pay aggregate compensation under this section that
226.21 exceeds the following amounts:

226.22 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue
226.23 in Minnesota;

226.24 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000
226.25 annual gross operating revenue in Minnesota;

226.26 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000
226.27 annual gross operating revenue in Minnesota; and

226.28 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating
226.29 revenue in Minnesota.

227.1 (e) When requests for compensation from any public utility approach the limits established
227.2 in paragraph (d), the commission may prioritize requests from participants that received
227.3 less than \$150,000 in total compensation during the previous two years.

227.4 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a
227.5 request and an affidavit of service with the commission, and serve a copy of the request on
227.6 each party to the proceeding. The request must be filed no more than 30 days after the later
227.7 of: (1) the expiration of the period within which a petition for rehearing, amendment,
227.8 vacation, reconsideration, or reargument must be filed; or (2) the date the commission issues
227.9 an order following rehearing, amendment, vacation, reconsideration, or reargument.

227.10 (b) A compensation request must include:

227.11 (1) the name and address of the participant or nonprofit organization the participant is
227.12 representing;

227.13 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

227.14 (3) the name and docket number of the proceeding for which compensation is requested;

227.15 (4) for a nonprofit participant, evidence supporting the nonprofit's eligibility for
227.16 compensation under the financial hardship test under subdivision 3, paragraph (c);

227.17 (5) amounts of compensation awarded to the participant under this section during the
227.18 current year and any pending requests for compensation, itemized by docket;

227.19 (6) an itemization of the participant's costs, including (i) hours worked and associated
227.20 hourly rates for each individual contributing to the participation, not including overhead
227.21 costs; (ii) participant revenues dedicated for the proceeding; and (iii) the total compensation
227.22 request; and

227.23 (7) a narrative describing the unique contribution made to the proceeding by the
227.24 participant.

227.25 (c) A participant must comply with reasonable requests for information by the commission
227.26 and other parties or participants. A participant must reply to information requests within
227.27 ten calendar days of the date the request is received, unless doing so would place an extreme
227.28 hardship upon the replying participant. The replying participant must provide a copy of the
227.29 information to any other participant or interested person upon request. Disputes regarding
227.30 information requests may be resolved by the commission.

227.31 (d) A party objecting to a request for compensation must, within 30 days after service
227.32 of the request for compensation, file a response and an affidavit of service with the

228.1 commission. A copy of the response must be served on the requesting participant and all
228.2 other parties to the proceeding.

228.3 (e) The requesting participant may file a reply with the commission within 15 days after
228.4 the date a response is filed under paragraph (d). A copy of the reply and an affidavit of
228.5 service must be served on all other parties to the proceeding.

228.6 (f) If additional costs are incurred by a participant as a result of additional proceedings
228.7 following the commission's initial order, the participant may file an amended request within
228.8 30 days after the date the commission issues an amended order. Paragraphs (b) to (e) apply
228.9 to an amended request.

228.10 (g) The commission must issue a decision on participant compensation within 120 days
228.11 of the date a request for compensation is filed by a participant.

228.12 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to
228.13 30 days upon the request of a participant or on the commission's own initiative.

228.14 (i) A participant may request reconsideration of the commission's compensation decision
228.15 within 30 days of the decision date.

228.16 Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment
228.17 of participant compensation, the public utility that was the subject of the proceeding must
228.18 pay the full compensation to the participant and file proof of payment with the commission
228.19 within 30 days after the later of: (1) the expiration of the period within which a petition for
228.20 reconsideration of the commission's compensation decision must be filed; or (2) the date
228.21 the commission issues an order following reconsideration of the commission's order on
228.22 participant compensation.

228.23 (b) If the commission issues an order requiring payment of participant compensation in
228.24 a proceeding involving multiple public utilities, the commission must apportion costs among
228.25 the public utilities in proportion to each public utility's annual revenue.

228.26 (c) The commission may issue orders necessary to allow a public utility to recover the
228.27 costs of participant compensation on a timely basis.

228.28 Subd. 7. **Report.** By July 1, 2025, the commission must report to the chairs and ranking
228.29 minority members of the senate and house of representatives committees with primary
228.30 jurisdiction over energy policy on the operation of this section, including but not limited
228.31 to:

228.32 (1) the amount of compensation paid each year by each utility;

229.1 (2) each recipient of compensation, the commission docket in which compensation was
229.2 awarded, and the compensation amounts; and

229.3 (3) the impact resulting from the commission's adoption of positions advocated by
229.4 compensated participants.

229.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
229.6 applies to any proceeding in which the commission has not issued a final order as of that
229.7 date.

229.8 Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 11, is amended to read:

229.9 Subd. 11. **Department of Commerce to provide technical expertise and other**
229.10 **assistance.** (a) The commissioner of the Department of Commerce shall consult with other
229.11 state agencies and provide technical expertise and other assistance to the commission or to
229.12 individual members of the commission for activities and proceedings under this chapter
229.13 and chapters 216F and 216G. This assistance shall include the sharing of power plant siting
229.14 and routing staff and other resources as necessary. The commissioner shall periodically
229.15 report to the commission concerning the Department of Commerce's costs of providing
229.16 assistance. The report shall conform to the schedule and include the required contents
229.17 specified by the commission. The commission shall include the costs of the assistance in
229.18 assessments for activities and proceedings under those sections and reimburse the special
229.19 revenue fund for those costs. If either the commissioner or the commission deems it
229.20 necessary, the department and the commission shall enter into an interagency agreement
229.21 establishing terms and conditions for the provision of assistance and sharing of resources
229.22 under this subdivision.

229.23 (b) Notwithstanding the requirements of section 216B.33, the commissioner may take
229.24 any action required or requested by the commission related to the environmental review
229.25 requirements under chapter 216E or 216F immediately following a hearing and vote by the
229.26 commission, prior to issuing a written order, finding, authorization, or certificate.

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

229.28 Sec. 16. Minnesota Statutes 2020, section 216E.04, subdivision 2, is amended to read:

229.29 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to
229.30 the following projects:

229.31 (1) large electric power generating plants with a capacity of less than 80 megawatts;

229.32 (2) large electric power generating plants that are fueled by natural gas;

- 230.1 (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- 230.2 (4) high-voltage transmission lines in excess of 200 kilovolts and less than ~~five~~ 30 miles
- 230.3 in length in Minnesota;
- 230.4 (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of
- 230.5 the distance of the line in Minnesota will be located along existing high-voltage transmission
- 230.6 line right-of-way;
- 230.7 (6) a high-voltage transmission line service extension to a single customer between 200
- 230.8 and 300 kilovolts and less than ten miles in length;
- 230.9 (7) a high-voltage transmission line rerouting to serve the demand of a single customer
- 230.10 when the rerouted line will be located at least 80 percent on property owned or controlled
- 230.11 by the customer or the owner of the transmission line; and
- 230.12 (8) large electric power generating plants that are powered by solar energy.

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

230.14 applies to a high-voltage transmission line in excess of 200 kilovolts whose owner has filed

230.15 an application for a route permit with the Public Utilities Commission on or after that date.

230.16 Sec. 17. **REPEALER.**

230.17 Minnesota Statutes 2020, section 216B.16, subdivision 10, is repealed.

230.18 **ARTICLE 20**

230.19 **ENERGY STORAGE**

230.20 Section 1. Minnesota Statutes 2020, section 216B.1611, is amended by adding a subdivision

230.21 to read:

230.22 **Subd. 5. Energy storage; capacity; treatment.** This subdivision applies to a public

230.23 utility, as defined in section 216B.02, subdivision 4. For the purpose of interconnecting a

230.24 distributed generation facility that operates in conjunction with an energy storage system,

230.25 as defined in section 216B.2422, subdivision 1, paragraph (f), the system capacity must be

230.26 calculated as the alternating current capacity of the distributed generation facility alone,

230.27 provided that the energy storage system is connected to the distributed generating facility:

230.28 (1) by direct current; or

230.29 (2) by alternating current and is configured to limit the maximum export of electricity

230.30 beyond the common point of coupling with the utility to an amount no greater than the

230.31 capacity of the distributed generation facility.

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

231.2 Sec. 2. **[216B.1616] VALUE OF ON-SITE ENERGY STORAGE.**

231.3 No later than September 15, 2022, the commission must initiate a docket designed to
231.4 determine fair compensation paid to customer-owners of on-site energy storage systems,
231.5 as defined in section 216B.2422, subdivision 1, paragraph (f), for voluntarily discharging
231.6 stored energy and capacity during periods of peak electricity demand or at other times as
231.7 dispatched or requested by a public utility, as defined in section 216B.02, subdivision 4.

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

231.9 Sec. 3. Minnesota Statutes 2020, section 216B.2422, subdivision 7, is amended to read:

231.10 Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a
231.11 resource plan under subdivision 2 must include in the filing an assessment of energy storage
231.12 systems that analyzes how the deployment of energy storage systems contributes to:

231.13 (1) meeting identified generation and capacity needs; and

231.14 (2) evaluating ancillary services.

231.15 (b) The assessment must:

231.16 (1) employ appropriate modeling methods to enable the analysis required in paragraph
231.17 (a); and

231.18 (2) address how energy storage systems may contribute to achieving the goals under
231.19 subdivision 4, clause (1).

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

231.21 Sec. 4. Minnesota Statutes 2020, section 216B.2425, subdivision 8, is amended to read:

231.22 Subd. 8. **Distribution study for distributed generation.** Each entity subject to this
231.23 section that is operating under a multiyear rate plan approved under section 216B.16,
231.24 subdivision 19, shall conduct a distribution study to identify interconnection points on its
231.25 distribution system for small-scale distributed generation resources and shall identify
231.26 necessary distribution upgrades, including the deployment of energy storage systems, as
231.27 defined in section 216B.2422, subdivision 1, paragraph (f), to support the continued
231.28 development of distributed generation resources, and shall include the study in its report
231.29 required under subdivision 2.

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

232.1 **Sec. 5. [216C.378] STORAGE REWARDS INCENTIVE PROGRAM.**

232.2 (a) The electric utility subject to section 116C.779 must develop and operate a program
232.3 to provide a lump-sum grant to customers to reduce the cost of purchasing and installing
232.4 an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph

232.5 (f). The utility subject to this section must file a plan with the commissioner to operate the
232.6 program no later than October 1, 2022. The utility may not operate the program until the
232.7 program is approved by the commissioner. Any change to an operating program must be
232.8 approved by the commissioner.

232.9 (b) To be eligible to receive a grant under this section, an energy storage system must:

232.10 (1) have a capacity no greater than 50 kilowatt hours; and

232.11 (2) be located within the electric service area of the utility subject to this section.

232.12 (c) An owner of an energy storage system is eligible to receive a grant under this section
232.13 if:

232.14 (1) a solar energy generating system is operating at the same site as the proposed energy
232.15 storage system; or

232.16 (2) the owner has filed an application with the utility subject to this section to interconnect
232.17 a solar energy generating system at the same site as the proposed energy storage system.

232.18 (d) The commissioner must annually review and may adjust the amount of grants awarded
232.19 under this section, but must not increase the amount over that awarded in previous years
232.20 unless the commissioner demonstrates in writing that an upward adjustment is warranted
232.21 by market conditions.

232.22 (e) A customer who receives a grant under this section is eligible to receive financial
232.23 assistance under programs operated by the state or the utility for the solar energy generating
232.24 system operating in conjunction with the energy storage system.

232.25 (f) For the purposes of this section, "solar energy generating system" has the meaning
232.26 given in section 216E.01, subdivision 9a.

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

ARTICLE 21

RENEWABLE ENERGY

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Section 1. Minnesota Statutes 2020, section 16B.32, subdivision 1, is amended to read:

Subdivision 1. **Alternative energy sources.** ~~Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.~~ (a) If incorporating cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve the standards.

(b) The commissioners of administration and commerce must review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance standards developed under section 216B.241, subdivision 9, and must make recommendations to the legislature as necessary to ensure that the performance standards are met.

(c) For the purposes of this section:

(1) "energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f);

(2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

(3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

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

Sec. 2. Minnesota Statutes 2020, section 16B.32, subdivision 1a, is amended to read:

Subd. 1a. **Onsite energy generation from renewable sources.** ~~A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of~~

234.1 ~~controlling carbon emissions. If the analysis concludes that the building should not meet at~~
234.2 ~~least two percent of its energy needs from renewable sources located on the building site,~~
234.3 ~~the analysis must provide explicit reasons why not. The building may not receive further~~
234.4 ~~state appropriations for design or construction unless at least two percent of its energy needs~~
234.5 ~~are designed to be met from renewable sources, unless the commissioner finds that the~~
234.6 ~~reasons given by the agency for not meeting the two-percent requirement were supported~~
234.7 ~~by evidence in the record. The total aggregate nameplate capacity of all renewable energy~~
234.8 ~~sources utilized to meet Sustainable Building 2030 standards in a state-owned building or~~
234.9 ~~facility, including any subscription to a community solar garden under section 216B.1641,~~
234.10 ~~must not exceed 120 percent of the state-owned building's or facility's average annual electric~~
234.11 ~~energy consumption.~~

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

234.13 Sec. 3. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

234.14 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

234.15 (a) The utility subject to section 116C.779 shall operate a program to provide solar
234.16 energy production incentives for solar energy systems of no more than a total aggregate
234.17 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
234.18 energy system installed before June 1, 2018, is eligible to receive a production incentive
234.19 under this section for any additional solar energy systems constructed at the same customer
234.20 location, provided that the aggregate capacity of all systems at the customer location does
234.21 not exceed 40 kilowatts.

234.22 (b) The program is funded by money withheld from transfer to the renewable development
234.23 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
234.24 be placed in a separate account for the purpose of the solar energy production incentive
234.25 program operated by the utility and not for any other program or purpose.

234.26 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
234.27 remain available to the solar energy production incentive program.

234.28 (d) The following amounts are allocated to the solar energy production incentive program:

234.29 (1) \$10,000,000 in 2021;

234.30 (2) \$10,000,000 in 2022;

234.31 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; and

234.32 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; and

235.1 (5) \$10,000,000 in 2025.

235.2 (e) Funds allocated to the solar energy production incentive program that have not been
235.3 committed to a specific project at the end of a program year remain available to the solar
235.4 energy production incentive program.

235.5 (f) Any unspent amount remaining on January 1, ~~2025~~ 2027, must be transferred to the
235.6 renewable development account.

235.7 (g) A solar energy system receiving a production incentive under this section must be
235.8 sized to less than 120 percent of the customer's on-site annual energy consumption when
235.9 combined with other distributed generation resources and subscriptions provided under
235.10 section 216B.1641 associated with the premise. The production incentive must be paid for
235.11 ten years commencing with the commissioning of the system.

235.12 (h) The utility must file a plan to operate the program with the commissioner of
235.13 commerce. The utility may not operate the program until it is approved by the commissioner.
235.14 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
235.15 less does not require the utility to file a plan with the commissioner. Any plan approved by
235.16 the commissioner of commerce must not provide an increased incentive scale over prior
235.17 years unless the commissioner demonstrates that changes in the market for solar energy
235.18 facilities require an increase.

235.19 (i) Contractors and subcontractors installing a solar energy generating system awarded
235.20 financial assistance under this section must comply with sections 177.41 to 177.43 with
235.21 respect to the installation.

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

235.23 Sec. 4. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

235.24 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
235.25 the meanings given.

235.26 (b) "Agency" means the Pollution Control Agency.

235.27 (c) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that
235.28 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

235.29 (d) "Corrective action determination" means a decision by the agency regarding actions
235.30 to be taken to remediate contaminated soil and groundwater at Area C.

235.31 (e) "Owner" means the owner of a solar energy generating system planned to be deployed
235.32 at Area C.

236.1 (f) "Solar energy generating system" has the meaning given in section 216E.01,
236.2 subdivision 9a.

236.3 Subd. 2. **Account established.** The Area C contingency account is established as a
236.4 separate account in the special revenue fund in the state treasury. Transfers and appropriations
236.5 to the account, and any earnings or dividends accruing to assets in the account, must be
236.6 credited to the account. The commissioner must serve as fiscal agent and must manage the
236.7 account.

236.8 Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed
236.9 by the commissioner to the owner of a solar energy generating system planned to be deployed
236.10 on Area C under the following conditions:

236.11 (1) the agency issues a corrective action determination after the owner has begun to
236.12 design or construct the project, and the nature of the corrective action determination requires
236.13 the project to be redesigned or construction to be interrupted or altered; or

236.14 (2) the agency issues a corrective action determination whose work plan requires
236.15 temporary cessation or partial or complete removal of the solar energy generating system
236.16 after the solar energy generating system has become operational.

236.17 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution
236.18 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing
236.19 must describe (1) the nature of the impact of the agency's work plan that results in economic
236.20 losses to the owner, and (2) a reasonable estimate of the amount of the economic losses.

236.21 (b) The owner must provide the commissioner with information the commissioner
236.22 determines to be necessary to assist in reviewing the filing required under this subdivision.

236.23 (c) The commissioner must review the owner's filing within 60 days of submission and
236.24 must approve a request the commissioner determines is reasonable.

236.25 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this
236.26 section may be used by the owner only to pay for:

236.27 (1) removal, storage, and transportation costs incurred for equipment removed, and any
236.28 costs to reinstall equipment;

236.29 (2) costs of redesign or new equipment made necessary by the activities under the
236.30 agency's work plan;

237.1 (3) lost revenues resulting from the inability of the solar energy generating system to
237.2 generate sufficient electricity to fulfill the terms of the power purchase agreement between
237.3 the owner and the purchaser of electricity generated by the solar energy generating system;

237.4 (4) other damages incurred under the power purchase agreement resulting from the
237.5 cessation of operations made necessary by the activities of the agency's work plan; and

237.6 (5) the cost of energy required to replace the energy that would have been generated by
237.7 the solar energy generating system and purchased under the power purchase agreement.

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

237.9 Sec. 5. Minnesota Statutes 2020, section 216B.1641, is amended to read:

237.10 **216B.1641 COMMUNITY SOLAR GARDEN.**

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

237.13 (b) "Subscribed energy" means electricity generated by the community solar garden that
237.14 is attributable to a subscriber's subscription.

237.15 (c) "Subscriber" means a retail customer who owns one or more subscriptions of a
237.16 community solar garden interconnected with the retail customer's utility.

237.17 (d) "Subscription" means a contract between a subscriber and the owner of a solar garden.

237.18 **Subd. 2. Solar garden; project requirements.** (a) The public utility subject to section
237.19 116C.779 shall file by September 30, 2013, a plan with the commission to operate a
237.20 community solar garden program which shall begin operations within 90 days after
237.21 commission approval of the plan. Other public utilities may file an application at their
237.22 election. The community solar garden program must be designed to offset the energy use
237.23 of not less than five subscribers in each community solar garden facility of which no single
237.24 subscriber has more than a 40 percent interest. The owner of the community solar garden
237.25 may be a public utility or any other entity or organization that contracts to sell the output
237.26 from the community solar garden to the utility under section 216B.164. There shall be no
237.27 limitation on the number or cumulative generating capacity of community solar garden
237.28 facilities other than the limitations imposed under section 216B.164, subdivision 4c, or
237.29 other limitations provided in law or regulations.

237.30 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
237.31 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
237.32 electricity generated in proportion to the size of their subscription. The solar garden must

238.1 have a nameplate capacity of no more than ~~one megawatt~~ three megawatts. Each subscription
 238.2 shall be sized to represent at least 200 watts of the community solar garden's generating
 238.3 capacity and to supply, when combined with other distributed generation resources serving
 238.4 the premises, no more than 120 percent of the average annual consumption of electricity
 238.5 by each subscriber at the premises to which the subscription is attributed.

238.6 (c) The solar generation facility must be located in the service territory of the public
 238.7 utility filing the plan. Subscribers must be retail customers of the public utility and, unless
 238.8 the facility has a minimum setback of 100 feet from the nearest residential property, must
 238.9 be located in the same county or a county contiguous to where the facility is located.

238.10 (d) The public utility must purchase from the community solar garden all energy generated
 238.11 by the solar garden. Unless specified elsewhere in this section, the purchase shall be at the
 238.12 most recent three-year average of the rate calculated under section 216B.164, subdivision
 238.13 10, or, until that rate for the public utility has been approved by the commission, the
 238.14 applicable retail rate. A solar garden is eligible for any incentive programs offered under
 238.15 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on
 238.16 the subscriber's bill.

238.17 **Subd. 3. Solar garden plan; requirements; nonutility status.** ~~(e)~~ (a) The commission
 238.18 may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan
 238.19 approved by the commission must:

238.20 (1) reasonably allow for the creation, financing, and accessibility of community solar
 238.21 gardens;

238.22 (2) establish uniform standards, fees, and processes for the interconnection of community
 238.23 solar garden facilities that allow the utility to recover reasonable interconnection costs for
 238.24 each community solar garden;

238.25 (3) not apply different requirements to utility and nonutility community solar garden
 238.26 facilities;

238.27 (4) be consistent with the public interest;

238.28 (5) identify the information that must be provided to potential subscribers to ensure fair
 238.29 disclosure of future costs and benefits of subscriptions;

238.30 (6) include a program implementation schedule;

238.31 (7) identify all proposed rules, fees, and charges; ~~and~~

238.32 (8) identify the means by which the program will be promoted;

239.1 (9) require that residential subscribers have a right to cancel a community solar garden
239.2 subscription within three business days, as provided under section 325G.07;

239.3 (10) require that the following information is provided by the solar garden owner in
239.4 writing to any prospective subscriber asked to make a prepayment to the solar garden owner
239.5 prior to the delivery of subscribed energy by the solar garden:

239.6 (i) an estimate of the annual generation of subscribed energy, based on the methodology
239.7 approved by the commission; and

239.8 (ii) an estimate of the length of time required to fully recover a subscriber's prepayments
239.9 made to the owner of the solar garden prior to the delivery of subscribed energy, calculated
239.10 using the formula developed by the commission under paragraph (d); and

239.11 (11) require new residential subscription agreements that require a prepayment to allow
239.12 the subscriber to, on commercially reasonable terms, (i) transfer the subscription to other
239.13 new or current subscribers, or (ii) cancel the subscription; and

239.14 (12) require an owner of a solar garden to submit a report that meets the requirements
239.15 of section 216C.51, subdivisions 3 and 4, each year the solar garden is in operation.

239.16 ~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a
239.17 community solar garden facility shall be considered a utility solely as a result of their
239.18 participation in the community solar garden facility.

239.19 ~~(g)~~ (c) Within 180 days of commission approval of a plan under this section, a utility
239.20 shall begin crediting subscriber accounts for each community solar garden facility in its
239.21 service territory, and shall file with the commissioner of commerce a description of its
239.22 crediting system.

239.23 ~~(h) For the purposes of this section, the following terms have the meanings given:~~

239.24 ~~(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions~~
239.25 ~~of a community solar garden facility interconnected with that utility; and~~

239.26 ~~(2) "subscription" means a contract between a subscriber and the owner of a solar garden.~~

239.27 **Subd. 4. Community access project; eligibility.** (a) An owner of a community solar
239.28 garden may apply to the utility to be designated as a community access project at any time:

239.29 (1) before the owner makes an initial payment under an interconnection agreement
239.30 entered into with a public utility; or

239.31 (2) if the owner made an initial payment under an interconnection agreement between
239.32 January 1, 2021, and the effective date of this act, before commercial operation begins.

240.1 (b) The utility must designate a solar garden as a community access project if the owner
240.2 of a solar garden commits in writing to meet the following conditions:

240.3 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential
240.4 customers;

240.5 (2) the contract between the owner of the solar garden and the public utility that purchases
240.6 the garden's electricity, and any agreement between the utility or owner of the solar garden
240.7 and subscribers, states that the owner of the solar garden does not discriminate against or
240.8 screen subscribers based on income or credit score and that any customer of a utility with
240.9 a community solar garden plan approved by the commission under subdivision 3 is eligible
240.10 to become a subscriber;

240.11 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota
240.12 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

240.13 (4) the agreement between the owner of the solar garden and subscribers states that the
240.14 owner must adequately publicize and convene at least one meeting annually to provide an
240.15 opportunity for subscribers to pose questions to the manager or owner.

240.16 Subd. 5. **Community access project; financial arrangements.** (a) If a solar garden is
240.17 approved by the utility as a community access project:

240.18 (1) the public utility purchasing the electricity generated by the community access project
240.19 may charge the owner of the community access project no more than one cent per watt
240.20 alternating current based on the solar garden's generating capacity for any refundable deposit
240.21 the utility requires of a solar garden during the application process;

240.22 (2) notwithstanding subdivision 2, paragraph (d), the public utility must purchase all
240.23 energy generated by the community access project at the retail rate; and

240.24 (3) all renewable energy credits generated by the community access project belong to
240.25 subscribers unless the owner of the solar garden:

240.26 (i) contracts to:

240.27 (A) sell the credits to a third party; or

240.28 (B) sell or transfer the credits to the utility; and

240.29 (ii) discloses a sale or transfer to subscribers at the time the subscribers enter into a
240.30 subscription.

240.31 (b) If at any time after commercial operation begins a solar garden approved by the
240.32 utility as a community access project fails to meet the conditions under subdivision 4, the

241.1 solar garden (1) is no longer subject to the provisions of this subdivision and subdivision
241.2 6, and (2) must operate under the program rules established by the commission for a solar
241.3 garden that does not qualify as a community access project.

241.4 (c) An owner of a solar garden whose designation as a community access project is
241.5 revoked under this subdivision may reapply to the commission at any time to have the
241.6 designation as a community access project reinstated under subdivision 4.

241.7 Subd. 6. **Community access project; reporting.** The owner of a community access
241.8 project must include the following information in an annual report to the community access
241.9 project subscribers and the utility:

241.10 (1) a description of the process by which subscribers can provide input to solar garden
241.11 policy and decision making;

241.12 (2) the amount of revenues received by the solar garden in the previous year that were
241.13 allocated to categories that include but are not limited to operating costs, debt service, profits
241.14 distributed to subscribers, and profits distributed to others; and

241.15 (3) an estimate of the proportion of low- and moderate-income subscribers, and a
241.16 description of one or more of the following methods used to make the estimate:

241.17 (i) evidence provided by a subscriber that the subscriber or a member of the subscriber's
241.18 household receives assistance from any of the following sources:

241.19 (A) the federal Low-Income Home Energy Assistance Program;

241.20 (B) federal Section 8 housing assistance;

241.21 (C) medical assistance;

241.22 (D) the federal Supplemental Nutrition Assistance Program; or

241.23 (E) the federal National School Lunch Program;

241.24 (ii) characterization of the census tract where the subscriber resides as low- or
241.25 moderate-income by the Federal Financial Institutions Examination Council; or

241.26 (iii) other methods approved by the commission.

241.27 Subd. 7. **Commission order.** Within 180 days of the effective date of this section, the
241.28 commission must issue an order addressing the requirements of this section.

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

242.1 Sec. 6. Minnesota Statutes 2020, section 216B.243, subdivision 8, is amended to read:

242.2 Subd. 8. **Exemptions.** (a) This section does not apply to:

242.3 (1) cogeneration or small power production facilities as defined in the Federal Power
242.4 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
242.5 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
242.6 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
242.7 any case where the commission has determined after being advised by the attorney general
242.8 that its application has been preempted by federal law;

242.9 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
242.10 the demand of a single customer at a single location, unless the applicant opts to request
242.11 that the commission determine need under this section or section 216B.2425;

242.12 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
242.13 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
242.14 request that the commission determine need under this section or section 216B.2425;

242.15 (4) a high-voltage transmission line of one mile or less required to connect a new or
242.16 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

242.17 (5) conversion of the fuel source of an existing electric generating plant to using natural
242.18 gas;

242.19 (6) the modification of an existing electric generating plant to increase efficiency, as
242.20 long as the capacity of the plant is not increased more than ten percent or more than 100
242.21 megawatts, whichever is greater;

242.22 (7) a large wind energy conversion system, as defined in section 216F.01, subdivision
242.23 2, or a solar ~~electric generation facility~~ energy generating system, as defined in section
242.24 216E.01, subdivision 9a, if the system or facility is owned and operated by an independent
242.25 power producer and the electric output of the system or facility:

242.26 (i) is not sold to an entity that provides retail service in Minnesota or wholesale electric
242.27 service to another entity in Minnesota other than an entity that is a federally recognized
242.28 regional transmission organization or independent system operator; or

242.29 (ii) is sold to an entity that provides retail service in Minnesota or wholesale electric
242.30 service to another entity in Minnesota other than an entity that is a federally recognized
242.31 regional transmission organization or independent system operator, provided that the system
242.32 represents solar or wind capacity that the entity purchasing the system's electric output was

243.1 ordered by the commission to develop in the entity's most recent integrated resource plan
243.2 approved under section 216B.2422; or

243.3 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
243.4 2, or a solar energy generating system that is a large energy facility, as defined in section
243.5 216B.2421, subdivision 2, engaging in a repowering project that:

243.6 (i) will not result in the ~~facility~~ system exceeding the nameplate capacity under its most
243.7 recent interconnection agreement; or

243.8 (ii) will result in the ~~facility~~ system exceeding the nameplate capacity under its most
243.9 recent interconnection agreement, provided that the Midcontinent Independent System
243.10 Operator has provided a signed generator interconnection agreement that reflects the expected
243.11 net power increase.

243.12 (b) For the purpose of this subdivision, "repowering project" means:

243.13 (1) modifying a large wind energy conversion system or a solar energy generating system
243.14 that is a large energy facility to increase its efficiency without increasing its nameplate
243.15 capacity;

243.16 (2) replacing turbines in a large wind energy conversion system without increasing the
243.17 nameplate capacity of the system; or

243.18 (3) increasing the nameplate capacity of a large wind energy conversion system.

243.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
243.20 applies to a large wind energy conversion system or a solar energy generating system whose
243.21 owner has filed an application for a certificate of need with the Public Utilities Commission
243.22 on or after that date.

243.23 Sec. 7. Minnesota Statutes 2021 Supplement, section 216C.375, subdivision 1, is amended
243.24 to read:

243.25 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,
243.26 the following terms have the meanings given them.

243.27 (b) "Developer" means an entity that installs a solar energy system on a school building
243.28 that has been awarded a grant under this section.

243.29 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

244.1 (d) "School" means: (1) a school that operates as part of an independent or special school
244.2 district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the
244.3 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

244.4 (e) "School district" means an independent or special school district.

244.5 (f) "Solar energy system" means photovoltaic or solar thermal devices.

244.6 (g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section
244.7 216B.2411, subdivision 2, paragraph (d).

244.8 (h) "State colleges and universities" has the meaning given in section 136F.01, subdivision
244.9 4.

244.10 **Sec. 8. [216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

244.11 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
244.12 the meanings given.

244.13 (b) "Developer" means an entity that applies for a grant on behalf of a public building
244.14 under this section to install a solar energy generating system on the public building.

244.15 (c) "Local unit of government" means a county, statutory or home rule charter city, town,
244.16 or other local government jurisdiction, excluding a school district eligible to receive financial
244.17 assistance under section 216C.375 or 216C.376.

244.18 (d) "Municipal electric utility" means a utility that provides electric service to retail
244.19 customers in Minnesota and is governed by a city council or a local utilities commission.

244.20 (e) "Public building" means a building owned and operated by a local unit of government.

244.21 (f) "Solar energy generating system" has the meaning given in section 216E.01,
244.22 subdivision 9a.

244.23 (g) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that
244.24 provides electric service, or a municipal electric utility.

244.25 Subd. 2. Establishment; purpose. A solar on public buildings grant program is
244.26 established in the Department of Commerce. The purpose of the program is to provide grants
244.27 to stimulate the installation of solar energy generating systems on public buildings.

244.28 Subd. 3. Establishment of account. A solar on public buildings grant program account
244.29 is established in the special revenue fund. Money received from the general fund and the
244.30 renewable development account established in section 116C.779, subdivision 1, must be
244.31 transferred to the commissioner of commerce and credited to the account. Earnings, including

245.1 interest, dividends, and any other earnings arising from the assets of the account, must be
245.2 credited to the account. Earnings remaining in the account at the end of a fiscal year do not
245.3 cancel to the general fund or renewable development account but remain in the account
245.4 until expended. The commissioner must manage the account.

245.5 Subd. 4. **Expenditures.** Money in the account must be used only:

245.6 (1) for grant awards made under this section; and

245.7 (2) to pay the reasonable costs incurred by the department to administer this section.

245.8 Subd. 5. **Eligible applicants.** Only a local unit of government or a municipal electric
245.9 utility may apply for or be awarded a grant under this section.

245.10 Subd. 6. **Eligible system.** (a) A grant may be awarded under this section only if the solar
245.11 energy system that is the subject of the grant:

245.12 (1) is installed on or adjacent to a public building that consumes the electricity generated
245.13 by the solar energy generating system, on property within the service territory of the utility
245.14 currently providing electric service to the public building; and

245.15 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
245.16 average annual electricity consumption of the public building, measured over the most
245.17 recent three calendar years, at which the solar energy generating system is installed.

245.18 (b) A public building that receives a rebate or other financial incentive under section
245.19 216B.241 for a solar energy system is eligible for a grant under this section for the same
245.20 solar energy generating system.

245.21 (c) Before filing an application for a grant under this section, a local unit of government
245.22 or public building that is served by a municipal electric utility must inform the municipal
245.23 electric utility of the local unit of government's or public building's intention to do so. A
245.24 municipal electric utility may, under an agreement with a local unit of government, own
245.25 and operate a solar energy generating system awarded a grant under this section on behalf
245.26 of and for the benefit of the local unit of government.

245.27 Subd. 7. **Application process.** (a) The commissioner must issue a request for proposals
245.28 to utilities, local units of government, and developers who may wish to apply for a grant
245.29 under this section on behalf of a public building.

245.30 (b) A utility or developer must submit an application to the commissioner on behalf of
245.31 a public building on a form prescribed by the commissioner. The form must include, at a
245.32 minimum, the following information:

246.1 (1) the capacity of the proposed solar energy system and the amount of electricity that
246.2 is expected to be generated;

246.3 (2) the current energy demand of the public building on which the solar energy generating
246.4 system is to be installed, information regarding any distributed energy resource that currently
246.5 provides electricity to the public building, and the size of the public building's subscription
246.6 to a community solar garden, if applicable;

246.7 (3) information sufficient to estimate the energy and monetary savings that are projected
246.8 to result from installation of the solar energy generating system over the system's useful
246.9 life;

246.10 (4) the total cost to purchase and install the solar energy system and the solar energy
246.11 system's lifecycle cost, including removal and disposal at the end of the system's life; and

246.12 (5) a copy of the proposed contract agreement between the local unit of government and
246.13 the public utility or developer that includes provisions addressing the responsibility to
246.14 maintain, remove, and dispose of the solar energy system.

246.15 (c) The commissioner must administer an open application process under this section
246.16 at least twice annually.

246.17 (d) The commissioner must develop administrative procedures governing the application
246.18 and grant award process under this section.

246.19 Subd. 8. **Energy conservation review.** At the commissioner's request, a local unit of
246.20 government awarded a grant under this section must provide the commissioner with
246.21 information regarding energy conservation measures implemented at the public building at
246.22 which the solar energy generating system is to be installed. The commissioner may make
246.23 recommendations to the local unit of government regarding cost-effective conservation
246.24 measures the local unit of government can implement and may provide technical assistance
246.25 and direct the local unit of government to available financial assistance programs.

246.26 Subd. 9. **Technical assistance.** The commissioner must provide technical assistance to
246.27 local units of government to develop and execute projects under this section.

246.28 Subd. 10. **Grant payments.** A grant awarded under this section must be used only to
246.29 pay the necessary and reasonable costs associated with purchasing and installing a solar
246.30 energy system.

246.31 Subd. 11. **Installation.** Contractors and subcontractors installing a solar energy generating
246.32 system funded by a grant awarded under this section must comply with sections 177.41 to
246.33 177.43 with respect to the installation.

247.1 Subd. 12. **Reporting.** Beginning January 15, 2023, and each year thereafter until January
247.2 15, 2026, the commissioner must report to the chairs and ranking minority members of the
247.3 legislative committees with jurisdiction over energy finance and policy regarding (1) grants
247.4 and amounts awarded to local units of government under this section during the previous
247.5 year, and (2) any remaining balance available in the account established under this section.

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

247.7 Sec. 9. Minnesota Statutes 2020, section 216E.01, subdivision 9a, is amended to read:

247.8 Subd. 9a. **Solar energy generating system.** "Solar energy generating system" means a
247.9 set of devices whose primary purpose is to produce electricity by means of any combination
247.10 of collecting, transferring, or converting solar-generated energy, and may include
247.11 transmission lines designed for and capable of operating at 100 kilovolts or less that
247.12 interconnect a solar energy generating system with a high-voltage transmission line.

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

247.14 Sec. 10. Minnesota Statutes 2020, section 216E.03, subdivision 5, is amended to read:

247.15 Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce
247.16 shall prepare for the commission an environmental impact statement on each proposed large
247.17 electric power generating plant or high-voltage transmission line for which a complete
247.18 application has been submitted. The commissioner shall not consider whether or not the
247.19 project is needed. No other state environmental review documents shall be required. The
247.20 commissioner shall study and evaluate any site or route proposed by an applicant and any
247.21 other site, other than a site for a solar energy generating system, or route the commission
247.22 deems necessary that was proposed in a manner consistent with rules concerning the form,
247.23 content, and timeliness of proposals for alternate sites or routes.

247.24 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a
247.25 large electric power generating plant and is not proposed by a utility, the commissioner
247.26 must make a finding in the environmental impact statement whether the project is likely to
247.27 result in a net reduction of carbon dioxide emissions, considering both the utility providing
247.28 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
247.29 emissions as a result of increased efficiency from the production of thermal energy on the
247.30 part of the customer operating or owning the proposed cogeneration facility.

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

248.1 Sec. 11. [500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY
248.2 SYSTEMS PROHIBITED.

248.3 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

248.4 (b) "Private entity" means a homeowners association, community association, or other
248.5 association that is subject to a homeowners association document.

248.6 (c) "Homeowners association document" means a document containing the declaration,
248.7 articles of incorporation, bylaws, or rules and regulations of:

248.8 (1) a common interest community, as defined in section 515B.1-103, regardless of
248.9 whether the common interest community is subject to chapter 515B; and

248.10 (2) a residential community that is not a common interest community.

248.11 (d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

248.12 Subd. 2. General rule. A private entity must not prohibit or refuse to permit installation,
248.13 maintenance, or use of a roof-mounted solar energy system by the owner of a single-family
248.14 dwelling, notwithstanding any covenant, restriction, or condition contained in a deed, security
248.15 instrument, homeowners association document, or any other instrument affecting the transfer,
248.16 sale of, or an interest in real property, except as provided in this section.

248.17 Subd. 3. Applicability. This section applies to single-family detached dwellings whose
248.18 owner is the sole owner of the entire building in which the dwelling is located and who is
248.19 solely responsible to maintain, repair, replace, and insure the entire building.

248.20 Subd. 4. Allowable conditions. (a) This section does not prohibit a private entity from
248.21 requiring that:

248.22 (1) a licensed contractor install a solar energy system;

248.23 (2) a roof-mounted solar energy system not extend above the peak of a pitched roof or
248.24 beyond the edge of the roof;

248.25 (3) the owner or installer of a solar energy system indemnify or reimburse the private
248.26 entity or the private entity's members for loss or damage caused by the installation,
248.27 maintenance, use, repair, or removal of a solar energy system;

248.28 (4) the owner and each successive owner of a solar energy system list the private entity
248.29 as a certificate holder on the homeowner's insurance policy; or

249.1 (5) the owner and each successive owner of a solar energy system be responsible for
249.2 removing the system if reasonably necessary to repair, maintain, or replace common elements
249.3 or limited common elements, as defined in section 515B.1-103.

249.4 (b) A private entity may impose other reasonable restrictions on the installation,
249.5 maintenance, or use of solar energy systems, provided that those restrictions do not decrease
249.6 the projected generation of energy by a solar energy system by more than 20 percent or
249.7 increase the solar energy system's cost by more than (1) 20 percent for a solar water heater,
249.8 or (2) \$2,000 for a solar photovoltaic system, compared with the generation of energy and
249.9 the cost of labor and materials certified by the designer or installer of the solar energy system
249.10 as originally proposed without the restrictions. A private entity may obtain an alternative
249.11 bid and design from a solar energy system designer or installer for the purposes of this
249.12 paragraph.

249.13 (c) A solar energy system must meet applicable standards and requirements imposed by
249.14 the state and by governmental units, as defined in section 462.384.

249.15 (d) A solar energy system for heating water must be certified by the Solar Rating
249.16 Certification Corporation or an equivalent certification agency. A solar energy system for
249.17 producing electricity must meet all applicable safety and performance standards established
249.18 by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and
249.19 accredited testing laboratories, including but not limited to Underwriters Laboratories and,
249.20 where applicable, Public Utilities Commission rules regarding safety and reliability.

249.21 (e) If approval by a private entity is required to install or use a solar energy system, the
249.22 application for approval (1) must be processed and approved in the same manner as an
249.23 application for approval of an architectural modification to the property, and (2) must not
249.24 be willfully avoided or delayed.

249.25 (f) An application for approval must be made in writing and must contain certification
249.26 that the applicant meets any conditions required by a private entity under this subdivision.
249.27 An application must include a copy of the interconnection application submitted to the
249.28 applicable electric utility.

249.29 (g) A private entity shall approve or deny an application in writing. If an application is
249.30 not denied in writing within 60 days from the date the application is received, the application
249.31 is deemed approved unless the delay is the result of a reasonable request for additional
249.32 information. If a private entity receives an incomplete application that the private entity
249.33 determines prevents a decision to approve or disapprove the application, a new 60-day limit
249.34 begins only if the private entity sends written notice to the applicant, within 15 business

250.1 days of the date the incomplete application is received, informing the applicant what
250.2 additional information is required.

250.3 Sec. 12. **PHOTOVOLTAIC DEMAND CREDIT RIDER.**

250.4 By October 1, 2022, an investor-owned utility that has not already done so must submit
250.5 to the Public Utilities Commission a photovoltaic demand credit rider that reimburses all
250.6 demand-metered customers with solar photovoltaic systems greater than 40 kilowatts
250.7 alternating current for the demand charge overbilling that occurs. The utility may submit
250.8 to the commission multiple options to calculate reimbursement for demand charge overbilling.
250.9 At least one submission must use a capacity value stack methodology. The commission is
250.10 prohibited from approving a photovoltaic demand credit rider unless the rider allows
250.11 stand-alone photovoltaic systems and photovoltaic systems coupled with storage. The
250.12 commission must approve the photovoltaic demand credit rider by June 30, 2023.

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

250.14 Sec. 13. **REPEALER.**

250.15 Minnesota Statutes 2020, sections 16B.323, subdivisions 1 and 2; and 16B.326, are
250.16 repealed.

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

250.18 **ARTICLE 22**
250.19 **ELECTRIC VEHICLES**

250.20 Section 1. Minnesota Statutes 2021 Supplement, section 16C.135, subdivision 3, is amended
250.21 to read:

250.22 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when
250.23 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner
250.24 or the agency shall purchase a motor vehicle that is capable of being powered by cleaner
250.25 fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid
250.26 fuel, if the total life-cycle cost of ownership is less than or comparable to that of other
250.27 vehicles and if the vehicle is capable the motor vehicle in conformity with the following
250.28 vehicle preference hierarchy, with clause (1) representing the top of the hierarchy:

250.29 (1) an electric vehicle;

250.30 (2) a hybrid electric vehicle;

251.1 (3) a vehicle capable of being powered by cleaner fuels; and

251.2 (4) a vehicle powered by gasoline or diesel fuel.

251.3 (b) The commissioner or agency may only reject a vehicle type that is higher on the
 251.4 vehicle preference hierarchy if:

251.5 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;

251.6 or

251.7 (2) the total life-cycle cost of ownership of a vehicle type that is higher on the vehicle
 251.8 preference hierarchy is more than ten percent higher than the next lower vehicle type or the
 251.9 vehicle preference hierarchy.

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

251.11 Sec. 2. Minnesota Statutes 2020, section 16C.137, subdivision 1, is amended to read:

251.12 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,
 251.13 technically, and economically feasible, subject to the specific needs of the department and
 251.14 responsible management of agency finances:

251.15 (1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law
 251.16 enforcement vehicles; are purchased in conformity with the hierarchy of preferences
 251.17 established in section 16C.135, subdivision 3;

251.18 ~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

251.19 ~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~
 251.20 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~
 251.21 ~~hydrogen-powered vehicles; or~~

251.22 ~~(iii) are powered solely by electricity;~~

251.23 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and
 251.24 hydrogen from agricultural products; and

251.25 (3) increase its use of web-based Internet applications and other electronic information
 251.26 technologies to enhance the access to and delivery of government information and services
 251.27 to the public, and reduce the reliance on the department's fleet for the delivery of such
 251.28 information and services.

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

252.1 Sec. 3. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:

252.2 Subd. 7. **No commercial establishment within right-of-way; exceptions.** No
252.3 commercial establishment, including but not limited to automotive service stations, for
252.4 serving motor vehicle users shall be constructed or located within the right-of-way of, or
252.5 on publicly owned or publicly leased land acquired or used for or in connection with, a
252.6 controlled-access highway₂, except that:

252.7 (1) structures may be built within safety rest and travel information center areas;

252.8 (2) space within state-owned buildings in those areas may be leased for the purpose of
252.9 providing information to travelers through advertising as provided in section 160.276;

252.10 (3) advertising signs may be erected within the right-of-way of interstate or
252.11 controlled-access trunk highways by franchise agreements under section 160.80;

252.12 (4) vending machines may be placed in rest areas, travel information centers, or weigh
252.13 stations constructed or located within trunk highway rights-of-way; ~~and~~

252.14 (5) acknowledgment signs may be erected under sections 160.272 and 160.2735~~;~~ and

252.15 (6) electric vehicle charging stations may be installed, operated, and maintained in safety
252.16 rest areas.

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

252.18 Sec. 4. Minnesota Statutes 2020, section 168.27, is amended by adding a subdivision to
252.19 read:

252.20 Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed
252.21 under this chapter that operates under an agreement or franchise from a manufacturer and
252.22 sells electric vehicles must maintain at least one employee who is certified as having
252.23 completed a training course offered by a Minnesota motor vehicle dealership association
252.24 that addresses at least the following elements:

252.25 (1) fundamentals of electric vehicles;

252.26 (2) electric vehicle charging options and costs;

252.27 (3) publicly available electric vehicle incentives;

252.28 (4) projected maintenance and fueling costs for electric vehicles;

252.29 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric
252.30 vehicles;

253.1 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and

253.2 (7) best practices to sell electric vehicles.

253.3 (b) For the purposes of this section, "electric vehicle" has the meaning given in section
253.4 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

253.5 **EFFECTIVE DATE.** This section is effective January 1, 2023.

253.6 Sec. 5. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

253.9 (b) "Battery exchange station" means a physical location deploying equipment that
253.10 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
253.11 vehicle battery.

253.12 (c) "Electric vehicle" means any device or contrivance that transports persons or property
253.13 and is capable of being powered by an electric motor drawing current from rechargeable
253.14 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes
253.15 but is not limited to:

253.16 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;

253.17 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

253.18 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;

253.19 (4) a motorboat, as defined in section 86B.005, subdivision 9; or

253.20 (5) an aircraft, as defined in section 360.013, subdivision 37.

253.21 (d) "Electric vehicle charging station" means a physical location deploying equipment
253.22 that:

253.23 (1) transfers electricity to an electric vehicle battery;

253.24 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

253.25 (3) exchanges electric vehicle batteries; or

253.26 (4) provides other equipment used to charge or fuel electric vehicles.

253.27 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any
253.28 associated machinery, equipment, and infrastructure necessary for a public utility to supply
253.29 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle
253.30 operation.

254.1 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
254.2 electricity through electrochemical reactions.

254.3 (g) "Government entity" means the state, a state agency, or a political subdivision, as
254.4 defined in section 13.02, subdivision 11.

254.5 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

254.6 Subd. 2. **Transportation electrification plan; contents.** (a) By June 1, 2023, and at
254.7 least every three years thereafter, a public utility must file a transportation electrification
254.8 plan with the commission that is designed to (1) maximize the overall benefits of electric
254.9 vehicles and other electrified transportation while minimizing overall costs, and (2) promote
254.10 the:

254.11 (i) purchase of electric vehicles by the public utility's customers; and

254.12 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.

254.13 (b) A transportation electrification plan may include but is not limited to the following
254.14 elements:

254.15 (1) programs to educate and increase the awareness and benefits of electric vehicles and
254.16 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family
254.17 and multifamily housing developers and property management companies, building owners
254.18 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential
254.19 users of electric vehicles;

254.20 (2) utility investments and incentives the utility provides and offers to support
254.21 transportation electrification across all customer classes, including but not limited to
254.22 investments and incentives to facilitate:

254.23 (i) the deployment of electric vehicles for personal and commercial use; customer- and
254.24 utility-owned electric vehicle charging stations; electric vehicle infrastructure to support
254.25 light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility
254.26 infrastructure;

254.27 (ii) widespread access to publicly available electric vehicle charging stations; and

254.28 (iii) the electrification of public transit and vehicle fleets owned or operated by a
254.29 government entity;

254.30 (3) research and demonstration projects to increase access to electricity as a transportation
254.31 fuel, minimize the system costs of electric transportation, and inform future transportation
254.32 electrification plans;

255.1 (4) rate structures or programs that encourage electric vehicle charging that optimizes
255.2 electric grid operation, including time-varying rates and charging optimization programs;

255.3 (5) programs to increase access to the benefits of electricity as a transportation fuel for
255.4 low- or moderate-income customers and communities and in neighborhoods most affected
255.5 by transportation-related air emissions; and

255.6 (6) proposals to expedite commission consideration of program adjustments requested
255.7 during the term of an approved transportation electrification plan.

255.8 (c) If funding is limited, a public utility must give priority under this section to
255.9 investments in communities whose governing body has enacted a resolution or goal
255.10 supporting electric vehicle adoption. A public utility must cooperate with local communities
255.11 to identify suitable locations, consistent with a community's local development plans, where
255.12 electric vehicle infrastructure may be strategically deployed.

255.13 Subd. 3. **Transportation electrification plan; review and implementation.** The
255.14 commission may approve, modify, or reject a transportation electrification plan. When
255.15 reviewing a transportation electrification plan, the commission must consider whether the
255.16 programs, investments, and expenditures as a whole are reasonably expected to:

255.17 (1) improve the operation of the electric grid;

255.18 (2) increase access to the use of electricity as a transportation fuel for all customers,
255.19 including those in low- or moderate-income communities, rural communities, and
255.20 communities most affected by emissions from the transportation sector;

255.21 (3) increase access to publicly available electric vehicle charging and destination charging
255.22 for all types of electric vehicles;

255.23 (4) support the electrification of medium-duty and heavy-duty vehicles and associated
255.24 charging infrastructure;

255.25 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and
255.26 emissions of other air pollutants that impair the environment and public health;

255.27 (6) stimulate private capital investment and the creation of skilled jobs;

255.28 (7) educate the public about the benefits of electric vehicles and related infrastructure;
255.29 and

255.30 (8) be transparent and incorporate reasonable public reporting of program activities,
255.31 consistent with existing technology and data capabilities, to inform program design and
255.32 commission policy with respect to electric vehicles.

256.1 Subd. 4. Cost recovery. (a) Notwithstanding any other provision of this chapter, the
256.2 commission may approve, with respect to any prudent and reasonable investments made or
256.3 expenses incurred by a public utility to administer and implement a transportation
256.4 electrification plan approved under subdivision 3:

256.5 (1) a rider or other tariff mechanism to automatically adjust charges annually;

256.6 (2) performance-based incentives;

256.7 (3) placing the investment, including rebates, in the public utility's rate base and allowing
256.8 the public utility to earn a rate of return on the investment at:

256.9 (i) the public utility's average weighted cost of capital, including the rate of return on
256.10 equity, approved by the commission in the public utility's most recent general rate case; or

256.11 (ii) another rate determined by the commission; or

256.12 (4) any other recovery mechanism that the commission determines is fair, reasonable,
256.13 and supports the objectives of this section.

256.14 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the
256.15 commission must approve recovery costs for expenses reasonably incurred by a public
256.16 utility to provide public advertisement as part of a transportation electrification plan approved
256.17 by the commission under subdivision 3.

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

256.19 Sec. 6. [216B.1617] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.

256.20 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
256.21 the meanings given.

256.22 (b) "Battery exchange station" means a physical location where equipment is deployed
256.23 that enables a used electric vehicle battery to be exchanged for a fully charged battery.

256.24 (c) "Electric school bus" means an electric vehicle that is a school bus.

256.25 (d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

256.26 (e) "Electric vehicle charging station" means a physical location deploying equipment
256.27 that provides electricity to charge a battery in an electric vehicle.

256.28 (f) "Electric vehicle infrastructure" means electric vehicle charging stations and battery
256.29 exchange stations, and includes any infrastructure necessary to make electricity from a
256.30 public utility's electric distribution system available to electric vehicle charging stations or
256.31 battery exchange stations.

257.1 (g) "Poor air quality" means: (1) ambient air levels that air monitoring data reveals
257.2 approach or exceed state or federal air quality standards or chronic health inhalation risk
257.3 benchmarks for total suspended particulates, particulate matter less than ten microns wide
257.4 (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen
257.5 dioxide; or (2) levels of asthma among children that significantly exceed the statewide
257.6 average.

257.7 (h) "School bus" has the meaning given in section 169.011, subdivision 71.

257.8 Subd. 2. **Program.** (a) A public utility may file with the commission a program to
257.9 promote deployment of electric school buses.

257.10 (b) The program may include but is not limited to the following elements:

257.11 (1) a school district may purchase one or more electric school buses;

257.12 (2) the public utility may provide a rebate to the school district for the incremental cost
257.13 the school district incurs to purchase one or more electric school buses when compared with
257.14 fossil-fuel-powered school buses;

257.15 (3) at the request of a school district, the public utility may deploy on the school district's
257.16 real property electric vehicle infrastructure required to charge electric school buses;

257.17 (4) for any electric school bus purchased by a school district with a rebate provided by
257.18 the public utility, the school district must enter into a contract with the public utility under
257.19 which the school district:

257.20 (i) accepts any and all liability for operating the electric school bus;

257.21 (ii) accepts responsibility to maintain and repair the electric school bus; and

257.22 (iii) must allow the public utility an option to own the electric school bus's battery at the
257.23 time the battery is retired from the electric school bus; and

257.24 (5) in collaboration with a school district, prioritize the deployment of electric school
257.25 buses in areas of the school district that suffer from poor air quality.

257.26 Subd. 3. **Program review and implementation.** The commission must approve, modify,
257.27 or reject a proposal for a program filed under this section within 180 days of the date the
257.28 proposal is received. The commission's approval, modification, or rejection must be based
257.29 on the proposal's likelihood to, through prudent and reasonable utility investments:

257.30 (1) accelerate deployment of electric school buses in the public utility's service territory,
257.31 particularly in areas with poor air quality; and

258.1 (2) reduce emissions of greenhouse gases and particulates compared to
258.2 fossil-fuel-powered school buses.

258.3 Subd. 4. **Cost recovery.** (a) Any prudent and reasonable investment made by a public
258.4 utility on electric vehicle infrastructure installed on a school district's real property may be
258.5 placed in the public utility's rate base and earn a rate of return, as determined by the
258.6 commission.

258.7 (b) Notwithstanding any other provision of this chapter, the commission may approve
258.8 a tariff mechanism to automatically adjust annual charges for prudent and reasonable
258.9 investments made by a public utility to implement and administer a program approved by
258.10 the commission under subdivision 3.

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

258.12 Sec. 7. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**
258.13 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

258.14 Subdivision 1. **Establishment.** A grant program is established in the Department of
258.15 Commerce to award grants to dealers to offset the costs to obtain the necessary training and
258.16 equipment that is required by electric vehicle manufacturers in order to certify a dealer to
258.17 sell electric vehicles produced by the manufacturer.

258.18 Subd. 2. **Application.** An application for a grant under this section must be made to the
258.19 commissioner on a form developed by the commissioner. The commissioner must develop
258.20 administrative procedures and processes to review applications and award grants under this
258.21 section.

258.22 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must
258.23 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise
258.24 from a manufacturer of electric vehicles.

258.25 Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this
258.26 section must be used only to reimburse:

258.27 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's
258.28 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

258.29 (2) a dealer for the reasonable costs to purchase and install equipment to service and
258.30 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the
258.31 franchise to the dealer; and

258.32 (3) the department for the reasonable costs incurred to administer this section.

259.1 Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not
259.2 exceed \$40,000.

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

259.4 Sec. 8. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
259.5 to read:

259.6 Subd. 6a. **Electric vehicle capable space.** "Electric vehicle capable space" means a
259.7 designated automobile parking space that has electrical infrastructure, including but not
259.8 limited to raceways, cables, electrical capacity, and panelboard or other electrical distribution
259.9 space, necessary to install an electric vehicle charging station.

259.10 Sec. 9. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
259.11 to read:

259.12 Subd. 6b. **Electric vehicle charging station.** "Electric vehicle charging station" means
259.13 a designated automobile parking space that has a dedicated connection for charging an
259.14 electric vehicle.

259.15 Sec. 10. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
259.16 to read:

259.17 Subd. 6c. **Electric vehicle ready space.** "Electric vehicle ready space" means a designated
259.18 automobile parking space that has a branch circuit capable of supporting the installation of
259.19 an electric vehicle charging station.

259.20 Sec. 11. Minnesota Statutes 2020, section 326B.103, is amended by adding a subdivision
259.21 to read:

259.22 Subd. 10a. **Parking facilities.** "Parking facilities" includes parking lots, garages, ramps,
259.23 or decks.

259.24 Sec. 12. Minnesota Statutes 2020, section 326B.106, is amended by adding a subdivision
259.25 to read:

259.26 Subd. 16. **Electric vehicle charging.** The code shall require a minimum number of
259.27 electric vehicle-ready spaces, electric vehicle capable spaces, and electric vehicle charging
259.28 stations either within or adjacent to new commercial and multifamily structures that provide
259.29 on-site parking facilities. Residential structures with fewer than four dwelling units are
259.30 exempt from this subdivision.

260.1 **Sec. 13. ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS IN**
260.2 **STATE AND REGIONAL PARKS.**

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

260.5 (b) "DC fast charger" means electric vehicle charging station equipment that transfers
260.6 direct current electricity directly to an electric vehicle's battery.

260.7 (c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011,
260.8 subdivision 26a.

260.9 (d) "Electric vehicle charging station" means infrastructure that connects an electric
260.10 vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

260.11 (e) "Level 2 charger" means electric vehicle charging station equipment that transfers
260.12 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts
260.13 alternating current to direct current to recharge an electric vehicle battery.

260.14 **Subd. 2. Program.** The commissioner of natural resources, in consultation with the
260.15 commissioners of the Pollution Control Agency, administration, and commerce, must
260.16 develop and fund the installation of a network of electric vehicle charging stations in
260.17 Minnesota state parks. The commissioners must issue a request for proposals to entities that
260.18 have experience installing, owning, operating, and maintaining electric vehicle charging
260.19 stations. The request for proposal must establish technical specifications that electric vehicle
260.20 charging stations are required to meet and must request responders to address:

260.21 (1) the optimal number and location of charging stations installed in a given state park;

260.22 (2) alternative arrangements that may be made to allocate responsibility for electric
260.23 vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing
260.24 procedures; and

260.25 (3) any other issues deemed relevant by the commissioners.

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

260.27 **Sec. 14. ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS AT**
260.28 **COUNTY GOVERNMENT CENTERS.**

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

261.1 (b) "DC fast charger" means electric vehicle charging station equipment that transfers
261.2 direct current electricity directly to an electric vehicle's battery.

261.3 (c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011,
261.4 subdivision 26a.

261.5 (d) "Electric vehicle charging station" means infrastructure that connects an electric
261.6 vehicle to a Level 2 or DC fast charger to recharge the electric vehicle's batteries.

261.7 (e) "Level 2 charger" means electric vehicle charging station equipment that transfers
261.8 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts
261.9 alternating current to direct current to recharge an electric vehicle battery.

261.10 Subd. 2. **Program.** The commissioner of commerce must develop and fund the installation
261.11 of a network of electric vehicle charging stations in public parking facilities at county
261.12 government centers located in Minnesota. The commissioner must issue a request for
261.13 proposals to entities that have experience installing, owning, operating, and maintaining
261.14 electric vehicle charging stations. The request for proposal must establish technical
261.15 specifications that electric vehicle charging stations are required to meet and must request
261.16 responders to address:

261.17 (1) the optimal number and location of charging stations installed at each county
261.18 government center;

261.19 (2) alternative arrangements that may be made to allocate responsibility for electric
261.20 vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing
261.21 procedures;

261.22 (3) software used to allow payment for electricity consumed at the charging stations;
261.23 and

261.24 (4) any other issues deemed relevant by the commissioner.

261.25 Subd. 3. **County role.** (a) A county has a right of first refusal with respect to ownership
261.26 of electric vehicle charging stations receiving funding under this section and installed at the
261.27 county government center.

261.28 (b) A county may enter into agreements to (1) wholly or partially own, operate, or
261.29 maintain an electric vehicle charging system receiving funding under this section and
261.30 installed at the county government center, or (2) receive reports on the electric vehicle
261.31 charging system operations.

262.1 (c) A county must authorize and approve the installation and location of an electric
262.2 vehicle charging station at a county government center under this section.

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

262.4 **ARTICLE 23**

262.5 **RENEWABLE ECONOMIC DEVELOPMENT**

262.6 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

262.7 Subdivision 1. **Renewable development account.** (a) The renewable development
262.8 account is established as a separate account in the special revenue fund in the state treasury.
262.9 Appropriations and transfers to the account shall be credited to the account. Earnings, such
262.10 as interest, dividends, and any other earnings arising from assets of the account, shall be
262.11 credited to the account. Funds remaining in the account at the end of a fiscal year are not
262.12 canceled to the general fund but remain in the account until expended. The account shall
262.13 be administered by the commissioner of management and budget as provided under this
262.14 section.

262.15 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
262.16 plant must transfer all funds in the renewable development account previously established
262.17 under this subdivision and managed by the public utility to the renewable development
262.18 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
262.19 that have not yet been expended and unencumbered funds required to be paid in calendar
262.20 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
262.21 to transfer under this paragraph.

262.22 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
262.23 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
262.24 plant must transfer to the renewable development account \$500,000 each year for each dry
262.25 cask containing spent fuel that is located at the Prairie Island power plant for each year the
262.26 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
262.27 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
262.28 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
262.29 part of a year.

262.30 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
262.31 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
262.32 plant must transfer to the renewable development account \$350,000 each year for each dry
262.33 cask containing spent fuel that is located at the Monticello nuclear power plant for each

263.1 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
263.2 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
263.3 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
263.4 any part of a year.

263.5 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
263.6 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
263.7 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

263.8 (f) If the commission approves a new or amended power purchase agreement, the
263.9 termination of a power purchase agreement, or the purchase and closure of a facility under
263.10 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
263.11 the public utility subject to this section shall enter into a contract with the city in which the
263.12 poultry litter plant is located to provide grants to the city for the purposes of economic
263.13 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
263.14 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
263.15 by the public utility from funds withheld from the transfer to the renewable development
263.16 account, as provided in paragraphs (b) and (e).

263.17 (g) If the commission approves a new or amended power purchase agreement, or the
263.18 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
263.19 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
263.20 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
263.21 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
263.22 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
263.23 30 days after the commission approves the new or amended power purchase agreement, or
263.24 the termination of the power purchase agreement, and on each June 1 thereafter through
263.25 2021, to assist the transition required by the new, amended, or terminated power purchase
263.26 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
263.27 to the renewable development account as provided in paragraphs (b) and (e).

263.28 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
263.29 and (g) is limited to the amount deposited into the renewable development account, and its
263.30 predecessor, the renewable development account, established under this section, that was
263.31 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
263.32 10.

263.33 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
263.34 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued

264.1 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
264.2 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
264.3 in which the commission finds, by the preponderance of the evidence, that the public utility
264.4 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
264.5 permanent or interim storage site out of the state. This determination shall be made at least
264.6 every two years.

264.7 (j) Funds in the account may be expended only for any of the following purposes:

264.8 (1) to stimulate research and development of renewable electric energy technologies;

264.9 (2) to encourage grid modernization, including, but not limited to, projects that implement
264.10 electricity storage, load control, and smart meter technology; and

264.11 (3) to stimulate other innovative energy projects that reduce demand and increase system
264.12 efficiency and flexibility.

264.13 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
264.14 from the utility that owns a nuclear-powered electric generating plant in this state or the
264.15 Prairie Island Indian community or its members.

264.16 The utility that owns a nuclear generating plant is eligible to apply for grants under this
264.17 subdivision.

264.18 (k) For the purposes of paragraph (j), the following terms have the meanings given:

264.19 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
264.20 (c), clauses (1), (2), (4), and (5); and

264.21 (2) "grid modernization" means:

264.22 (i) enhancing the reliability of the electrical grid;

264.23 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
264.24 and

264.25 (iii) increasing energy conservation opportunities by facilitating communication between
264.26 the utility and its customers through the use of two-way meters, control technologies, energy
264.27 storage and microgrids, technologies to enable demand response, and other innovative
264.28 technologies.

264.29 (l) A renewable development account advisory group that includes, among others,
264.30 representatives of the public utility and its ratepayers, and includes at least one representative
264.31 of the Prairie Island Indian community appointed by that community's tribal council, shall
264.32 develop recommendations on account expenditures. The advisory group must design a

265.1 request for proposal and evaluate projects submitted in response to a request for proposals.
265.2 The advisory group must utilize an independent third-party expert to evaluate proposals
265.3 submitted in response to a request for proposal, including all proposals made by the public
265.4 utility. A request for proposal for research and development under paragraph (j), clause (1),
265.5 may be limited to or include a request to higher education institutions located in Minnesota
265.6 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
265.7 projects may include a provision that exempts the projects from the third-party expert review
265.8 and instead provides for project evaluation and selection by a merit peer review grant system.
265.9 In the process of determining request for proposal scope and subject and in evaluating
265.10 responses to request for proposals, the advisory group must strongly consider, where
265.11 reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

265.12 (m) The advisory group shall submit funding recommendations to the public utility,
265.13 which has full and sole authority to determine which expenditures shall be submitted by
265.14 the advisory group to the legislature. The commission may approve proposed expenditures,
265.15 may disapprove proposed expenditures that it finds not to be in compliance with this
265.16 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
265.17 modify proposed expenditures. The commission shall, by order, submit its funding
265.18 recommendations to the legislature as provided under paragraph (n).

265.19 (n) The commission shall present its recommended appropriations from the account to
265.20 the senate and house of representatives committees with jurisdiction over energy policy and
265.21 finance annually by February 15. Expenditures from the account must be appropriated by
265.22 law. In enacting appropriations from the account, the legislature:

265.23 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
265.24 a project recommended by the commission; and

265.25 (2) may not appropriate money for a project the commission has not recommended
265.26 funding.

265.27 (o) A request for proposal for renewable energy generation projects must, when feasible
265.28 and reasonable, give preference to projects that are most cost-effective for a particular energy
265.29 source.

265.30 (p) The advisory group must annually, by February 15, report to the chairs and ranking
265.31 minority members of the legislative committees with jurisdiction over energy policy on
265.32 projects funded by the account for the prior year and all previous years. The report must,
265.33 to the extent possible and reasonable, itemize the actual and projected financial benefit to
265.34 the public utility's ratepayers of each project.

266.1 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of
266.2 management and budget shall submit a written report regarding the availability of funds in
266.3 and obligations of the account to the chairs and ranking minority members of the senate
266.4 and house committees with jurisdiction over energy policy and finance, the public utility,
266.5 and the advisory group.

266.6 (r) A project receiving funds from the account must produce a written final report that
266.7 includes sufficient detail for technical readers and a clearly written summary for nontechnical
266.8 readers. The report must include an evaluation of the project's financial, environmental, and
266.9 other benefits to the state and the public utility's ratepayers.

266.10 (s) Final reports, any mid-project status reports, and renewable development account
266.11 financial reports must be posted online on a public website designated by the commissioner
266.12 of commerce.

266.13 (t) All final reports must acknowledge that the project was made possible in whole or
266.14 part by the Minnesota renewable development account, noting that the account is financed
266.15 by the public utility's ratepayers.

266.16 (u) Of the amount in the renewable development account, priority must be given to
266.17 making the payments required under section 216C.417.

266.18 (v) A construction project funded from an appropriation made under this section must
266.19 comply with sections 177.41 to 177.43.

266.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
266.21 applies to appropriations made on or after that date.

266.22 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

266.23 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~
266.24 ~~this section to eligible communities through a competitive grant process.~~

266.25 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed
266.26 \$500,000 in any calendar year. The commissioner may accept grant applications on an
266.27 ongoing or rolling basis.

266.28 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established
266.29 in section 116C.779 must be awarded to an eligible community located within the retail
266.30 electric service territory of the public utility that is subject to section 116C.779 or to an
266.31 eligible community in which an electric generating plant owned by that public utility is
266.32 located.

267.1 Sec. 3. Minnesota Statutes 2020, section 216B.16, subdivision 13, is amended to read:

267.2 Subd. 13. **Economic and community development.** The commission may allow a
267.3 public utility to recover from ratepayers the reasonable expenses incurred (1) for economic
267.4 and community development, and (2) to employ local workers, as defined in section
267.5 216B.2422, subdivision 1, to construct and maintain generation facilities that supply power
267.6 to the utility's customers.

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

267.8 Sec. 4. Minnesota Statutes 2020, section 216B.1645, subdivision 2, is amended to read:

267.9 Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the
267.10 approved contract or useful life of the investment ~~and~~ expenditures made pursuant to section
267.11 116C.779 ~~shall be~~, and the expenses incurred to employ local workers to construct and
267.12 maintain generation facilities that supply power to the utility's customers are recoverable
267.13 from the ratepayers of the utility; (1) to the extent ~~they~~ the expenses or expenditures are not
267.14 offset by utility revenues attributable to the contracts, investments, or expenditures, and (2)
267.15 if the expenses or expenditures are deemed reasonable by the commission. Upon petition
267.16 by a public utility, the commission shall approve or approve as modified a rate schedule
267.17 providing for the automatic adjustment of charges to recover the expenses or costs approved
267.18 by the commission under subdivision 1, which, in the case of transmission expenditures,
267.19 are limited to the portion of actual transmission costs that are directly allocable to the need
267.20 to transmit power from the renewable sources of energy. The commission may not approve
267.21 recovery of the costs for that portion of the power generated from sources governed by this
267.22 section that the utility sells into the wholesale market.

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

267.24 Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

267.25 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within ~~its~~ the
267.26 commission's statutory authority to ensure this section is implemented to maximize benefits
267.27 to Minnesota citizens and local workers, as defined in section 216B.2422, subdivision 1,
267.28 balancing factors such as local ownership of or participation in energy production; local
267.29 job impacts, as defined in section 216B.2422, subdivision 1; development and ownership
267.30 of eligible energy technology facilities by independent power producers; Minnesota utility
267.31 ownership of eligible energy technology facilities; the costs of energy generation to satisfy
267.32 the renewable standard; and the reliability of electric service to Minnesotans.

268.1 Sec. 6. Minnesota Statutes 2020, section 216B.2422, subdivision 1, is amended to read:

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

268.4 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
268.5 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
268.6 customers in Minnesota. Utility does not include federal power agencies.

268.7 (c) "Renewable energy" means electricity generated through use of any of the following
268.8 resources:

268.9 (1) wind;

268.10 (2) solar;

268.11 (3) geothermal;

268.12 (4) hydro;

268.13 (5) trees or other vegetation;

268.14 (6) landfill gas; or

268.15 (7) predominantly organic components of wastewater effluent, sludge, or related
268.16 by-products from publicly owned treatment works, but not including incineration of
268.17 wastewater sludge.

268.18 (d) "Resource plan" means a set of resource options that a utility could use to meet the
268.19 service needs of its customers over a forecast period, including an explanation of the supply
268.20 and demand circumstances under which, and the extent to which, each resource option
268.21 would be used to meet those service needs. These resource options include using,
268.22 refurbishing, and constructing utility plant and equipment, buying power generated by other
268.23 entities, controlling customer loads, and implementing customer energy conservation.

268.24 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
268.25 resource of 30 megawatts or greater.

268.26 (f) "Energy storage system" means a commercially available technology that:

268.27 (1) uses mechanical, chemical, or thermal processes to:

268.28 (i) store energy, including energy generated from renewable resources and energy that
268.29 would otherwise be wasted, and deliver the stored energy for use at a later time; or

268.30 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
268.31 that reduces the demand for electricity at the later time;

269.1 (2) is composed of stationary equipment;

269.2 (3) if being used for electric grid benefits, is operationally visible and capable of being
269.3 controlled by the distribution or transmission entity managing it, to enable and optimize the
269.4 safe and reliable operation of the electric system; and

269.5 (4) achieves any of the following:

269.6 (i) reduces peak or electrical demand;

269.7 (ii) defers the need or substitutes for an investment in electric generation, transmission,
269.8 or distribution assets;

269.9 (iii) improves the reliable operation of the electrical transmission or distribution systems,
269.10 while ensuring transmission or distribution needs are not created; or

269.11 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
269.12 it is low and delivering it to customers when the costs are high.

269.13 (g) "Local job impacts" means the impacts of a certificate of need, a power purchase
269.14 agreement, or commission approval of a new or refurbished energy facility on the availability
269.15 of construction employment opportunities to local workers.

269.16 (h) "Local workers" means workers who (1) are employed to construct and maintain
269.17 energy infrastructure; and (2) are Minnesota residents, are residents of the utility's service
269.18 territory, or permanently reside within 150 miles of a proposed new or refurbished energy
269.19 facility.

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

269.21 Sec. 7. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision
269.22 to read:

269.23 **Subd. 4a. Preference for local job creation.** As part of a resource plan filing, a utility
269.24 must report on associated local job impacts and the steps the utility and the utility's energy
269.25 suppliers and contractors are taking to maximize the availability of construction employment
269.26 opportunities for local workers. The commission must consider local job impacts and give
269.27 preference to proposals that maximize the creation of construction employment opportunities
269.28 for local workers, consistent with the public interest, when evaluating any utility proposal
269.29 that involves the selection or construction of facilities used to generate or deliver energy to
269.30 serve the utility's customers, including but not limited to an integrated resource plan, a
269.31 certificate of need, a power purchase agreement, or commission approval of a new or
269.32 refurbished electric generation facility. The commission must, to the maximum extent

270.1 possible, prioritize the hiring of workers from communities hosting retiring electric generation
 270.2 facilities, including workers previously employed at the retiring facilities.

270.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 270.4 applies to an integrated resource plan filed with the commission on or after that date.

270.5 Sec. 8. Minnesota Statutes 2020, section 216B.2422, subdivision 5, is amended to read:

270.6 Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may
 270.7 select resources to meet its projected energy demand through a bidding process approved
 270.8 or established by the commission. A utility shall use the environmental cost estimates
 270.9 determined under subdivision 3 ~~in~~ and consider local job impacts when evaluating bids
 270.10 submitted in a process established under this subdivision.

270.11 (b) Notwithstanding any other provision of this section, if an electric power generating
 270.12 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding
 270.13 process approved or established by the commission, a certificate of need proceeding under
 270.14 section 216B.243 is not required.

270.15 (c) A certificate of need proceeding is also not required for an electric power generating
 270.16 plant that has been selected in a bidding process approved or established by the commission,
 270.17 or such other selection process approved by the commission, to satisfy, in whole or in part,
 270.18 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

270.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 270.20 applies to an integrated resource plan filed with the commission on or after that date.

270.21 Sec. 9. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

270.22 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
 270.23 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland,
 270.24 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,
 270.25 after review of an energy audit ~~or,~~ renewable energy system feasibility study, or agronomic
 270.26 assessment, as defined in section 216C.436, subdivision 1b, can ~~be benefited by~~ benefit
 270.27 from the installation of cost-effective energy improvements or land and water improvements,
 270.28 as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes
 270.29 new construction.

271.1 Sec. 10. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision
271.2 to read:

271.3 Subd. 1b. **Definitions.** (a) For the purposes of this section, the following terms have the
271.4 meanings given.

271.5 (b) "Agronomic assessment" means a study by an independent third party that assesses
271.6 the environmental impacts of proposed land and water improvements on farmland.

271.7 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under
271.8 section 273.13, subdivision 23.

271.9 (d) "Land and water improvement" means:

271.10 (1) an improvement to farmland that is permanent, results in improved agricultural
271.11 profitability or resiliency, and reduces the environmental impact of agricultural production;
271.12 or

271.13 (2) water conservation and quality measures, which include permanently affixed
271.14 equipment, appliances, or improvements that reduce a property's water consumption or that
271.15 enable water to be managed more efficiently.

271.16 Land and water improvement does not include drainage.

271.17 (e) "Resiliency" means the ability of farmland to maintain and enhance profitability,
271.18 soil health, and water quality.

271.19 Sec. 11. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

271.20 Subd. 2. **Program requirements.** A commercial PACE loan program must:

271.21 (1) impose requirements and conditions on financing arrangements to ensure timely
271.22 repayment;

271.23 (2) require an energy audit ~~or~~ renewable energy system feasibility study, or agronomic
271.24 or soil health assessment to be conducted on the qualifying commercial real property and
271.25 reviewed by the implementing entity prior to approval of the financing;

271.26 (3) require the inspection of all installations and a performance verification of at least
271.27 ten percent of the cost-effective energy improvements or land and water improvements
271.28 financed by the program;

271.29 (4) not prohibit the financing of all cost-effective energy improvements or land and
271.30 water improvements not otherwise prohibited by this section;

272.1 (5) require that all cost-effective energy improvements or land and water improvements
272.2 be made to a qualifying commercial real property prior to, or in conjunction with, an
272.3 applicant's repayment of financing for cost-effective energy improvements or land and water
272.4 improvements for that property;

272.5 (6) have cost-effective energy improvements or land and water improvements financed
272.6 by the program performed by a licensed contractor as required by chapter 326B or other
272.7 law or ordinance;

272.8 (7) require disclosures to borrowers by the implementing entity of the risks involved in
272.9 borrowing, including the risk of foreclosure if a tax delinquency results from a default;

272.10 (8) provide financing only to those who demonstrate an ability to repay;

272.11 (9) not provide financing for a qualifying commercial real property in which the owner
272.12 is not current on mortgage or real property tax payments;

272.13 (10) require a petition to the implementing entity by all owners of the qualifying
272.14 commercial real property requesting collections of repayments as a special assessment under
272.15 section 429.101;

272.16 (11) provide that payments and assessments are not accelerated due to a default and that
272.17 a tax delinquency exists only for assessments not paid when due; ~~and~~

272.18 (12) require that liability for special assessments related to the financing runs with the
272.19 qualifying commercial real property; and

272.20 (13) prior to financing any improvements to or imposing any assessment upon qualifying
272.21 commercial real property, require notice to and written consent from the mortgage lender
272.22 of any mortgage encumbering or otherwise secured by the qualifying commercial real
272.23 property.

272.24 Sec. 12. **[216C.441] MINNESOTA INNOVATION FINANCE AUTHORITY.**

272.25 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
272.26 the meanings given.

272.27 (b) "Advisory task force" means the Minnesota Innovation Finance Authority advisory
272.28 task force.

272.29 (c) "Authority" means the Minnesota Innovation Finance Authority.

272.30 (d) "Clean energy project" has the meaning given to "qualified project" in paragraph
272.31 (k), clauses (1) to (4).

273.1 (e) "Credit enhancement" means a pool of capital set aside to cover potential losses on
273.2 loans made by private lenders. Credit enhancement includes but is not limited to loan loss
273.3 reserves and loan guarantees.

273.4 (f) "Energy storage system" has the meaning given in section 216B.2422, subdivision
273.5 1, paragraph (f).

273.6 (g) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
273.7 electricity through electrochemical reactions.

273.8 (h) "Greenhouse gas emissions" has the meaning given to "statewide greenhouse gas
273.9 emissions" in section 216H.01, subdivision 2.

273.10 (i) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender if
273.11 a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the
273.12 private lender.

273.13 (j) "Microgrid system" means an electrical grid that (1) serves a discrete geographical
273.14 area from distributed energy resources, and (2) can operate independently from the central
273.15 electric grid on a temporary basis.

273.16 (k) "Qualified project" means a project, technology, product, service, or measure
273.17 predominantly focused on clean energy, electrification, or energy or climate resilience as
273.18 follows:

273.19 (1) a project, technology, product, service, or measure that:

273.20 (i) results in the reduction of energy use while providing the same level of service or
273.21 output obtained before the project, technology, product, service, function, or measure was
273.22 applied;

273.23 (ii) shifts the use of electricity by retail customers in response to changes in the price of
273.24 electricity that vary over time or provides other incentives designed to shift electricity
273.25 demand from times when market prices are high or when system reliability is jeopardized;
273.26 or

273.27 (iii) significantly reduces greenhouse gas emissions relative to greenhouse gas emissions
273.28 produced before the project is implemented, excluding projects that generate power from
273.29 the combustion of fossil fuels;

273.30 (2) the development, construction, deployment, alteration, or repair of any:

273.31 (i) project, technology, product, service, or measure that generates electric power from
273.32 renewable energy; or

274.1 (ii) distributed generation system, energy storage system, smart grid technology, microgrid
274.2 system, fuel cell system, or combined heat and power system;

274.3 (3) the installation, construction, or use of end-use electric technology that replaces
274.4 existing fossil-fuel-based technology;

274.5 (4) a project, technology, product, service, or measure that supports the development
274.6 and deployment of electric vehicle charging stations and associated infrastructure;

274.7 (5) a project that reduces net greenhouse gas emissions or improves climate resiliency,
274.8 including but not limited to reforestation, afforestation, forestry management, and
274.9 regenerative agriculture;

274.10 (6) the construction or enhancement of infrastructure that is planned, designed, and
274.11 operated in a manner that anticipates, prepares for, and adapts to current and projected
274.12 changing climate conditions so that the infrastructure withstands, responds to, and more
274.13 readily recovers from disruptions caused by the current and projected changing climate
274.14 conditions; and

274.15 (7) the development, construction, deployment, alteration, or repair of any project,
274.16 technology, product, service, or measure that: (i) reduces water use while providing the
274.17 same or better level and quality of service or output that was obtained before implementing
274.18 the water-saving approach; or (ii) protects, restores, or preserves the quality of groundwater
274.19 and surface waters, including but not limited to actions that further the purposes of the Clean
274.20 Water Legacy Act, as provided in section 114D.10, subdivision 1.

274.21 (l) "Regenerative agriculture" means farming methods that reduce agriculture's
274.22 contribution to climate change by increasing the soil's ability to absorb atmospheric carbon
274.23 and convert the atmospheric carbon to soil carbon.

274.24 (m) "Renewable energy" has the meaning given in section 216B.2422 and includes fuel
274.25 cells generated from renewable energy.

274.26 (n) "Smart grid" means a digital technology that (1) allows for two-way communication
274.27 between a utility and the utility's customers, and (2) enables the utility to control power
274.28 flow and load in real time.

274.29 Subd. 2. **Establishment; purpose.** (a) By September 1, 2022, the department must
274.30 establish and convene a Minnesota Innovation Finance Authority Advisory Task Force.

274.31 (b) By February 1, 2023, the Minnesota Innovation Finance Authority Advisory Task
274.32 Force convened by the department must establish the Minnesota innovation finance authority
274.33 as a nonprofit corporation, including the development of the nonprofit board under chapter

275.1 317A, and must seek designation as a charitable tax-exempt organization under section
275.2 501(c)(3) of the Internal Revenue Code of 1986, as amended. The advisory task force must
275.3 engage independent legal counsel with relevant experience in nonprofit corporate law to
275.4 help establish the nonprofit corporation. The nonprofit corporation must be governed by a
275.5 board of directors.

275.6 (c) The authority must establish bylaws, subject to the prior approval by the
275.7 commissioner.

275.8 (d) The initial board of directors must include at least a majority of the members of the
275.9 advisory task force established under subdivision 5.

275.10 (e) When incorporated, the authority must serve as an independent, nonprofit corporation
275.11 for public benefit whose purpose is to (1) promote investments in qualified clean energy,
275.12 efficiency, electrification, and other climate-mitigation-related projects, and (2) accelerate
275.13 the deployment of qualified projects by reducing the up-front and total cost of adoption.
275.14 The authority may achieve the purposes under this paragraph by leveraging public sources
275.15 and additional private sources of capital through the strategic deployment of public money
275.16 in the form of loans, credit enhancements, and other financing mechanisms, along with
275.17 strategies that stimulate demand.

275.18 (f) The authority must:

275.19 (1) identify underserved markets for qualified projects in Minnesota, develop programs
275.20 to overcome market impediments, and provide access to financing to serve the projects and
275.21 underserved markets;

275.22 (2) except in cases of projects within identified disadvantaged communities, as determined
275.23 by the commissioner, that may limit an investment, strategically prioritize money to leverage
275.24 private investment in qualified projects, achieving a high ratio of private to public money
275.25 invested through funding mechanisms that support, enhance, and complement private
275.26 investment;

275.27 (3) coordinate with existing government- and utility-based programs to ensure (i) the
275.28 most effective use of the authority's resources, (ii) that financing terms and conditions
275.29 offered are well-suited to qualified projects, (iii) coordination of communication with respect
275.30 to all financing options under this section and other state and utility programs, and (iv) the
275.31 authority's activities add to and complement the efforts of state and utility partners;

275.32 (4) serve as an informational resource for contractors interested in installing qualified
275.33 projects by forming partnerships with and educating contractors regarding the authority's

276.1 financing programs and coordinating multiple contractors on projects that install multiple
276.2 qualifying technologies;

276.3 (5) develop innovative and inclusive marketing strategies to stimulate project owner
276.4 interest in targeted underserved markets;

276.5 (6) serve as a financial resource to reduce the up-front and total costs to borrowers;

276.6 (7) prioritize projects that maximize greenhouse gas emission reductions or address
276.7 disparities in access to clean energy projects for underserved communities;

276.8 (8) ensure that workers employed by contractors and subcontractors performing
276.9 construction work on projects over \$100,000, financed all or in part by the authority, are
276.10 paid wages not less than the prevailing wage on similar construction projects in the applicable
276.11 locality;

276.12 (9) develop rules, policies, and procedures specifying borrower eligibility and other
276.13 terms and conditions for financial support offered by the fund that must be met before
276.14 financing support is provided for any qualified clean energy project;

276.15 (10) develop and administer (i) policies to collect reasonable fees for authority services,
276.16 and (ii) risk management activities that are sufficient to support ongoing authority activities;

276.17 (11) subject to review by the department, develop and adopt a work plan to accomplish
276.18 all of the activities required of the authority and update the work plan on an annual basis;

276.19 (12) develop consumer protection standards governing the authority's investments to
276.20 ensure the authority and partners provide financial support in a responsible and transparent
276.21 manner that is in the financial interest of participating project owners and serves the defined
276.22 underserved markets and disadvantaged communities; or

276.23 (13) establish and maintain an online and mobile-access portal that provides access to
276.24 all authority programs and financial products, including rates, terms, and conditions of all
276.25 financing support programs, unless disclosure of the information constitutes a trade secret
276.26 or confidential commercial or financial information.

276.27 Subd. 3. **Additional department responsibilities.** In addition to the responsibilities
276.28 listed in this chapter, the department must:

276.29 (1) review consumer protection standards established by the authority; and

276.30 (2) provide standard state oversight to money appropriated under this section.

276.31 Subd. 4. **Additional authorized activities.** The authority is authorized to:

277.1 (1) engage in any activities of a Minnesota nonprofit corporation operating under chapter
277.2 317A;

277.3 (2) develop and employ financing methods to support qualified projects, including:

277.4 (i) credit enhancement mechanisms that reduce financial risk for private lenders by
277.5 providing assurance that a limited portion of a loan is assumed by the fund via a loan loss
277.6 reserve, loan guarantee, or other mechanism;

277.7 (ii) co-investment, where the fund invests directly in a clean energy project by providing
277.8 senior or subordinated debt, equity, or other mechanisms in conjunction with a private
277.9 financier's investment; and

277.10 (iii) serving as an aggregator of many small and geographically dispersed qualified
277.11 projects, where the authority may provide direct lending, investment, or other financial
277.12 support in order to diversify risk; and

277.13 (3) seek to qualify as a community development financial institution under United States
277.14 Code, title 12, section 4702, in which case the authority must be treated as a qualified
277.15 community development entity for the purposes of sections 45D and 1400(m) of the Internal
277.16 Revenue Code.

277.17 Subd. 5. **Advisory task force; membership.** (a) The Minnesota Innovation Finance
277.18 Authority Advisory Task Force is established and consists of 15 members as follows:

277.19 (1) the commissioner of commerce or the commissioner's designee, who serves as chair
277.20 of the advisory task force;

277.21 (2) the commissioner of employment and economic development or the commissioner's
277.22 designee;

277.23 (3) the commissioner of the Pollution Control Agency or the commissioner's designee;

277.24 (4) the commissioner of agriculture or the commissioner's designee;

277.25 (5) two additional members appointed by the governor;

277.26 (6) two additional members appointed by the speaker of the house;

277.27 (7) two additional members appointed by the president of the senate; and

277.28 (8) five members that have extensive life or work experience within economically
277.29 disadvantaged communities that the authority aims to serve, appointed by the governor and
277.30 the commissioners identified in clauses (1) to (4).

278.1 (b) The members appointed to the advisory task force under paragraph (a), clauses (6)
278.2 and (7), must have expertise in matters relating to energy conservation, clean energy,
278.3 economic development, banking, law, finance, or other matters relevant to the work of the
278.4 advisory task force.

278.5 (c) When appointing a member to the advisory task force, consideration must be given
278.6 to whether the advisory task force members collectively reflect the geographical and ethnic
278.7 diversity of Minnesota.

278.8 (d) Members of the advisory task force must abide by the conflict of interest provisions
278.9 in section 43A.38.

278.10 (e) In order to ensure participation, the commissioner may provide a nominal grant to
278.11 any advisory task force member that demonstrates financial need in order to participate.

278.12 Subd. 6. **Report; audit.** Beginning February 1, 2024, the authority must annually submit
278.13 a comprehensive report on the authority's activities for the previous fiscal year to the governor
278.14 and the chairs and ranking minority members of the legislative committees with primary
278.15 jurisdiction over energy policy. The report must contain, at a minimum, information on:

278.16 (1) the amount of authority capital invested, itemized by project type;

278.17 (2) the amount of private capital leveraged as a result of authority investments, itemized
278.18 by project type;

278.19 (3) the number of qualified projects supported, itemized by project type and location
278.20 within Minnesota;

278.21 (4) the estimated number of jobs created and tax revenue generated as a result of the
278.22 authority's activities;

278.23 (5) the number of clean energy projects financed in low- and moderate-income
278.24 households; and

278.25 (6) the authority's financial statements.

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

278.27 Sec. 13. **[216C.46] ENERGY ALLEY START-UP FUND.**

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

279.1 (b) "Decarbonization technology" means a technology whose implementation results in
279.2 a reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision
279.3 2.

279.4 (c) "Emerging energy technology" means carbon-reducing energy technologies, systems,
279.5 or practices that are not yet at the commercialization stage.

279.6 (d) "Qualified equity business" means a minority-, women-, or veteran-owned business,
279.7 as the terms are defined in section 116J.8737.

279.8 (e) "Qualified greater Minnesota business" means a business that is certified by the
279.9 commissioner as a qualified small business and as a qualified greater Minnesota business
279.10 under section 116J.8737, subdivision 2.

279.11 Subd. 2. **Establishment; purpose.** An energy alley start-up fund account is established
279.12 in the Department of Commerce to provide loans and grants to qualified businesses to:

279.13 (1) promote the start-up, expansion, and attraction of emerging energy technologies and
279.14 businesses within Minnesota; and

279.15 (2) stimulate other innovative decarbonization technology projects that are capable of
279.16 being developed at a large scale.

279.17 Subd. 3. **Account established.** An energy alley start-up fund account is established in
279.18 the special revenue fund in the state treasury. Earnings, including interest, dividends, and
279.19 any other earnings arising from assets of the account, must be credited to the account.
279.20 Nonstate money obtained by the commissioner for the purposes of this section must be
279.21 credited to the account. The commissioner must manage the account. Money in the account
279.22 is appropriated to the commissioner for the purposes of this section and must be expended
279.23 only as provided in this section.

279.24 Subd. 4. **Nonstate contributions; influence prohibited.** (a) The commissioner must
279.25 ensure any nonstate money deposited in the account, and the sources of nonstate money,
279.26 have no influence over (1) awarding grants or loans, or (2) other activities conducted under
279.27 this section.

279.28 (b) The commissioner may retain no more than three percent annually of money credited
279.29 to the account for the department's administrative expenses.

279.30 Subd. 5. **Allocation of funds.** Money in the account must be allocated as follows:

279.31 (1) at least 50 percent to qualified greater Minnesota businesses or qualified equity
279.32 businesses;

280.1 (2) up to 65 percent to establish a low-interest loan fund and loan loss reserve;

280.2 (3) at least 35 percent to provide grants under this section.

280.3 Subd. 6. **Loans.** (a) Loan recipients must repay loan amounts awarded under this section
280.4 by the end of the loan term. Loan repayment amounts must be credited to the account. The
280.5 department may use up to ten percent of the low-interest land funds or 6.5 percent of total
280.6 money available, whichever is greater, under this section to: (1) establish a loan loss reserve
280.7 in order to leverage additional investments; (2) ensure funding for emerging, innovative
280.8 energy products; and (3) ensure accessibility by small businesses.

280.9 (b) No loans may be awarded under this section after June 30, 2025.

280.10 Subd. 7. **Application process.** (a) An application for a grant or loan under this section
280.11 must be made to the commissioner on a form developed by the commissioner.

280.12 (b) An application made under this section must be evaluated by the investment committee
280.13 established under subdivision 10.

280.14 (c) The commissioner must develop administrative procedures necessary to implement
280.15 this section.

280.16 Subd. 8. **Grant awards; limitations.** (a) The commissioner must award grants under
280.17 this section to eligible applicants through a competitive process.

280.18 (b) An eligible entity must be (1) located in Minnesota, or (2) able to demonstrate how
280.19 the grant directly and significantly benefits Minnesotans in a manner that meets criteria
280.20 established by the commissioner.

280.21 Subd. 9. **Technical advisory committee; membership.** (a) The commissioner must
280.22 establish and appoint members to the technical advisory committee to assist in the
280.23 development of criteria governing the award of grants under this section. The technical
280.24 advisory committee must have expertise in energy research and development, energy
280.25 conservation, clean energy technology development, economic development, or energy
280.26 project financing.

280.27 (b) The commissioner must appoint members to the technical advisory committee who
280.28 collectively reflect the geographic and ethnic diversity of Minnesota.

280.29 (c) Members of the technical advisory committee must comply with the conflicts of
280.30 interest provisions under section 43A.38.

280.31 Subd. 10. **Investment committee; duties; membership.** (a) The commissioner, in
280.32 consultation with the commissioner of employment and economic development, must

281.1 establish and appoint members to an investment committee to review and recommend
281.2 applications for grant and loan awards under this section.

281.3 (b) The investment committee must consist of seven members with expertise and
281.4 experience in investments and finance. The commissioner or the commissioner's designee,
281.5 and the commissioner of employment and economic development or the commissioner of
281.6 employment and economic development's designee, must serve as members of the investment
281.7 committee. The commissioner or the commissioner's designee serves as chair of the
281.8 investment committee.

281.9 (c) The commissioner must appoint members of the investment committee who
281.10 collectively reflect the geographic and ethnic diversity of Minnesota.

281.11 (d) Members of the investment committee must comply with the conflicts of interest
281.12 provisions under section 43A.38. Entities represented by members of the investment
281.13 committee are ineligible to receive grants under this section.

281.14 Subd. 11. **Annual report; audit.** On or before February 15, 2024, and by February 15
281.15 each year thereafter, the commissioner must report on the activities of the fund for the
281.16 preceding calendar year to the chairs and ranking minority members of the senate and house
281.17 of representatives committees with jurisdiction over energy finance and policy and economic
281.18 development finance. The report must include but is not limited to information specifying:

281.19 (1) the number of applications for funding received;

281.20 (2) the number of applications selected for grants and loans;

281.21 (3) the total amount of grants and loans issued in the previous year and to date, itemized
281.22 by project type; and

281.23 (4) a complete operating and financial statement covering the fund's operations for the
281.24 preceding year.

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

281.26 Sec. 14. **[216C.47] GRANTS FOR RENEWABLE INTEGRATION AND**
281.27 **DEMONSTRATION.**

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

281.30 (b) "Grid modernization" means:

281.31 (1) enhancing electric grid service quality and reliability;

282.1 (2) improving the security of the electric grid and critical infrastructure against
282.2 cyberthreats and physical threats; and

282.3 (3) increasing energy conservation opportunities by facilitating communication between
282.4 the utility and the utility's customers through the use of two-way meters, control technologies,
282.5 energy storage and microgrids, technologies that enable demand flexibility, and other
282.6 innovative technologies.

282.7 (c) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,
282.8 paragraph (c).

282.9 Subd. 2. **Establishment; purpose.** A grants for renewable integration and demonstration
282.10 program is established in the department. The purpose of the program is to provide grants
282.11 for projects to:

282.12 (1) stimulate research, deployment, and grid integration of renewable electric energy
282.13 technologies;

282.14 (2) encourage grid modernization, including but not limited to projects that implement
282.15 electricity storage, generation control, load control, and smart meter technology; and

282.16 (3) stimulate other innovative energy projects that (i) reduce demand, and (ii) increase
282.17 system efficiency and flexibility to benefit customers of the utility that owns nuclear
282.18 generating units in Minnesota.

282.19 Subd. 3. **Program account.** A grants for renewable integration and demonstration
282.20 program account is established as a separate account in the special revenue fund in the state
282.21 treasury.

282.22 Subd. 4. **Expenditures.** Money in the account may be used only:

282.23 (1) for grant awards made under this section;

282.24 (2) for costs to procure technical evaluation services; and

282.25 (3) to pay reasonable costs incurred by the department to administer this section.

282.26 Subd. 5. **Eligibility.** The commissioner must determine whether a project is eligible for
282.27 a grant under this section. When evaluating a project for approval, the commissioner must
282.28 consider:

282.29 (1) diversity, equity, and inclusion;

282.30 (2) greenhouse gas emissions;

282.31 (3) resiliency value;

283.1 (4) grid security;

283.2 (5) jobs and economic development; and

283.3 (6) other potential benefits to Minnesota citizens and businesses, ratepayers receiving
283.4 electric service from the utility that owns a nuclear-powered electric generating plant in
283.5 Minnesota, the Prairie Island Indian community, or Prairie Island Indian community
283.6 members.

283.7 Subd. 6. **Reporting.** (a) A project that receives money from a grant approved under this
283.8 section must produce a written final report that includes sufficient detail for technical readers
283.9 and a clearly written summary for nontechnical readers. The report must include an evaluation
283.10 of the project's financial, environmental, and other benefits to Minnesota and the public
283.11 utility's ratepayers.

283.12 (b) Final reports, any project status reports, and grants for renewable integration and
283.13 demonstration program balances must be posted on a public website designated by the
283.14 commissioner.

283.15 (c) All final reports must acknowledge that the project was made possible in whole or
283.16 part by the Minnesota renewable development account, noting that the account is financed
283.17 by the public utility's ratepayers.

283.18 (d) By February 15 each year, the commissioner must report to the chairs and ranking
283.19 minority members of the legislative committees with primary jurisdiction over energy
283.20 regarding: (1) grants issued under this section during the previous calendar year; and (2)
283.21 any remaining balance available under this section.

283.22 Subd. 7. **Gifts; grants; donations.** The program may accept gifts and grants on behalf
283.23 of the state that constitute donations to the state. Money received under this subdivision is
283.24 appropriated to the commissioner of commerce to support the program under this section.

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

283.26 Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 7, is amended to read:

283.27 **Subd. 7. Considerations in designating sites and routes.** (a) The commission's site
283.28 and route permit determinations must be guided by the state's goals to conserve resources,
283.29 minimize environmental impacts, minimize human settlement and other land use conflicts,
283.30 and ensure the state's electric energy security through efficient, cost-effective power supply
283.31 and electric transmission infrastructure.

284.1 (b) To facilitate the study, research, evaluation, and designation of sites and routes, the
284.2 commission shall be guided by, but not limited to, the following considerations:

284.3 (1) evaluation of research and investigations relating to the effects on land, water and
284.4 air resources of large electric power generating plants and high-voltage transmission lines
284.5 and the effects of water and air discharges and electric and magnetic fields resulting from
284.6 such facilities on public health and welfare, vegetation, animals, materials and aesthetic
284.7 values, including baseline studies, predictive modeling, and evaluation of new or improved
284.8 methods for minimizing adverse impacts of water and air discharges and other matters
284.9 pertaining to the effects of power plants on the water and air environment;

284.10 (2) environmental evaluation of sites and routes proposed for future development and
284.11 expansion and their relationship to the land, water, air and human resources of the state;

284.12 (3) evaluation of the effects of new electric power generation and transmission
284.13 technologies and systems related to power plants designed to minimize adverse environmental
284.14 effects;

284.15 (4) evaluation of the potential for beneficial uses of waste energy from proposed large
284.16 electric power generating plants;

284.17 (5) analysis of the direct and indirect economic impact of proposed sites and routes
284.18 including, but not limited to, productive agricultural land lost or impaired;

284.19 (6) evaluation of adverse direct and indirect environmental effects that cannot be avoided
284.20 should the proposed site and route be accepted;

284.21 (7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant
284.22 to subdivisions 1 and 2;

284.23 (8) evaluation of potential routes that would use or parallel existing railroad and highway
284.24 rights-of-way;

284.25 (9) evaluation of governmental survey lines and other natural division lines of agricultural
284.26 land so as to minimize interference with agricultural operations;

284.27 (10) evaluation of the future needs for additional high-voltage transmission lines in the
284.28 same general area as any proposed route, and the advisability of ordering the construction
284.29 of structures capable of expansion in transmission capacity through multiple circuiting or
284.30 design modifications;

284.31 (11) evaluation of irreversible and irretrievable commitments of resources should the
284.32 proposed site or route be approved; ~~and~~

285.1 (12) when appropriate, consideration of problems raised by other state and federal
285.2 agencies and local entities;

285.3 (13) evaluation of the benefits of the proposed facility with respect to protecting and
285.4 enhancing environmental quality, and to the reliability of state and regional energy supplies;

285.5 (14) evaluation of the proposed facility's impact on socioeconomic factors; and

285.6 (15) evaluation of the proposed facility's employment and economic impacts in the
285.7 vicinity of the facility site and throughout the state, including the quantity and quality of
285.8 construction and permanent jobs and the jobs' compensation levels. The commission must
285.9 consider a facility's local employment and economic impacts, and may reject or place
285.10 conditions on a site or route permit based on the factors under this clause.

285.11 (c) If the commission's rules are substantially similar to existing regulations of a federal
285.12 agency to which the utility in the state is subject, the federal regulations must be applied by
285.13 the commission.

285.14 (d) No site or route shall be designated which violates state agency rules.

285.15 (e) The commission must make specific findings that it has considered locating a route
285.16 for a high-voltage transmission line on an existing high-voltage transmission route and the
285.17 use of parallel existing highway right-of-way and, to the extent those are not used for the
285.18 route, the commission must state the reasons.

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

285.20 Sec. 16. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:

285.21 Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site
285.22 selection standards and criteria established in this section and in rules adopted by the
285.23 commission. When the commission designates a site, it shall issue a site permit to the
285.24 applicant with any appropriate conditions. The commission shall publish a notice of its
285.25 decision in the State Register within 30 days of issuance of the site permit.

285.26 (b) No route permit shall be issued in violation of the route selection standards and
285.27 criteria established in this section and in rules adopted by the commission. When the
285.28 commission designates a route, it shall issue a permit for the construction of a high-voltage
285.29 transmission line specifying the design, routing, right-of-way preparation, and facility
285.30 construction it deems necessary, and with any other appropriate conditions. The commission
285.31 may order the construction of high-voltage transmission line facilities that are capable of
285.32 expansion in transmission capacity through multiple circuiting or design modifications. The

286.1 commission shall publish a notice of its decision in the State Register within 30 days of
286.2 issuance of the permit.

286.3 (c) No site permit may be issued under this chapter for a large electric power generating
286.4 plant, including the modification of a site permit for a repowering project, as defined in
286.5 section 216B.243, subdivision 8, paragraph (b), unless the applicant certifies to the
286.6 commission in writing that all employees who perform construction work on the large
286.7 electric power generating plant, including the employees of contractors and subcontractors,
286.8 are paid no less than the prevailing wage, as defined in section 177.42.

286.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
286.10 applies to a site permit, or the modification of a site permit for a repowering project, whose
286.11 application is filed with the commission on or after that date.

286.12 Sec. 17. Minnesota Statutes 2020, section 216F.04, is amended to read:

286.13 **216F.04 SITE PERMIT.**

286.14 (a) No person may construct an LWECS without a site permit issued by the Public
286.15 Utilities Commission.

286.16 (b) Any person seeking to construct an LWECS shall submit an application to the
286.17 commission for a site permit in accordance with this chapter and any rules adopted by the
286.18 commission. The permitted site need not be contiguous land.

286.19 (c) The commission shall make a final decision on an application for a site permit for
286.20 an LWECS within 180 days after acceptance of a complete application by the commission.
286.21 The commission may extend this deadline for cause.

286.22 (d) The commission may place conditions in a permit and may deny, modify, suspend,
286.23 or revoke a permit.

286.24 (e) No site permit may be issued for an LWECS with a combined nameplate capacity
286.25 of 25,000 kilowatts or more under this chapter, including the modification of a site permit
286.26 for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b),
286.27 unless the applicant certifies in writing to the commission that all employees who perform
286.28 construction work on the LWECS, including the employees of contractors and subcontractors,
286.29 are paid no less than the prevailing wage, as defined in section 177.42.

286.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and
286.31 applies to a site permit, or the modification of a site permit for a repowering project, whose
286.32 application is filed with the commission on or after that date.

ARTICLE 24

GREENHOUSE GAS EMISSIONS

287.1

287.2

287.3 Section 1. Minnesota Statutes 2020, section 216B.2422, subdivision 3, is amended to read:

287.4 Subd. 3. **Environmental costs.** (a) The commission shall, ~~to the extent practicable~~ using

287.5 the best available scientific and economic information and data, quantify and establish a

287.6 range of environmental costs associated with each method of electricity generation. The

287.7 commission must (1) adopt and apply the interim cost of greenhouse gas emissions valuations

287.8 presented in Technical Support Document: Social Cost of Carbon, Methane, and Nitrous

287.9 Oxide Interim Estimates, released by the federal government in February 2021, adopting

287.10 the 300-year time horizon and the full range of discount rates from 2.5 to five percent, with

287.11 three percent as the central estimate; and (2) update the parameters as necessary to conform

287.12 with updates released by the federal Interagency Working Group on the Social Cost of

287.13 Greenhouse Gases, or the working group's successors, that are above the February 2021

287.14 interim valuations.

287.15 (b) When evaluating and selecting resource options in all proceedings before the

287.16 commission, including but not limited to proceedings regarding power purchase agreements,

287.17 resource plans, and certificates of need, a utility shall must use the values established by

287.18 the commission in conjunction with other external factors, including socioeconomic costs,

287.19 when evaluating and selecting resource options in all proceedings before the commission,

287.20 including resource plan and certificate of need proceedings. under this subdivision to quantify

287.21 and monetize greenhouse gas and other emissions from the full lifecycle of fuels used for

287.22 in-state or imported electricity generation, including extraction, processing, transport, and

287.23 combustion.

287.24 (c) When evaluating resource options, the commission must include and consider the

287.25 environmental cost values adopted under this subdivision. When considering the costs of a

287.26 nonrenewable energy facility under this section, the commission must consider only nonzero

287.27 values for the environmental costs analyzed under this subdivision, including both the low

287.28 and high values of any cost range adopted by the commission.

287.29 ~~(b) The commission shall establish interim environmental cost values associated with~~

287.30 ~~each method of electricity generation by March 1, 1994. These values expire on the date~~

287.31 ~~the commission establishes environmental cost values under paragraph (a).~~

287.32 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to dockets

287.33 initiated at the Public Utilities Commission on or after that date.

288.1 Sec. 2. **BUY CLEAN TASK FORCE.**

288.2 (a) No later than June 30, 2022, the commissioners of administration and transportation
288.3 must establish an environmental standards procurement task force to examine issues
288.4 surrounding the implementation of a program requiring vendors of certain construction
288.5 materials purchased by the state to:

288.6 (1) submit environmental product declarations that assess the lifecycle environmental
288.7 impacts of the construction materials to state officials as part of the procurement process;
288.8 and

288.9 (2) meet standards established by the commissioner of administration that limit
288.10 greenhouse gas emissions impacts of the construction materials.

288.11 (b) The task force must examine, at a minimum, the following issues:

288.12 (1) which construction materials should be subject to the program requirements;

288.13 (2) what factors should be considered in establishing greenhouse gas emissions standards;

288.14 (3) a schedule to develop standards for specific materials and incorporate the standards
288.15 into the purchasing process;

288.16 (4) the development and use of financial incentives to reward vendors for developing
288.17 products whose greenhouse gas emissions are below the standards;

288.18 (5) the provision of grants to defer a vendor's cost to obtain environmental product
288.19 declarations;

288.20 (6) how the issues in clauses (1) to (5) are addressed by existing programs in other states
288.21 and countries; and

288.22 (7) any other issues the task force deems relevant.

288.23 (c) The advisory committee must include two members of the house of representatives
288.24 appointed by the speaker of the house of representatives and two members of the senate
288.25 appointed by the senate majority leader. The commissioners of administration and
288.26 transportation must appoint additional members of the advisory committee, who must include
288.27 but may not be limited to representatives of:

288.28 (1) the Departments of Administration and Transportation;

288.29 (2) the Center for Sustainable Building Research at the University of Minnesota;

288.30 (3) manufacturers of eligible materials;

288.31 (4) suppliers of eligible materials;

289.1 (5) building and transportation construction firms;

289.2 (6) organized labor in the construction trades;

289.3 (7) organized labor representing materials manufacturing workers; and

289.4 (8) environmental advocacy organizations.

289.5 (d) The Department of Administration must provide meeting space and serve as staff to
289.6 the advisory committee.

289.7 (e) The commissioner of administration, or the commissioner's designee, shall serve as
289.8 chair of the advisory committee. The advisory committee must meet at least four times
289.9 annually and must convene additional meetings at the call of the chair.

289.10 (f) The commissioner of administration must summarize the findings and
289.11 recommendations of the task force in a report submitted to the chairs and ranking minority
289.12 members of the senate and house of representatives committees with primary jurisdiction
289.13 over state government, transportation, and energy no later than January 1, 2023.

289.14 (g) The advisory committee is subject to section 15.059, subdivision 6.

289.15 (h) For the purposes of this section, "environmental product declaration" means a
289.16 supply-chain-specific type III environmental product declaration that:

289.17 (1) contains a lifecycle assessment of the environmental impacts of manufacturing a
289.18 specific product by a specific firm, including the impacts of extracting and producing the
289.19 raw materials and components that compose the product;

289.20 (2) is verified and registered by a third party; and

289.21 (3) meets the ISO 14025 standard developed and maintained by the International
289.22 Organization for Standardization (ISO).

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

289.24 **Sec. 3. LOCAL CLIMATE ACTION GRANT PROGRAM.**

289.25 **Subdivision 1. Definitions.** For the purpose of this section, the following terms have
289.26 the meanings given:

289.27 (1) "climate change" means a change in global or regional climate patterns associated
289.28 with increased levels of greenhouse gas emissions entering the atmosphere largely as a
289.29 result of human activity;

289.30 (2) "commissioner" means the commissioner of the Pollution Control Agency;

290.1 (3) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous
290.2 oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that
290.3 trap heat in the atmosphere; and

290.4 (4) "political subdivision" means a county, home rule charter or statutory city, town, or
290.5 school district.

290.6 Subd. 2. **Establishment.** The commissioner must establish a local climate action grant
290.7 program in the Pollution Control Agency. The purpose of the program is to provide grants
290.8 to encourage political subdivisions to address climate change by developing and
290.9 implementing plans of action or creating new organizations and institutions to devise policies
290.10 and programs that:

290.11 (1) seek to mitigate the impacts of climate change on the political subdivision; or

290.12 (2) reduce the political subdivision's contributions to the causes of climate change.

290.13 Subd. 3. **Application.** (a) Application for a grant under this section must be made to the
290.14 commissioner on a form developed by the commissioner. The commissioner must develop
290.15 procedures to (1) solicit and review applications, and (2) award grants under this section.

290.16 (b) Eligible applicants for a grant under this section must be located in or conduct the
290.17 preponderance of the applicant's work in the locality where the grant activities are to take
290.18 place. Eligible applicants include political subdivisions, organizations that are exempt from
290.19 taxation under section 501(c)(3) of the Internal Revenue Code, and educational institutions.

290.20 Subd. 4. **Awarding grants.** When awarding grants under this section, the commissioner
290.21 must give preference to proposals that seek to involve a broad array of community residents,
290.22 organizations, and institutions in the political subdivision's efforts to address climate change.

290.23 Subd. 5. **Grant amounts.** (a) A grant awarded under this section must not exceed
290.24 \$50,000.

290.25 (b) A grant awarded under this section for activities taking place at a county-wide level
290.26 or in a city or town with a population that exceeds 20,000 must be matched 100 percent
290.27 with local funding.

290.28 (c) A grant awarded under this section for activities taking place in a city or town with
290.29 a population that is less than 20,000 or in a school district must be matched a minimum of
290.30 five percent with local funding or equivalent in-kind services.

290.31 Subd. 6. **Eligible expenditures.** Appropriations made to support the activities of this
290.32 section may be used only to:

- 291.1 (1) provide grants under this section; and
291.2 (2) reimburse the reasonable expenses incurred by the Pollution Control Agency to
291.3 administer the grant program.

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

291.5 **ARTICLE 25**
291.6 **MISCELLANEOUS**

291.7 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

291.8 Subdivision 1. **Renewable development account.** (a) The renewable development
291.9 account is established as a separate account in the special revenue fund in the state treasury.
291.10 Appropriations and transfers to the account shall be credited to the account. Earnings, such
291.11 as interest, dividends, and any other earnings arising from assets of the account, shall be
291.12 credited to the account. Funds remaining in the account at the end of a fiscal year are not
291.13 canceled to the general fund but remain in the account until expended. The account shall
291.14 be administered by the commissioner of management and budget as provided under this
291.15 section.

291.16 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
291.17 plant must transfer all funds in the renewable development account previously established
291.18 under this subdivision and managed by the public utility to the renewable development
291.19 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
291.20 that have not yet been expended and unencumbered funds required to be paid in calendar
291.21 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
291.22 to transfer under this paragraph.

291.23 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
291.24 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
291.25 plant must transfer to the renewable development account \$500,000 each year for each dry
291.26 cask containing spent fuel that is located at the Prairie Island power plant for each year the
291.27 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
291.28 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
291.29 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
291.30 part of a year.

291.31 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
291.32 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
291.33 plant must transfer to the renewable development account \$350,000 each year for each dry

292.1 cask containing spent fuel that is located at the Monticello nuclear power plant for each
292.2 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
292.3 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
292.4 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
292.5 any part of a year.

292.6 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
292.7 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
292.8 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

292.9 (f) If the commission approves a new or amended power purchase agreement, the
292.10 termination of a power purchase agreement, or the purchase and closure of a facility under
292.11 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
292.12 the public utility subject to this section shall enter into a contract with the city in which the
292.13 poultry litter plant is located to provide grants to the city for the purposes of economic
292.14 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
292.15 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
292.16 by the public utility from funds withheld from the transfer to the renewable development
292.17 account, as provided in paragraphs (b) and (e).

292.18 (g) If the commission approves a new or amended power purchase agreement, or the
292.19 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
292.20 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
292.21 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
292.22 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
292.23 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
292.24 30 days after the commission approves the new or amended power purchase agreement, or
292.25 the termination of the power purchase agreement, and on each June 1 thereafter through
292.26 2021, to assist the transition required by the new, amended, or terminated power purchase
292.27 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
292.28 to the renewable development account as provided in paragraphs (b) and (e).

292.29 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
292.30 and (g) is limited to the amount deposited into the renewable development account, and its
292.31 predecessor, the renewable development account, established under this section, that was
292.32 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
292.33 10.

293.1 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
293.2 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
293.3 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
293.4 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
293.5 in which the commission finds, by the preponderance of the evidence, that the public utility
293.6 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
293.7 permanent or interim storage site out of the state. This determination shall be made at least
293.8 every two years.

293.9 (j) Funds in the account may be expended only for any of the following purposes:

293.10 (1) to stimulate research and development of renewable electric energy technologies;

293.11 (2) to encourage grid modernization, including, but not limited to, projects that implement
293.12 electricity storage, load control, and smart meter technology; and

293.13 (3) to stimulate other innovative energy projects that reduce demand and increase system
293.14 efficiency and flexibility.

293.15 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
293.16 from the utility that owns a nuclear-powered electric generating plant in this state or the
293.17 Prairie Island Indian community or its members.

293.18 The utility that owns a nuclear generating plant is eligible to apply for grants under this
293.19 subdivision.

293.20 (k) For the purposes of paragraph (j), the following terms have the meanings given:

293.21 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
293.22 (c), clauses (1), (2), (4), and (5); and

293.23 (2) "grid modernization" means:

293.24 (i) enhancing the reliability of the electrical grid;

293.25 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
293.26 and

293.27 (iii) increasing energy conservation opportunities by facilitating communication between
293.28 the utility and its customers through the use of two-way meters, control technologies, energy
293.29 storage and microgrids, technologies to enable demand response, and other innovative
293.30 technologies.

293.31 (l) A renewable development account advisory group that includes, among others,
293.32 representatives of the public utility and its ratepayers, and includes at least one representative

294.1 of the Prairie Island Indian community appointed by that community's Tribal council, shall
294.2 develop recommendations on account expenditures. The advisory group must design a
294.3 request for proposal and evaluate projects submitted in response to a request for proposals.
294.4 The advisory group must utilize an independent third-party expert to evaluate proposals
294.5 submitted in response to a request for proposal, including all proposals made by the public
294.6 utility. A request for proposal for research and development under paragraph (j), clause (1),
294.7 may be limited to or include a request to higher education institutions located in Minnesota
294.8 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
294.9 projects may include a provision that exempts the projects from the third-party expert review
294.10 and instead provides for project evaluation and selection by a merit peer review grant system.
294.11 In the process of determining request for proposal scope and subject and in evaluating
294.12 responses to request for proposals, the advisory group must strongly consider, where
294.13 reasonable;

294.14 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;

294.15 and

294.16 (2) the proposer's commitment to increasing the diversity of the proposer's workforce
294.17 and vendors.

294.18 (m) The advisory group shall submit funding recommendations to the public utility,
294.19 which has full and sole authority to determine which expenditures shall be submitted by
294.20 the advisory group to the legislature. The commission may approve proposed expenditures,
294.21 may disapprove proposed expenditures that it finds not to be in compliance with this
294.22 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
294.23 modify proposed expenditures. The commission shall, by order, submit its funding
294.24 recommendations to the legislature as provided under paragraph (n).

294.25 (n) The commission shall present its recommended appropriations from the account to
294.26 the senate and house of representatives committees with jurisdiction over energy policy and
294.27 finance annually by February 15 following any year in which the commission has acted on
294.28 recommendations submitted by the advisory group and the public utility. Expenditures from
294.29 the account must be appropriated by law. In enacting appropriations from the account, the
294.30 legislature:

294.31 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
294.32 a project recommended by the commission; and

294.33 (2) may not appropriate money for a project the commission has not recommended
294.34 funding.

295.1 (o) A request for proposal for renewable energy generation projects must, when feasible
295.2 and reasonable, give preference to projects that are most cost-effective for a particular energy
295.3 source.

295.4 (p) The advisory group must annually, by February 15, report to the chairs and ranking
295.5 minority members of the legislative committees with jurisdiction over energy policy on
295.6 projects funded by the account for the prior year and all previous years. The report must,
295.7 to the extent possible and reasonable, itemize the actual and projected financial benefit to
295.8 the public utility's ratepayers of each project.

295.9 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of
295.10 management and budget shall submit a written report regarding the availability of funds in
295.11 and obligations of the account to the chairs and ranking minority members of the senate
295.12 and house committees with jurisdiction over energy policy and finance, the public utility,
295.13 and the advisory group.

295.14 (r) A project receiving funds from the account must produce a written final report that
295.15 includes sufficient detail for technical readers and a clearly written summary for nontechnical
295.16 readers. The report must include an evaluation of the project's financial, environmental, and
295.17 other benefits to the state and the public utility's ratepayers. A project receiving money from
295.18 the account must submit a report that meets the requirements of section 216C.51, subdivisions
295.19 3 and 4, each year the project funded by the account is in progress.

295.20 (s) Final reports, any mid-project status reports, and renewable development account
295.21 financial reports must be posted online on a public website designated by the commissioner
295.22 of commerce.

295.23 (t) All final reports must acknowledge that the project was made possible in whole or
295.24 part by the Minnesota renewable development account, noting that the account is financed
295.25 by the public utility's ratepayers.

295.26 (u) Of the amount in the renewable development account, priority must be given to
295.27 making the payments required under section 216C.417.

295.28 **Sec. 2. [216C.391] MINNESOTA STATE COMPETITIVENESS FUND.**

295.29 **Subdivision 1. Establishment; purpose.** (a) A state competitiveness fund account is
295.30 created in the special revenue fund of the state treasury. The commissioner must credit to
295.31 the account appropriations and transfers to the account. Earnings, such as interest, dividends,
295.32 and any other earnings arising from assets of the account, must be credited to the account.

296.1 Money remaining in the account at the end of a fiscal year does not cancel to the general
296.2 fund but remains in the account until expended. The commissioner must manage the account.

296.3 (b) The money in the account must be used to:

296.4 (1) meet requirements to match federal funds awarded to the state by the United States

296.5 Department of Energy or another federal entity;

296.6 (2) increase Minnesota's ability to successfully compete for federal funds;

296.7 (3) assist eligible entities to access available federal funds; or

296.8 (4) pay the reasonable costs incurred by the department to:

296.9 (i) pursue and administer energy-related federal funds; and

296.10 (ii) assist eligible grantees in the pursuit and management of energy-related federal

296.11 funds.

296.12 (c) State matching grants may be awarded to eligible entities, as defined by the federal

296.13 fund source, with priority given in the following order:

296.14 (1) federal formula funds directed to the state that require a match;

296.15 (2) federal formula or competitive funds in which a state match allows disadvantaged

296.16 communities, utilities, or businesses to be competitive in the pursuit of funding; and

296.17 (3) all other competitive or formula grant opportunities in which matching state funds

296.18 enhance or enable federal dollars to be leveraged.

296.19 (d) By August 1, 2022, the department must establish and convene a Minnesota State

296.20 Competitiveness Fund Advisory Task Force.

296.21 (e) By October 1, 2022, the advisory task force must develop administrative procedures

296.22 governing the determination of state grants so that the grant money is prioritized, to the

296.23 extent practicable, in an equitable manner.

296.24 **Subd. 2. Advisory task force; membership.** (a) The Minnesota State Competitiveness

296.25 Fund Advisory Task Force is established and consists of 13 members as follows:

296.26 (1) the commissioner of commerce or the commissioner's designee, who serves as a

296.27 nonvoting chair of the advisory task force;

296.28 (2) the chair of the house of representatives committee having jurisdiction over energy

296.29 finance and policy or the chair's designee;

297.1 (3) the chair of the senate committee having jurisdiction over energy finance and policy
297.2 or the chair's designee;

297.3 (4) the chair of the Public Utilities Commission or the chair's designee, as a nonvoting
297.4 member; and

297.5 (5) nine members determined by the commissioner and chairs that represent the following
297.6 interests and entities:

297.7 (i) two members representing Minnesota utilities;

297.8 (ii) one member representing labor;

297.9 (iii) two members representing energy justice, rural, low-income, or historically
297.10 disadvantaged communities;

297.11 (iv) one member representing clean energy businesses;

297.12 (v) one member representing manufacturing;

297.13 (vi) one member representing higher education; and

297.14 (vii) one member with policy or implementation expertise on workforce development
297.15 for displaced energy workers or persons from low-income or environmental justice
297.16 communities.

297.17 (b) A voting member serving on the Minnesota State Competitiveness Fund Advisory
297.18 Task Force and the voting member's respective organization are ineligible from receiving
297.19 state matching funds authorized under this section. A nominal stipend may be provided
297.20 from grant funds to participating members who would otherwise be unable to attend.

297.21 Subd. 3. **Report; audit.** Beginning February 15, 2024, and each year thereafter until
297.22 February 15, 2035, the commissioner must report to the chairs and ranking minority members
297.23 of the legislative committees with jurisdiction over energy finance and policy regarding:
297.24 (1) grants and amounts awarded under this section during the previous year; and (2) the
297.25 remaining balance available under this section and any additional funding opportunities
297.26 that require additional funding beyond the remaining balance.

297.27 Sec. 3. **[216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANTS; PILOT**
297.28 **PROGRAM.**

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

298.1 (b) "Contractor" means a person licensed under section 326B.33 to perform work required
298.2 under this section, or the licensed person's employer.

298.3 (c) "Electric panel" means a panel, including any subpanels, that consists of a main
298.4 circuit breaker that regulates several other circuit breakers to prevent overloading and
298.5 distributes electricity throughout a building.

298.6 (d) "Income eligible" means:

298.7 (1) a single-family residence whose residents received assistance from the federal
298.8 Low-Income Home Energy Assistance Program during the most recent program year or
298.9 who the commissioner determines are eligible to receive assistance under the federal
298.10 Low-Income Home Energy Assistance Program; or

298.11 (2) a multifamily building in which at least 66 percent of the units are occupied by
298.12 households whose income is 60 percent or less of the state median individual or household
298.13 income, as applicable.

298.14 (e) "Multifamily building" means a building that contains two or more units.

298.15 (f) "Phase I" means the phase of the program established in this section that begins when
298.16 the first grant application is received by the department and ends the later of one year after
298.17 the date the first grant application is received or when 40 percent of funds appropriated to
298.18 the program have been expended.

298.19 (g) "Phase II" means the phase of the program established in this section that begins
298.20 when Phase I terminates and ends when the appropriation made under article 1, section 2,
298.21 subdivision 2, paragraph (d), is exhausted.

298.22 (h) "Single-family residence" means a building that contains one unit or a manufactured
298.23 home, as defined in section 327.31, subdivision 6.

298.24 (i) "Unit" means a residential living space occupied by an individual or a household.

298.25 (j) "Upgrade" means:

298.26 (1) for a single-family residence:

298.27 (i) the installation of equipment or devices required to bring an electrical panel to a total
298.28 rating of not less than 200 amperes; and

298.29 (ii) the repair or replacement of the wiring attached to the equipment or devices in item
298.30 (i) to ensure safe operation; or

298.31 (2) for a multifamily building:

299.1 (i) the installation of equipment or devices required to bring an electrical panel to a rating
299.2 that allows for full electrification of the building, as described in National Electrical Code
299.3 Section 220; and

299.4 (ii) the repair or replacement of the wiring attached to the equipment or devices in item
299.5 (i) to ensure safe operation.

299.6 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program
299.7 is established as a pilot program in the department to provide financial assistance to owners
299.8 of single-family residences and multifamily buildings to upgrade a residence's electric panel.

299.9 Subd. 3. **Application process.** An applicant seeking a grant under this section must
299.10 submit an application to the commissioner on a form developed by the commissioner. The
299.11 commissioner must develop administrative procedures to govern how eligibility is
299.12 determined, applications are reviewed, and grants are awarded. The commissioner is the
299.13 fiscal agent for the grant program and is responsible for reviewing applications and awarding
299.14 grants under this section. The commissioner may contract with a third party to conduct some
299.15 or all of the pilot program's operations.

299.16 Subd. 4. **Eligibility.** (a) In Phase I, an owner of a single-family residence that is
299.17 income-eligible is eligible to receive a grant under this section.

299.18 (b) In Phase I, an owner of a multifamily building that is income-eligible is eligible to
299.19 receive a grant under this section.

299.20 (c) In Phase II, all owners of single-family residences and multifamily buildings are
299.21 eligible to receive a grant under this section, regardless of the income of the occupants of
299.22 the building.

299.23 Subd. 5. **Grant awards.** (a) A grant may be awarded under this section to:

299.24 (1) an owner of a single-family residence or multifamily building;

299.25 (2) a contractor performing an upgrade, provided that the contractor submits to the
299.26 commissioner written consent from the owner of the single-family residence or multifamily
299.27 building receiving the upgrade to receive a grant on behalf of the owner; or

299.28 (3) a third party, provided that the third party submits to the commissioner written consent
299.29 from the owner of the single-family residence or multifamily building receiving the upgrade
299.30 to receive a grant on behalf of the owner.

300.1 (b) At the discretion of the commissioner, a grant may be awarded for a single-family
300.2 home or multifamily building that is not income eligible under this section to reimburse the
300.3 cost of an upgrade that has previously been installed.

300.4 Subd. 6. **Grant amount.** (a) A grant issued under this section must be used only to pay
300.5 the full equipment and installation costs of an upgrade made by an owner, subject to the
300.6 limits established in this subdivision.

300.7 (b) The maximum grant amount under this section that may be awarded per single-family
300.8 residence that is:

300.9 (1) income eligible is \$10,000; and

300.10 (2) not income eligible is \$1,000.

300.11 (c) The grant amount under this section that may be awarded per multifamily building
300.12 that is:

300.13 (1) income eligible is the sum of (i) \$9,500, plus (ii) \$500 multiplied by the number of
300.14 units containing a separate electric panel that received an upgrade in the multifamily building,
300.15 not to exceed \$50,000 per multifamily building; and

300.16 (2) not income eligible is the sum of (i) \$1,000, plus (ii) \$500 multiplied by the number
300.17 of units containing a separate electric panel that received an upgrade in the multifamily
300.18 building, not to exceed \$10,000 per multifamily building.

300.19 Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this
300.20 section for work conducted at the same single-family residence or multifamily building.

300.21 Subd. 8. **Outreach.** The department must publicize the availability of grants under this
300.22 section to, at a minimum:

300.23 (1) income-eligible households;

300.24 (2) community action agencies and other public and private nonprofit organizations that
300.25 provide weatherization and other energy services to income-eligible households; and

300.26 (3) multifamily property owners and property managers.

300.27 Subd. 9. **Report.** (a) No later than 120 days after the date each of Phases I and II of the
300.28 pilot program ends, the department must submit a report to the chairs and ranking minority
300.29 members of the legislative committees with primary jurisdiction over climate and energy
300.30 policy.

301.1 (b) The report must summarize program outcomes and must report separately, at a
301.2 minimum:

301.3 (1) the number of units in multifamily buildings and the number of single-family
301.4 residences whose owners received grants;

301.5 (2) the median income of the households in multifamily buildings and in single-family
301.6 residences whose owners received grants; and

301.7 (3) the average amount of grants awarded in multifamily buildings and in single-family
301.8 residences.

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

301.10 **Sec. 4. [216C.51] UTILITY DIVERSITY REPORTING.**

301.11 Subdivision 1. **Policy.** It is the policy of the state of Minnesota to encourage each utility
301.12 that serves Minnesota residents to focus on and improve the diversity of the utility's
301.13 workforce and suppliers.

301.14 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
301.15 meanings given.

301.16 (b) "Certification" means official recognition by a governmental unit that a business is
301.17 a preferred vendor as a result of the characteristics of the business owner or owners or the
301.18 location of the business.

301.19 (c) "Utility" has the meaning given in section 216C.06, subdivision 18.

301.20 Subd. 3. **Annual report.** (a) Beginning March 15, 2023, and each March 15 thereafter,
301.21 each utility authorized to do business in Minnesota must file an annual diversity report to
301.22 the commissioner on:

301.23 (1) the utility's goals and efforts to increase diversity in the workplace, including current
301.24 workforce representation numbers and percentages; and

301.25 (2) all procurement goals and actual spending for female-owned, minority-owned,
301.26 veteran-owned, and small business enterprises during the previous calendar year.

301.27 (b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the
301.28 total work performed by the utility submitting the report. The actual spending for
301.29 female-owned, minority-owned, veteran-owned, and small business enterprises must also
301.30 be expressed as a percentage of the total work performed by the utility submitting the report.

302.1 Subd. 4. **Report elements.** Each utility required to report under this section must include
302.2 the following in the annual report:

302.3 (1) an explanation of the plan to increase diversity in the utility's workforce and suppliers
302.4 during the next year;

302.5 (2) an explanation of the plan to increase the goals;

302.6 (3) an explanation of the challenges faced to increase workforce and supplier diversity,
302.7 including suggestions regarding actions the department could take to help identify potential
302.8 employees and vendors;

302.9 (4) a list of the certifications the company recognizes;

302.10 (5) a point of contact for a potential employee or vendor that wishes to work for or do
302.11 business with the utility; and

302.12 (6) a list of successful actions taken to increase workforce and supplier diversity, in
302.13 order to encourage other companies to emulate best practices.

302.14 Subd. 5. **State data.** Each annual report must include as much state-specific data as
302.15 possible. If a utility does not submit state-specific data, the utility must include any relevant
302.16 national data the utility possesses, explain why the utility could not submit state-specific
302.17 data, and explain how the utility intends to include state-specific data in future reports, if
302.18 possible.

302.19 Subd. 6. **Publication; retention.** The department must publish an annual report on the
302.20 department's website and must maintain each annual report for at least five years.

302.21 Sec. 5. Minnesota Statutes 2020, section 216E.03, subdivision 1, is amended to read:

302.22 Subdivision 1. **Site permit.** No person may construct a large electric power generating
302.23 plant without a site permit from the commission. A large electric generating plant may be
302.24 constructed only on a site approved by the commission. The commission must incorporate
302.25 into one proceeding the route selection for a high-voltage transmission line that is directly
302.26 associated with and necessary to interconnect the large electric generating plant to the
302.27 transmission system and whose need is certified under section 216B.243.

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

303.1 **Sec. 6. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**
303.2 **PLANT.**

303.3 As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,
303.4 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric
303.5 generation facility that is powered by coal, scheduled for retirement in 2028, and located
303.6 within the St. Croix National Scenic Riverway must provide, to the extent known, the public
303.7 utility's plan and detailed timeline to decommission and demolish the electric generation
303.8 facility and remediate pollution at the electric generation facility site. The public utility
303.9 must also provide a copy of the plan and timeline to the governing body of the municipality
303.10 where the electric generation facility is located on the same date the plan and timeline are
303.11 submitted to the Public Utilities Commission. If a resource plan is not filed or required
303.12 before December 31, 2025, the plan and timeline must be submitted to the Public Utilities
303.13 Commission and the municipality as a separate filing by December 31, 2025.

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

303.15 **Sec. 7. TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**
303.16 **COMMERCE SUPPORT.**

303.17 (a) The Department of Commerce must provide technical support and subject matter
303.18 expertise to help facilitate efforts taken by the 11 federally recognized Indian Tribes in
303.19 Minnesota to establish and operate a Tribal advocacy council on energy.

303.20 (b) When requested by a Tribal advocacy council on energy, the Department of Commerce
303.21 must assist the council to:

303.22 (1) assess and evaluate common Tribal energy issues, including:

303.23 (i) identifying and prioritizing energy issues;

303.24 (ii) facilitating idea sharing among the Tribes to generate solutions to energy issues; and

303.25 (iii) assisting decision making with respect to resolving energy issues;

303.26 (2) develop new statewide energy policies or proposed legislation, including:

303.27 (i) organizing stakeholder meetings;

303.28 (ii) gathering input and other relevant information;

303.29 (iii) assisting with policy proposal development, evaluation, and decision making; and

303.30 (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted,
303.31 policies or legislation approved by the council;

304.1 (3) make efforts to raise awareness of and provide educational opportunities with respect
304.2 to Tribal energy issues among Tribal members by:

304.3 (i) identifying information resources;

304.4 (ii) gathering feedback on issues and topics the council identifies as areas of interest;

304.5 and

304.6 (iii) identifying topics for and helping to facilitate educational forums; and

304.7 (4) identify, evaluate, disseminate, and implement successful energy-related practices.

304.8 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized
304.9 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it
304.10 require or obligate a federally recognized Indian Tribe in Minnesota to participate in or
304.11 implement a decision or support an effort made by a Tribal advocacy council on energy.

304.12 (d) Any support provided by the Department of Commerce to a Tribal advocacy council
304.13 on energy under this section must be provided only upon request of the council and is limited
304.14 to issues and areas where the Department of Commerce's expertise and assistance is
304.15 requested.

304.16 Sec. 8. **REPEALER.**

304.17 Laws 2017, chapter 5, section 1, is repealed.

304.18 **ARTICLE 26**

304.19 **SUPPLEMENTAL APPROPRIATIONS**

304.20 Section 1. **APPROPRIATIONS.**

304.21 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
304.22 and for the purposes specified in this article. The appropriations are from the general fund,
304.23 or another named fund, and are available for the fiscal years indicated for each purpose.

304.24 The figures "2022" and "2023" used in this article mean that the appropriations listed under
304.25 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

304.26 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"
304.27 is fiscal years 2022 and 2023. If an appropriation in this act is enacted more than once in
304.28 the 2022 legislative session, the appropriation must be given effect only once. Appropriations
304.29 for the fiscal year ending June 30, 2022, are effective the day following final enactment.

304.30 The appropriations made under this article supplement, and do not supersede or replace,
304.31 the appropriations made under Laws 2021, First Special Session chapter 4, article 1.

305.1	<u>APPROPRIATIONS</u>		
305.2	<u>Available for the Year</u>		
305.3	<u>Ending June 30</u>		
305.4	<u>2022</u>		<u>2023</u>
305.5	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
305.6	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <u>6,153,000</u>
305.7	<u>Appropriations by Fund</u>		
305.8		<u>2022</u>	<u>2023</u>
305.9	<u>General</u>	<u>-0-</u>	<u>5,653,000</u>
305.10	<u>Special Revenue</u>	<u>-0-</u>	<u>500,000</u>
305.11	<u>The amounts that may be spent for each</u>		
305.12	<u>purpose are specified in the following</u>		
305.13	<u>subdivisions.</u>		
305.14	<u>Subd. 2. Administrative Services</u>		<u>-0-</u> <u>392,000</u>
305.15	<u>\$301,000 in fiscal year 2023 is for the senior</u>		
305.16	<u>fraud prevention program.</u>		
305.17	<u>\$91,000 in fiscal year 2023 is for the licensing</u>		
305.18	<u>disqualification and preliminary application</u>		
305.19	<u>requirements under Minnesota Statutes,</u>		
305.20	<u>section 214.035.</u>		
305.21	<u>Subd. 3. Financial Services</u>		<u>-0-</u> <u>533,000</u>
305.22	<u>\$300,000 in fiscal year 2023 is for additional</u>		
305.23	<u>securities staff. The base for this appropriation</u>		
305.24	<u>is \$281,000 in fiscal year 2024 and \$281,000</u>		
305.25	<u>in fiscal year 2025.</u>		
305.26	<u>\$233,000 in fiscal year 2023 is to establish</u>		
305.27	<u>and operate a student loan advocate under</u>		
305.28	<u>Minnesota Statutes, section 58B.011. The base</u>		
305.29	<u>for this appropriation is \$233,000 in fiscal year</u>		
305.30	<u>2024 and \$233,000 in fiscal year 2025.</u>		
305.31	<u>Subd. 4. Insurance</u>		<u>-0-</u> <u>633,000</u>
305.32	<u>\$108,000 in fiscal year 2023 is for a study and</u>		
305.33	<u>report on disparities in geographic rating areas</u>		
305.34	<u>in individual and small group market health</u>		

306.1 insurance under article 3, section 34. This is
 306.2 a onetime appropriation.
 306.3 \$525,000 in fiscal year 2023 is for additional
 306.4 staff in the insurance division. The additional
 306.5 staff must focus on property- and
 306.6 casualty-related insurance products.

306.7 **Subd. 5. Enforcement** -0- 4,576,000

306.8 \$4,076,000 in fiscal year 2023 is for the
 306.9 automobile theft prevention program under
 306.10 Minnesota Statutes, section 65B.84. This is a
 306.11 onetime appropriation.

306.12 \$500,000 in fiscal year 2023 is appropriated
 306.13 from the auto theft prevention account in the
 306.14 special revenue fund to the commissioner of
 306.15 commerce to reimburse law enforcement
 306.16 agencies for investigation and enforcement
 306.17 activities to combat automobile theft. This
 306.18 appropriation does not cancel and remains
 306.19 available until expended. This is a onetime
 306.20 appropriation.

306.21 **Sec. 3. BOARD OF ACCOUNTANCY** \$ -0- \$ 6,000

306.22 **Licensing Disqualifications; Preliminary**
 306.23 **Applications.**
 306.24 \$6,000 in fiscal year 2023 is to the Board of
 306.25 Accountancy for the licensing disqualification
 306.26 and preliminary application requirements
 306.27 under Minnesota Statutes, section 214.035.
 306.28 This is a onetime appropriation.

306.29 **Sec. 4. ATTORNEY GENERAL** \$ -0- \$ 24,000

306.30 **Licensing Disqualifications; Preliminary**
 306.31 **Applications.**
 306.32 \$24,000 in fiscal year 2023 is to the attorney
 306.33 general for the licensing disqualification and

307.1	<u>preliminary application requirements under</u>			
307.2	<u>Minnesota Statutes, section 214.035.</u>			
307.3	Sec. 5. <u>PROFESSIONAL EDUCATOR</u>			
307.4	<u>LICENSING AND STANDARDS BOARD</u>	\$	<u>-0-</u> \$	<u>514,000</u>
307.5	<u>Licensing Disqualifications; Preliminary</u>			
307.6	<u>Applications.</u>			
307.7	<u>\$514,000 in fiscal year 2023 is to the</u>			
307.8	<u>Professional Educator Licensing and Standards</u>			
307.9	<u>Board for the licensing disqualification and</u>			
307.10	<u>preliminary application requirements under</u>			
307.11	<u>Minnesota Statutes, section 214.035. The base</u>			
307.12	<u>for this appropriation is \$142,000 in fiscal year</u>			
307.13	<u>2024 and \$142,000 in fiscal year 2025.</u>			
307.14	Sec. 6. <u>DEPARTMENT OF REVENUE</u>	\$	<u>-0-</u> \$	<u>19,000</u>
307.15	<u>Licensing Disqualifications; Preliminary</u>			
307.16	<u>Applications.</u>			
307.17	<u>\$19,000 in fiscal year 2023 is to the</u>			
307.18	<u>Department of Revenue for the licensing</u>			
307.19	<u>disqualification and preliminary application</u>			
307.20	<u>requirements under Minnesota Statutes,</u>			
307.21	<u>section 214.035. The base for this</u>			
307.22	<u>appropriation is \$3,000 in fiscal year 2024 and</u>			
307.23	<u>\$3,000 in fiscal year 2025.</u>			
307.24	Sec. 7. <u>GAMBLING CONTROL BOARD</u>	\$	<u>-0-</u> \$	<u>3,000</u>
307.25	<u>Licensing Disqualifications; Preliminary</u>			
307.26	<u>Applications.</u>			
307.27	<u>\$3,000 in fiscal year 2023 is from the lawful</u>			
307.28	<u>gambling regulation account in the special</u>			
307.29	<u>revenue fund to the Gambling Control Board</u>			
307.30	<u>for the licensing disqualification and</u>			
307.31	<u>preliminary application requirements under</u>			
307.32	<u>Minnesota Statutes, section 214.035.</u>			
307.33	Sec. 8. <u>DEPARTMENT OF EDUCATION</u>	\$	<u>-0-</u> \$	<u>22,000</u>

308.1 **Licensing Disqualifications; Preliminary**

308.2 **Applications.**

308.3 \$22,000 in fiscal year 2023 is to the

308.4 Department of Education for the licensing

308.5 disqualification and preliminary application

308.6 requirements under Minnesota Statutes,

308.7 section 214.035.

308.8 **Sec. 9. COMMERCE FRAUD BUREAU; TRANSFER.**

308.9 \$870,000 in fiscal year 2023 is transferred from the general fund to the insurance fraud

308.10 prevention account for five additional peace officers in the Commerce Fraud Bureau. The

308.11 base for this transfer is \$811,000 in fiscal year 2024 and \$811,000 in fiscal year 2025.

308.12

ARTICLE 27

308.13

COMMERCE POLICY

308.14 Section 1. Minnesota Statutes 2020, section 45.0135, subdivision 2a, is amended to read:

308.15 Subd. 2a. **Authorization.** (a) The commissioner may appoint peace officers, as defined

308.16 in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as

308.17 defined in section 626.84, subdivision 1, paragraph (f), known as the Commerce Fraud

308.18 Bureau, to conduct investigations, and to make arrests under sections 629.30 and 629.34.

308.19 The primary jurisdiction of the law enforcement agency is limited to offenses ~~related to~~

308.20 ~~insurance fraud~~ with a nexus to insurance-related crimes or financial crimes.

308.21 (b) Upon request and at the commissioner's discretion, the Commerce Fraud Bureau

308.22 may respond to a law enforcement agency's request to exercise law enforcement duties in

308.23 cooperation with the law enforcement agency that has jurisdiction over the particular matter.

308.24 (c) The Commerce Fraud Bureau must allocate at least 70 percent of its work to

308.25 insurance-related crimes.

308.26 Sec. 2. Minnesota Statutes 2020, section 45.0135, subdivision 2b, is amended to read:

308.27 Subd. 2b. **Duties.** The Commerce Fraud Bureau shall:

308.28 (1) review notices and reports ~~of insurance fraud~~ within the Commerce Fraud Bureau's

308.29 primary jurisdiction submitted by authorized insurers, their employees, and agents or

308.30 producers;

309.1 (2) respond to notifications or complaints of ~~suspected insurance fraud~~ within the
309.2 Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies,
309.3 state or federal governmental units, or any other person;

309.4 (3) initiate inquiries and conduct investigations when the bureau has reason to believe
309.5 that ~~insurance fraud~~ an offense within the Commerce Fraud Bureau's primary jurisdiction
309.6 has been or is being committed; and

309.7 (4) report ~~incidents of alleged insurance fraud crimes~~ disclosed by its the Commerce
309.8 Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not
309.9 limited to, the attorney general, county attorneys, or any other appropriate law enforcement
309.10 or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist
309.11 any law enforcement authority having jurisdiction.

309.12 Sec. 3. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to
309.13 read:

309.14 Subd. 9a. **Live course.** "Live course" means any learning experience that is actively led
309.15 by an instructor, either online or in a classroom setting, that offers person-to-person, real-time
309.16 feedback. A live course offered online must:

309.17 (1) specify the minimum system requirements;

309.18 (2) provide encryption that ensures that all personal information, including the student's
309.19 name, address, and credit card number, cannot be read as it passes across the Internet;

309.20 (3) include technology to guarantee seat time;

309.21 (4) include the ability for the student to get technical support within a reasonable amount
309.22 of time;

309.23 (5) include a statement that the student's information will not be sold or distributed to
309.24 any third party without the prior written consent of the student. Taking the course does not
309.25 constitute consent; and

309.26 (6) include a process to authenticate the student's identity.

309.27 Sec. 4. Minnesota Statutes 2020, section 45.25, is amended by adding a subdivision to
309.28 read:

309.29 Subd. 9b. **On-demand course.** "On-demand course" means a learning experience that
309.30 enables a student to review learning material at a time and location that is convenient for
309.31 the student. On-demand course includes but is not limited to asynchronous online courses,

310.1 text-based courses, and other courses not offered live that include prerecorded videos, class
310.2 recordings, documents, or other learning activities.

310.3 Sec. 5. Minnesota Statutes 2020, section 45.25, subdivision 12, is amended to read:

310.4 Subd. 12. **Proctor.** (a) "Proctor" means a disinterested third party with no conflict of
310.5 interest person who (1) verifies a student's identity, and (2) processes an affidavit testifying
310.6 that the student received no outside assistance with the course or examination.

310.7 (b) A proctor must be 18 years of age or older. A proctor must not have a financial or
310.8 other conflict of interest with respect to a student's successful completion of the course or
310.9 the examination. A proctor must not be:

310.10 (1) a relative of the student;

310.11 (2) the student's supervisor at work;

310.12 (3) a person the student supervises at work; or

310.13 (4) a student who is completing the same course.

310.14 Sec. 6. Minnesota Statutes 2020, section 45.25, subdivision 13, is amended to read:

310.15 Subd. 13. **Professional designation.** "Professional designation" means a written,
310.16 proctored, and graded examination, the passage of which leads to a bona fide an
310.17 industry-recognized professional designation used by licensees a licensee after completing
310.18 a series of courses and passing a graded, proctored examination.

310.19 Sec. 7. **[45.301] ON-DEMAND CONTINUING EDUCATION; REQUIREMENTS.**

310.20 Subdivision 1. **On-demand course requirements.** An on-demand continuing education
310.21 course offered online must:

310.22 (1) specify the minimum system requirements;

310.23 (2) provide encryption that ensures that all personal information, including the student's
310.24 name, address, and credit card number, cannot be read as it passes across the Internet;

310.25 (3) include technology to guarantee seat time;

310.26 (4) include a high level of interactivity;

310.27 (5) include graphics that reinforce the content;

310.28 (6) include the ability for the student to contact an instructor within a reasonable amount
310.29 of time;

- 311.1 (7) include the ability for the student to get technical support within a reasonable amount
311.2 of time;
- 311.3 (8) include a statement that the student's information will not be sold or distributed to
311.4 any third party without prior written consent of the student. Taking the course does not
311.5 constitute consent;
- 311.6 (9) be available 24 hours a day, seven days a week, excluding minimal down time for
311.7 updating and administration;
- 311.8 (10) provide viewing access to the online course at all times to the commissioner,
311.9 excluding minimal down time for updating and administration;
- 311.10 (11) include a process to authenticate the student's identity;
- 311.11 (12) inform the student and the commissioner how long a course is accessible after the
311.12 course is purchased;
- 311.13 (13) inform the student that license education credit is not awarded for taking the course
311.14 after the course loses status as an approved course;
- 311.15 (14) provide clear instructions on how to navigate through the course;
- 311.16 (15) provide automatic bookmarking at any point in the course;
- 311.17 (16) provide questions after each unit or chapter that must be answered before the student
311.18 can proceed to the next unit or chapter;
- 311.19 (17) include a reinforcement response when a quiz question is answered correctly;
- 311.20 (18) include a response when a quiz question is answered incorrectly;
- 311.21 (19) include a final examination;
- 311.22 (20) allow the student to return to and review any unit at any time, except during the
311.23 final examination;
- 311.24 (21) provide a course evaluation at the end of the course. At a minimum, the evaluation
311.25 must ask the student to report any difficulties caused by the online education delivery
311.26 method; and
- 311.27 (22) provide a completion certificate when the course and exam have been completed
311.28 and the provider has verified the completion. An electronic certificate is sufficient.
- 311.29 Subd. 2. **Final examination.** The final examination must be either an encrypted online
311.30 examination or a paper examination that is monitored by a proctor who certifies that the

312.1 student took the examination. The student must not be allowed to review the course content
312.2 once the examination has begun.

312.3 Sec. 8. Minnesota Statutes 2020, section 45.31, subdivision 2, is amended to read:

312.4 Subd. 2. **Approval.** (a) ~~The commissioner must approve as a coordinator a person~~
312.5 ~~meeting one or more of the following criteria: at least three years of full-time experience~~
312.6 ~~in the administration of an education program during the five-year period immediately~~
312.7 ~~before the date of application, or a degree in education plus two years experience during~~
312.8 ~~the immediately preceding five-year period in one of the regulated industries for which~~
312.9 ~~courses are being approved, or a minimum of five years experience within the previous six~~
312.10 ~~years in the regulated industry for which courses are held.~~ A person applying for approval
312.11 as a course coordinator must:

312.12 (1) be qualified or have experience in the applicable subject matter of courses offered
312.13 by the education provider or have experience administering an education program; and

312.14 (2) make available upon request such records and data required by the commissioner to
312.15 administer the provisions and further the purposes of this chapter.

312.16 (b) Coordinator approval may not be transferred to an individual who has not already
312.17 been approved as an additional coordinator for the applicable license type for the providership
312.18 in question. An individual must be approved as a coordinator by the commissioner before
312.19 acting on behalf of an approved education provider.

312.20 Sec. 9. Minnesota Statutes 2020, section 45.31, subdivision 3, is amended to read:

312.21 Subd. 3. **Responsibilities.** ~~A coordinator~~ An education provider is responsible for:

312.22 (1) assuring compliance with all laws and rules relating to educational offerings governed
312.23 by the commissioner;

312.24 (2) assuring that students are provided with current and accurate information relating to
312.25 the laws and rules governing their licensed activity;

312.26 (3) supervising and evaluating courses and instructors. Supervision includes assuring,
312.27 especially when a course will be taught by more than one instructor, that all areas of the
312.28 curriculum are addressed without redundancy and that continuity is present throughout the
312.29 entire course;

312.30 (4) ensuring that instructors are qualified to teach the course offering;

313.1 (5) furnishing the commissioner, upon request, with copies of course and instructor
313.2 evaluations and qualifications of instructors. Evaluations must be completed by students
313.3 and coordinators;

313.4 (6) investigating complaints related to course offerings and instructors and forwarding
313.5 a copy of the written complaints to the Department of Commerce;

313.6 (7) maintaining accurate records relating to course offerings, instructors, tests taken by
313.7 students, and student attendance for a period of three years from the date on which the
313.8 course was completed. These records must be made available to the commissioner upon
313.9 request. In the event that an education provider ceases operation for any reason, the
313.10 coordinator is responsible for maintaining the records or providing a custodian for the
313.11 records acceptable to the commissioner. The coordinator must notify the commissioner of
313.12 the name and address of that person. In order to be acceptable to the commissioner, custodians
313.13 must agree to make copies of acknowledgments available to students at a reasonable fee.
313.14 Under no circumstances will the commissioner act as custodian of the records;

313.15 (8) ensuring that the coordinator is available to instructors and students throughout course
313.16 offerings and providing to the students and instructor the name of the coordinator and a
313.17 telephone number at which the coordinator can be reached;

313.18 (9) attending workshops or instructional programs as reasonably required by the
313.19 commissioner;

313.20 (10) providing course completion certificates within ten days of, but not before,
313.21 completion of the entire course. Course completion certificates must be completed in their
313.22 entirety. It is not necessary to provide a written course completion certificate if the course
313.23 completion certificate has been electronically delivered to the department or its designated
313.24 licensing contractor. A coordinator may require payment of the course tuition as a condition
313.25 for receiving the course completion certificate;

313.26 (11) notifying the commissioner immediately of any change in an application for the
313.27 course, coordinator, or instructor approval application; and

313.28 (12) in conjunction with the instructor, assuring and certifying attendance of students
313.29 enrolled in courses.

313.30 Sec. 10. Minnesota Statutes 2020, section 46.131, subdivision 2, is amended to read:

313.31 Subd. 2. **Assessment authority.** Each ~~bank, trust company, savings bank, savings~~
313.32 ~~association, regulated lender, industrial loan and thrift company, credit union, motor vehicle~~
313.33 ~~sales finance company, debt management services provider, debt settlement services provider,~~

314.1 ~~insurance premium finance company, and residential PACE administrator, as defined in~~
314.2 ~~section 216C.435, subdivision 10a, financial institution governed by chapters 46 to 59A,~~
314.3 ~~216C, and 332 to 332B that is~~ organized under the laws of this state or required to be
314.4 administered by the commissioner of commerce shall pay into the state treasury its
314.5 proportionate share of the cost of maintaining the Department of Commerce. This subdivision
314.6 does not apply to student loan servicers or collection agencies.

314.7 Sec. 11. Minnesota Statutes 2020, section 46.131, subdivision 4, is amended to read:

314.8 Subd. 4. **General assessment basis.** (a) Assessments shall be made by the commissioner
314.9 against each institution within the industry on an equitable basis, according to the total assets
314.10 or business volume of each institution as of the end of the previous calendar year.

314.11 (b) Assessments against residential PACE administrators, as defined in section 216C.435,
314.12 subdivision 10a, must be made by the commissioner according to the total business volume
314.13 as of the end of the previous calendar year.

314.14 Sec. 12. Minnesota Statutes 2020, section 46.131, subdivision 11, is amended to read:

314.15 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
314.16 account is created as a separate account in the special revenue fund. Earnings, including
314.17 interest, dividends, and any other earnings arising from account assets, must be credited to
314.18 the account.

314.19 (b) The account consists of funds received from assessments under subdivision 7,
314.20 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
314.21 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,
314.22 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph
314.23 (b); 49.36, subdivision 1; 52.203; 53B.09; 53B.11, subdivision 1; 53C.02; 56.02; 58.10;
314.24 58A.045, subdivision 2; and 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.

314.25 (c) Funds in the account are annually appropriated to the commissioner of commerce
314.26 for activities under this section.

314.27 Sec. 13. Minnesota Statutes 2020, section 47.08, is amended to read:

314.28 **47.08 ARTICLES OF INCORPORATION FILED WITH COMMISSIONER.**

314.29 All persons proposing to incorporate and organize any financial institution, whether
314.30 defined or described as such by the laws of the state, shall, before doing any business in the
314.31 state as a corporation, ~~and before filing their articles of incorporation with the secretary of~~

315.1 ~~state or with any other officer with whom the law requires such articles to be filed or~~
315.2 ~~recorded,~~ file a copy of ~~such~~ the proposed articles of incorporation with the commissioner
315.3 of commerce.

315.4 Sec. 14. Minnesota Statutes 2020, section 47.16, subdivision 1, is amended to read:

315.5 Subdivision 1. **Filing.** The certificate of a corporation must be filed for record with the
315.6 ~~secretary of state~~ commissioner of commerce. If the ~~secretary of state~~ commissioner of
315.7 commerce finds that it conforms to law and that the required fee has been paid, the ~~secretary~~
315.8 ~~of state~~ commissioner of commerce must record it and certify that fact on it. ~~The secretary~~
315.9 ~~of state may not accept a certificate for filing unless the certificate also contains the~~
315.10 ~~endorsement of the commissioner of commerce.~~

315.11 Sec. 15. Minnesota Statutes 2020, section 47.16, subdivision 2, is amended to read:

315.12 Subd. 2. **Certificate of authority.** If the commissioner of commerce is satisfied that the
315.13 corporation has been organized for legitimate purposes, and under such conditions as to
315.14 merit and have public confidence, and that all provisions of law applicable to every branch
315.15 of business in which, by the terms of its certificate, it is authorized to engage, have been
315.16 complied with, the commissioner shall so certify. When the original ~~certificate and the~~
315.17 ~~certificate of incorporation from the secretary of state~~ is filed with the commissioner of
315.18 commerce, the commissioner shall, within 60 days thereafter, execute and deliver to it a
315.19 certificate of authority.

315.20 Sec. 16. Minnesota Statutes 2020, section 47.172, subdivision 2, is amended to read:

315.21 Subd. 2. **Effect.** The certificate to be filed to accomplish a restated certificate of
315.22 incorporation must be entitled "restated certificate of incorporation of (name of financial
315.23 corporation)" and must contain a statement that the restated certificate supersedes and takes
315.24 the place of the existing certificate of incorporation and all amendments to it. The restated
315.25 certificate of incorporation when executed, filed and recorded in the manner prescribed for
315.26 certificate of amendment supersedes and takes the place of an existing certificate of
315.27 incorporation and amendments to it. ~~The secretary of state upon request must certify the~~
315.28 ~~restated certificate of incorporation.~~

315.29 Sec. 17. Minnesota Statutes 2020, section 47.28, subdivision 3, is amended to read:

315.30 Subd. 3. **Recording.** Upon receipt of the fees required for filing and recording amended
315.31 articles of incorporation of savings banks, the ~~secretary of state~~ commissioner of commerce

316.1 shall record the amended articles of incorporation and certify that fact thereon, whereupon
316.2 the conversion of such savings bank into a savings association shall become final and
316.3 complete and thereafter said corporation shall have the powers and be subject to the duties
316.4 and obligations prescribed by the laws of this state applicable to savings associations.

316.5 Sec. 18. Minnesota Statutes 2020, section 47.30, subdivision 5, is amended to read:

316.6 Subd. 5. **Recording.** Upon receipt of the fees required for filing and recording amended
316.7 articles of incorporation of savings associations, the ~~secretary of state~~ commissioner of
316.8 commerce shall record the amended articles of incorporation and certify that fact thereon,
316.9 whereupon the conversion of such savings association into a savings bank shall become
316.10 final and complete and thereafter the signers of said amended articles and their successors
316.11 shall be a corporation, and have the powers and be subject to the duties and obligations
316.12 prescribed by the laws of this state applicable to savings banks.

316.13 Sec. 19. Minnesota Statutes 2020, section 48A.15, subdivision 1, is amended to read:

316.14 Subdivision 1. **Authorization.** (a) A trust company organized under the laws of this
316.15 state or a state bank and trust may, after completing the notification procedure required by
316.16 this subdivision, establish and maintain a trust service office at any office in this state or of
316.17 any other state or national bank. A state bank may, after completing the notification procedure
316.18 required by this subdivision, permit a trust company organized under the laws of this state
316.19 or a state bank and trust or a national bank in this state that is authorized to exercise trust
316.20 powers to establish and maintain a trust service office at any of its banking offices.

316.21 (b) The trust company or state bank and trust and a state bank at which a trust service
316.22 office is to be established according to this section shall jointly file, on forms provided by
316.23 the commissioner, a notification of intent to establish a trust service office. The notification
316.24 must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited
316.25 in the ~~general fund of the state~~ financial institutions account under section 46.131, subdivision
316.26 11. No trust service office shall be established according to this section if disallowed by
316.27 order of the commissioner within 30 days of the filing of a complete and acceptable
316.28 notification of intent to establish a trust service office. An order of the commissioner to
316.29 disallow the establishment of a trust service office under this section is subject to judicial
316.30 review under sections 14.63 to 14.69.

317.1 Sec. 20. Minnesota Statutes 2020, section 53.03, subdivision 1, is amended to read:

317.2 Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an
317.3 industrial loan and thrift company, shall, after compliance with the requirements set forth
317.4 in sections 53.01 and 53.02, file a written application with the Department of Commerce
317.5 for a certificate of authorization. A corporation that will not sell or issue thrift certificates
317.6 for investment as permitted by this chapter need not comply with subdivision 2b. The
317.7 application must be in the form prescribed by the Department of Commerce. The application
317.8 must be made in the name of the corporation, executed and acknowledged by an officer
317.9 designated by the board of directors of the corporation, requesting a certificate authorizing
317.10 the corporation to transact business as an industrial loan and thrift company, at the place
317.11 and in the name stated in the application. At the time of filing the application the applicant
317.12 shall pay \$1,500 filing fee if the corporation will not sell or issue thrift certificates for
317.13 investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates
317.14 for investment. The fees must be ~~turned over by the commissioner to the commissioner of~~
317.15 ~~management and budget and credited to the general fund~~ collected by the commissioner
317.16 and deposited in the financial institutions account under section 46.131, subdivision 11.
317.17 The applicant shall also submit a copy of the bylaws of the corporation, its articles of
317.18 incorporation and all amendments thereto at that time. An application for powers under
317.19 subdivision 2b must also require that a notice of the filing of the application must be
317.20 published once within 30 days of the receipt of the form prescribed by the Department of
317.21 Commerce, at the expense of the applicant, in a qualified newspaper published in the
317.22 municipality in which the proposed industrial loan and thrift company is to be located, or,
317.23 if there be none, in a qualified newspaper likely to give notice in the municipality in which
317.24 the company is proposed to be located. If the Department of Commerce receives a written
317.25 objection to the application from any person within 15 days of the notice having been fully
317.26 published, the commissioner shall proceed in the same manner as required under section
317.27 46.041, subdivisions 3 and 4, relating to state banks.

317.28 Sec. 21. Minnesota Statutes 2020, section 53.03, subdivision 5, is amended to read:

317.29 Subd. 5. **Place of business.** Not more than one place of business may be maintained
317.30 under any certificate of authorization issued subsequent to the enactment of Laws 1943,
317.31 chapter 67, pursuant to the provisions of this chapter, but the Department of Commerce
317.32 may issue more than one certificate of authorization to the same corporation upon compliance
317.33 with all the provisions of this chapter governing an original issuance of a certificate of
317.34 authorization. To the extent that previously filed applicable information remains unchanged,
317.35 the applicant need not refile this information, unless requested. The filing fee for a branch

318.1 application shall be \$500 and the investigation fee \$250. An industrial loan and thrift
318.2 corporation with deposit liabilities may change one or more of its locations upon the written
318.3 approval of the commissioner of commerce. A fee of \$100 must accompany each application
318.4 to the commissioner for approval to change the location of an established office. An industrial
318.5 loan and thrift corporation that does not sell and issue thrift certificates for investment may
318.6 change one or more locations by giving 30 days' written notice to the Department of
318.7 Commerce which shall promptly amend the certificate of authorization accordingly. No
318.8 change in place of business of a company to a location outside of its current trade area or
318.9 more than 25 miles from its present location, whichever distance is greater, shall be permitted
318.10 under the same certificate unless all of the applicable requirements of this section have been
318.11 met. All money collected by the commissioner under this chapter must be deposited into
318.12 the financial institutions account under section 46.131, subdivision 11.

318.13 Sec. 22. Minnesota Statutes 2020, section 53C.02, is amended to read:

318.14 **53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.**

318.15 (a) No person shall engage in the business of a sales finance company in this state without
318.16 a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank,
318.17 trust company, savings bank, savings association, or credit union, whether state or federally
318.18 chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated
318.19 Loan Act authorized to do business in this state shall be required to obtain a license under
318.20 sections 53C.01 to 53C.14.

318.21 (b) The application for a license shall be in writing, under oath and in the form prescribed
318.22 by the commissioner. The application shall contain the name of the applicant; date of
318.23 incorporation, if incorporated; the address where the business is or is to be conducted and
318.24 similar information as to any branch office of the applicant; the name and resident address
318.25 of the owner or partners, or, if a corporation or association, of the directors, trustees and
318.26 principal officers, and other pertinent information the commissioner requires.

318.27 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the
318.28 following year, or any part thereof shall be the sum of \$250 for the principal place of business
318.29 of the licensee, and the sum of \$125 for each branch of the licensee. Any licensee who
318.30 proves to the satisfaction of the commissioner, by affidavit or other proof satisfactory to
318.31 the commissioner, that during the 12 calendar months of the immediately preceding fiscal
318.32 year, for which the license has been paid that the licensee has not held retail installment
318.33 contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each
318.34 license fee paid in excess of \$25. The commissioner shall certify to the commissioner of

319.1 ~~management and budget~~ that the licensee is entitled to a refund, and payment ~~thereof~~ of the
319.2 refund shall be made by the commissioner ~~of management and budget~~. The amount necessary
319.3 to pay for the refundment of the license fee is appropriated ~~out of the general fund~~ from the
319.4 financial institutions account under section 46.131, subdivision 11. All license fees received
319.5 by the commissioner under sections 53C.01 to 53C.14 shall be deposited with the
319.6 commissioner of management and budget.

319.7 (d) Each license shall specify the location of the office or branch and must be
319.8 conspicuously displayed there. In case the location be changed, the commissioner shall
319.9 endorse the change of location on the license.

319.10 (e) Upon the filing of such application, and the payment of the fee, the commissioner
319.11 shall issue a license to the applicant to engage in the business of a sales finance company
319.12 under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which
319.13 shall expire the last day of June next following the date of its issuance. The license shall
319.14 not be transferable or assignable. No licensee shall transact any business provided for by
319.15 sections 53C.01 to 53C.14 under any other name.

319.16 (f) Section 58A.04, subdivisions 2 and 3, apply to this section.

319.17 Sec. 23. Minnesota Statutes 2020, section 55.10, subdivision 1, is amended to read:

319.18 Subdivision 1. **Permitting access, removal, or delivery.** When a safe deposit box shall
319.19 have been hired from any licensed safe deposit company in the name of two or more persons,
319.20 including ~~husband and wife~~ a married couple, with the right of access being given to either,
319.21 or with access to either or the survivor or survivors of the person, or property is held for
319.22 safekeeping by any licensed safe deposit company for two or more persons, including
319.23 ~~husband and wife~~ a married couple, with the right of delivery being given to either, or with
319.24 the right of delivery to either of the survivor or survivors of these persons, any one or more
319.25 of these persons, whether the other or others be living or not, shall have the right of access
319.26 to the safe deposit box and the right to remove all, or any part, of the contents thereof, or
319.27 to have delivered to all or any one of them, or any part of the valuable personal property so
319.28 held for safekeeping; and, in case of this access, removal, or delivery, the safe deposit
319.29 company shall be exempt from any liability for permitting the access, removal, or delivery.

320.1 Sec. 24. Minnesota Statutes 2020, section 56.02, is amended to read:

320.2 **56.02 APPLICATION FEE.**

320.3 (a) Application for license shall be in writing, under oath, and in the form prescribed by
320.4 the commissioner, and contain the name and the address, both of the residence and place
320.5 of business, of the applicant and, if the applicant is a copartnership or association, of every
320.6 member thereof, and if a corporation, of each officer and director thereof; also the county
320.7 and municipality, with street and number, if any, where the business is to be conducted, and
320.8 such further information as the commissioner may require. The applicant at the time of
320.9 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating
320.10 the application, and the additional sum of \$250 as an annual license fee for a period
320.11 terminating on the last day of the current calendar year. In addition to the annual license
320.12 fee, every licensee hereunder shall pay to the commissioner the actual costs of each
320.13 examination, as provided for in section 56.10. All ~~moneys~~ money collected by the
320.14 commissioner under this chapter shall be ~~turned over to the commissioner of management~~
320.15 ~~and budget and credited by the commissioner of management and budget to the general~~
320.16 ~~fund of the state~~ deposited in the financial institutions account under section 46.131,
320.17 subdivision 11.

320.18 (b) Every applicant shall also prove, in form satisfactory to the commissioner, that the
320.19 applicant has available for the operation of the business at the location specified in the
320.20 application, liquid assets of at least \$50,000.

320.21 (c) Section 58A.04, subdivisions 2 and 3, apply to this section.

320.22 Sec. 25. Minnesota Statutes 2020, section 60A.033, subdivision 8, is amended to read:

320.23 Subd. 8. **Costs.** All bills for examination costs being charged to an insurance company
320.24 pursuant to subdivision 5 or section 60A.031, subdivision 3, paragraph (c), must:

320.25 (1) be itemized and, with respect to examiner billings, contain activity detail on a quarterly
320.26 hourly basis by an individual examiner and disclose the applicable hourly billing rates,
320.27 together with per-charge detail for related travel or other expenses; and

320.28 (2) provide a due date no less than ~~30~~ 60 days from receipt of the bill.

320.29 Sec. 26. Minnesota Statutes 2020, section 60A.033, subdivision 9, is amended to read:

320.30 Subd. 9. **Completion of examination.** An examination under section 60A.031 must not
320.31 exceed 18 months from the date the commissioner receives the insurance company's first
320.32 submission pursuant to a scheduling order, unless:

321.1 (1) the commissioner determines that there has been a material lack of cooperation by
321.2 the insurance company and advises the company in writing of the specific instances
321.3 demonstrating a lack of cooperation;

321.4 (2) the examination is a multistate examination; or

321.5 (3) the commissioner determines that additional time is necessary to complete the
321.6 examination and the commissioner notifies the insurance company in writing of the reasons
321.7 why the examination requires additional time.

321.8 Sec. 27. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision
321.9 to read:

321.10 Subd. 11. **Informal disposition.** (a) The commissioner must make an attempt to
321.11 informally resolve any alleged violations of law identified during the examination or
321.12 investigation. An attempt to informally resolve a violation may consist of a consent order,
321.13 nonpublic letter of reprimand, or other informal resolution or disposition.

321.14 (b) The terms of a consent order or other informal disposition that prescribes compliance
321.15 requirements must be consistent with the requirements of Minnesota law.

321.16 Sec. 28. Minnesota Statutes 2020, section 60A.033, is amended by adding a subdivision
321.17 to read:

321.18 Subd. 12. **Report to the legislature.** Each year by February 1, the commissioner must
321.19 report the following information to the chairs and ranking minority members of the house
321.20 of representatives and senate committees having jurisdiction over commerce:

321.21 (1) a listing of the number of pending market conduct exams and the year the exams
321.22 were commenced;

321.23 (2) the number of exams closed during the prior year and the current total of costs charged
321.24 to the companies for each exam;

321.25 (3) whether the exam is being conducted, in whole or in part, by third-party examiners;
321.26 and

321.27 (4) other information that the chairs or ranking minority members may reasonably
321.28 request, subject to the limitations of section 60A.031, subdivision 4, paragraph (f).

322.1 Sec. 29. Minnesota Statutes 2020, section 60A.954, subdivision 1, is amended to read:

322.2 Subdivision 1. **Establishment.** An insurer shall institute, implement, and maintain an
322.3 antifraud plan. For the purpose of this section, the term insurer does not include reinsurers,
322.4 the Workers' Compensation Reinsurance Association, self-insurers, and excess insurers.
322.5 Within 30 days after instituting or materially modifying an antifraud plan, the insurer shall
322.6 notify the commissioner in writing. The notice must include the name of the person
322.7 responsible for administering the plan. An antifraud plan shall establish procedures to:

322.8 (1) prevent insurance fraud, including: internal fraud involving the insurer's officers,
322.9 employees, or agents; fraud resulting from misrepresentations on applications for insurance;
322.10 and claims fraud;

322.11 (2) report insurance fraud to appropriate law enforcement authorities; and

322.12 (3) cooperate with the prosecution of insurance fraud cases.

322.13 Sec. 30. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

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

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

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

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

322.27 (4) develop a plan of operation including:

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

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

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

- 323.1 (iv) a plan for eliminating car hijacking; and
- 323.2 (v) an estimate of the funds required to implement the plan; and
- 323.3 (5) distribute money, in consultation with the commissioner of public safety, pursuant
- 323.4 to subdivision 3 from the automobile theft prevention special revenue account for automobile
- 323.5 theft prevention activities, including:
- 323.6 (i) paying the administrative costs of the program;
- 323.7 (ii) providing financial support to the State Patrol and local law enforcement agencies
- 323.8 for automobile theft enforcement teams;
- 323.9 (iii) providing financial support to state or local law enforcement agencies for programs
- 323.10 designed to reduce the incidence of automobile theft and for improved equipment and
- 323.11 techniques for responding to automobile thefts;
- 323.12 (iv) providing financial support to local prosecutors for programs designed to reduce
- 323.13 the incidence of automobile theft;
- 323.14 (v) providing financial support to judicial agencies for programs designed to reduce the
- 323.15 incidence of automobile theft;
- 323.16 (vi) providing financial support for neighborhood or community organizations or business
- 323.17 organizations for programs designed to reduce the incidence of automobile theft and to
- 323.18 educate people about the common methods of automobile theft, the models of automobiles
- 323.19 most likely to be stolen, and the times and places automobile theft is most likely to occur;
- 323.20 and
- 323.21 (vii) providing financial support for automobile theft educational and training programs
- 323.22 for state and local law enforcement officials, driver and vehicle services exam and inspections
- 323.23 staff, and members of the judiciary.
- 323.24 (b) The commissioner may not spend in any fiscal year more than ~~ten~~ 7.5 percent of the
- 323.25 money in the fund for the program's administrative and operating costs. The commissioner
- 323.26 is annually appropriated and must distribute the amount of the proceeds credited to the
- 323.27 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
- 323.28 each year to the insurance fraud prevention account described in section 297I.11, subdivision
- 323.29 2.
- 323.30 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
- 323.31 in the auto theft prevention account to the insurance fraud prevention account under section
- 323.32 45.0135, subdivision 6.

324.1 Sec. 31. Minnesota Statutes 2020, section 65B.84, subdivision 2, is amended to read:

324.2 Subd. 2. **Annual report.** By ~~January 15~~ of September 30 each year, the commissioner
324.3 shall report to the governor and the chairs and ranking minority members of the house of
324.4 representatives and senate committees having jurisdiction over the Departments of Commerce
324.5 and Public Safety on the activities and expenditures in the preceding year.

324.6 Sec. 32. Minnesota Statutes 2020, section 80A.61, is amended to read:

324.7 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**
324.8 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**
324.9 **REPRESENTATIVE.**

324.10 (a) **Application for initial registration by broker-dealer, agent, investment adviser,**
324.11 **or investment adviser representative.** A person shall register as a broker-dealer, agent,
324.12 investment adviser, or investment adviser representative by filing an application and a
324.13 consent to service of process complying with section 80A.88, and paying the fee specified
324.14 in section 80A.65 and any reasonable fees charged by the designee of the administrator for
324.15 processing the filing. The application must contain:

324.16 (1) the information or record required for the filing of a uniform application; and

324.17 (2) upon request by the administrator, any other financial or other information or record
324.18 that the administrator determines is appropriate.

324.19 (b) **Amendment.** If the information or record contained in an application filed under
324.20 subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant
324.21 shall promptly file a correcting amendment.

324.22 (c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not
324.23 pending under section 80A.67, registration becomes effective at noon on the 45th day after
324.24 a completed application is filed, unless the registration is denied. A rule adopted or order
324.25 issued under this chapter may set an earlier effective date or may defer the effective date
324.26 until noon on the 45th day after the filing of any amendment completing the application.

324.27 (d) **Registration renewal.** A registration is effective until midnight on December 31 of
324.28 the year for which the application for registration is filed. Unless an order is in effect under
324.29 section 80A.67, a registration may be automatically renewed each year by filing such records
324.30 as are required by rule adopted or order issued under this chapter, by paying the fee specified
324.31 in section 80A.65, and by paying costs charged by the designee of the administrator for
324.32 processing the filings.

325.1 (e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter
325.2 may impose such other conditions, not inconsistent with the National Securities Markets
325.3 Improvement Act of 1996. An order issued under this chapter may waive, in whole or in
325.4 part, specific requirements in connection with registration as are in the public interest and
325.5 for the protection of investors.

325.6 (f) **Funding portal registration.** A funding portal that has its principal place of business
325.7 in the state of Minnesota shall register with the state of Minnesota by filing with the
325.8 administrator a copy of the information or record required for the filing of an application
325.9 for registration as a funding portal in the manner established by the Securities and Exchange
325.10 Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with
325.11 any rule adopted or order issued, and any amendments thereto.

325.12 (g) **Application for investment adviser representative registration.**

325.13 (1) The application for initial registration as an investment adviser representative pursuant
325.14 to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities
325.15 Industry Registration or Transfer) in accordance with the form instructions and by filing
325.16 the form U-4 with the IARD. The application for initial registration must also include the
325.17 following:

325.18 (i) proof of compliance by the investment adviser representative with the examination
325.19 requirements of:

325.20 (A) the Uniform Investment Adviser Law Examination (Series 65); or

325.21 (B) ~~the General Securities Representative Examination (Series 7) and the Uniform~~
325.22 Combined State Law Examination (Series 66);

325.23 (ii) any other information the administrator may reasonably require.

325.24 (2) The application for the annual renewal registration as an investment adviser
325.25 representative shall be filed with the IARD.

325.26 (3)(i) The investment adviser representative is under a continuing obligation to update
325.27 information required by Form U-4 as changes occur;

325.28 (ii) An investment adviser representative and the investment adviser must file promptly
325.29 with the IARD any amendments to the representative's Form U-4; and

325.30 (iii) An amendment will be considered to be filed promptly if the amendment is filed
325.31 within 30 days of the event that requires the filing of the amendment.

326.1 (4) An application for initial or renewal of registration is not considered filed for purposes
326.2 of section 80A.58 until the required fee and all required submissions have been received
326.3 by the administrator.

326.4 (5) The application for withdrawal of registration as an investment adviser representative
326.5 pursuant to section 80A.58 shall be completed by following the instructions on Form U-5
326.6 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5
326.7 with the IARD.

326.8 Sec. 33. Minnesota Statutes 2020, section 80C.05, subdivision 2, is amended to read:

326.9 Subd. 2. **Commissioner's powers.** The commissioner shall have power to place such
326.10 conditions, limitations, and restrictions on any registration as may be necessary to carry out
326.11 the purposes of sections 80C.01 to 80C.22. Upon compliance with the provisions of sections
326.12 80C.01 to 80C.22 and other requirements of the commissioner, and if the commissioner
326.13 finds no ground for denial of the registration, the commissioner shall register the franchise.
326.14 ~~Registration shall be by entry in a book called Register of Franchises, which entry shall~~
326.15 show the franchise registered and for whom registered, and shall specify the conditions,
326.16 limitations, and restrictions upon such registration, if any, or shall make proper reference
326.17 to a formal order of the commissioner on file showing such conditions, limitations, and
326.18 restrictions. The registration shall become effective upon issuance by the commissioner of
326.19 an order for registration.

326.20 Sec. 34. Minnesota Statutes 2020, section 80C.08, subdivision 1, is amended to read:

326.21 Subdivision 1. **Filing; fee.** ~~Within 120 days after the fiscal year end of the registrant,~~
326.22 ~~the registrant shall~~ A registration is effective for 12 months from the date the commissioner's
326.23 order is issued. A registrant must file a report in the form prescribed by rule of the
326.24 commissioner before the end of the registration effective period. A fee of \$200 shall
326.25 accompany the annual report.

326.26 **EFFECTIVE DATE; APPLICABILITY.** This section is effective January 1, 2023,
326.27 and applies to initial registrations filed on or after that date.

326.28 Sec. 35. Minnesota Statutes 2020, section 80G.01, subdivision 3, is amended to read:

326.29 Subd. 3. **Dealer.** (a) Subject to the exceptions in paragraph (b), a "dealer" means any
326.30 person who buys, sells, solicits, or markets bullion products or investments in bullion
326.31 products to consumers and: conducts Minnesota transactions.

326.32 ~~(1) is incorporated, registered, domiciled, or otherwise located in this state;~~

327.1 ~~(2) has a dealer representative located in this state; or~~

327.2 ~~(3) does business with a consumer at a location in this state, or delivers or ships a bullion~~
 327.3 ~~product or makes a payment to a consumer at an address in this state, unless the transaction~~
 327.4 ~~occurs when the consumer is at a business location outside of this state.~~

327.5 (b) A dealer does not include any of the following persons:

327.6 (1) a person who engages only in wholesale bullion product transactions with other
 327.7 persons who engage only in wholesale bullion product transactions or with dealers who buy
 327.8 or sell at retail and are properly registered under this chapter;

327.9 (2) a person who engages only in transactions at occasional garage or yard sales held at
 327.10 the seller's residence, farm auctions held at the seller's residence, or estate sales held at the
 327.11 decedent's residence;

327.12 (3) a person who is properly registered pursuant to chapter 80A, or the federal Securities
 327.13 Exchange Act of 1934 and rules promulgated thereunder as a securities broker dealer or
 327.14 broker dealer agent;

327.15 (4) an auctioneer who auctions bullion products on behalf of an owner, if the auctioneer
 327.16 does not take title or ownership of the bullion products, or the operator of an Internet website
 327.17 that allows users to offer the sale of bullion products through that website, does not set the
 327.18 price, is not the seller of record, and does not take possession of any bullion products to be
 327.19 offered; or

327.20 ~~(5) a person who engages only in transactions at no more than 12 trade shows per year~~
 327.21 ~~in this state where the consumer is present and the transaction is made at the trade show;~~
 327.22 ~~or~~

327.23 ~~(6)~~ (5) a federally or state-chartered bank, bank and trust, savings bank, savings
 327.24 association, or credit union or any operating subsidiary of them.

327.25 Sec. 36. Minnesota Statutes 2020, section 80G.01, is amended by adding a subdivision to
 327.26 read:

327.27 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
 327.28 transaction conducted:

327.29 (1) by a dealer that is incorporated, registered, domiciled, or otherwise located in
 327.30 Minnesota;

327.31 (2) by a dealer representative at a location in Minnesota;

- 328.1 (3) between a dealer and a consumer who lives in Minnesota; or
- 328.2 (4) between a dealer and a Minnesota consumer when the transaction involves:
- 328.3 (i) delivering or shipping a bullion product to an address in Minnesota;
- 328.4 (ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota
- 328.5 resident; or
- 328.6 (iii) making payment to a consumer or receiving a payment from a consumer at an
- 328.7 address in Minnesota, unless the transaction occurs when the consumer is at a business
- 328.8 location outside of Minnesota.

328.9 Sec. 37. Minnesota Statutes 2020, section 80G.02, subdivision 1, is amended to read:

328.10 Subdivision 1. **Registration required.** It is unlawful for a dealer or dealer representative

328.11 ~~to solicit, market, buy, sell, or deliver bullion products or investments in bullion products~~

328.12 ~~to a consumer~~ conduct a Minnesota transaction without being registered by the commissioner

328.13 as provided for in this chapter. A dealer must submit an application to register itself and

328.14 each of its dealer representatives within 45 days of reaching \$25,000 in the aggregate of

328.15 ~~bullion product transactions with consumers~~ Minnesota transactions between July 1 and

328.16 June 30 of any year, as determined by the transactions' sale or purchase prices. Once a dealer

328.17 is required to register itself and its dealer representatives, the dealer must thereafter renew

328.18 its registration and the registration of each of its dealer representatives in accordance with

328.19 ~~this chapter, regardless of the aggregate annual amount of transactions,~~ unless the person

328.20 ceases to be a dealer. A dealer representative may not buy, sell, solicit, or market bullion

328.21 products or investments in bullion products on behalf of a dealer unless the dealer is properly

328.22 registered with the commissioner under this section.

328.23 Sec. 38. Minnesota Statutes 2020, section 80G.02, subdivision 4, is amended to read:

328.24 Subd. 4. **Notice of change in registration information.** A registered dealer must provide

328.25 the commissioner written notice of a change in the dealer's name, assumed names, doing

328.26 business as names, business addresses, including all business addresses at which it or its

328.27 dealer representatives conduct business, owners, e-mail addresses, website domain names,

328.28 or primary telephone number used by it or its dealer representatives to buy, sell, solicit, or

328.29 market to consumers bullion products or investments in bullion products no later than 30

328.30 days after the change occurs.

329.1 Sec. 39. Minnesota Statutes 2020, section 80G.03, subdivision 2, is amended to read:

329.2 Subd. 2. **Dealer responsibility for actions of dealer representatives.** The commissioner
 329.3 may take action against a dealer for any violations of this chapter by its dealer representatives
 329.4 conducting ~~activities~~ Minnesota transactions on behalf of or at the direction of the dealer.
 329.5 The commissioner may also take action against the dealer representative.

329.6 Sec. 40. Minnesota Statutes 2020, section 80G.04, subdivision 1, is amended to read:

329.7 Subdivision 1. **Dealer registration precluded.** The commissioner must deny an
 329.8 application for registration or renewal of a dealer, or revoke such registration, if the bullion
 329.9 ~~coin~~ product dealer or its owners or officers have within the last ten years been convicted
 329.10 in any court of any financial crime or other crime involving fraud or theft.

329.11 Sec. 41. Minnesota Statutes 2020, section 80G.05, subdivision 1, is amended to read:

329.12 Subdivision 1. **Screening process required.** Each registered dealer must establish
 329.13 procedures to screen each of its owners and officers and each of its dealer representatives
 329.14 prior to submitting the application to the commissioner for initial registration and at each
 329.15 renewal. The results of such screenings shall be kept on file by the dealer and, if requested
 329.16 by the commissioner, provided to the commissioner as part of the initial registration and all
 329.17 renewal registrations.

329.18 Sec. 42. Minnesota Statutes 2021 Supplement, section 80G.06, subdivision 1, is amended
 329.19 to read:

329.20 Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current,
 329.21 valid surety bond issued by a surety company admitted to do business in Minnesota in an
 329.22 amount based on the Minnesota transactions ~~conducted with Minnesota consumers (purchases~~
 329.23 ~~from and sales to consumers at retail)~~ during the 12-month period prior to registration, or
 329.24 renewal, whichever is applicable.

329.25 (b) The amount of the surety bond shall be as specified in the table below:

329.26 Transaction Amount in Preceding 329.27 12-month Period	Surety Bond Required
329.28 \$0 <u>\$25,000</u> to \$200,000	\$25,000
329.29 \$200,000.01 to \$500,000	\$50,000
329.30 \$500,000.01 to \$1,000,000	\$100,000
329.31 \$1,000,000.01 to \$2,000,000	\$150,000
329.32 Over \$2,000,000	\$200,000

330.1 Sec. 43. Minnesota Statutes 2020, section 80G.06, subdivision 2, is amended to read:

330.2 Subd. 2. **Action on bond permitted.** A consumer involved in a Minnesota transaction
330.3 who is injured in money or property by a dealer's or dealer representative's failure to ~~provide~~
330.4 ~~bullion products that the consumer has paid for or failure to remit money or goods owed to~~
330.5 ~~the consumer in connection with the consumer's sale of bullion products~~ comply with this
330.6 chapter may file a claim with the surety and if the claim is not paid, is authorized to bring
330.7 an action based on the bond and recover against the surety. The commissioner or attorney
330.8 general may also file a claim and bring an action on the bond and recover against the surety
330.9 on behalf of a consumer so injured.

330.10 Sec. 44. Minnesota Statutes 2020, section 80G.07, subdivision 1, is amended to read:

330.11 Subdivision 1. **Sales practices.** ~~No~~ When conducting a Minnesota transaction, a dealer
330.12 or dealer representative shall must not:

330.13 (1) prior to a transaction regarding bullion products, or concurrent with the delivery
330.14 thereof, fail to provide to the consumer an invoice, which, in a clear and conspicuous manner,
330.15 discloses the dealer's registration number, the Department of Commerce's e-mail address
330.16 and telephone number, the sale or purchase price, the quantity of the bullion products, and
330.17 specifically identifies and describes the bullion products, as well as their precious metal
330.18 content, but only if it differs from the precious metal content specified by a government
330.19 mint issuing the product and struck on the product, or if the product is not issued by a
330.20 government mint;

330.21 (2) fail to investigate any consumer complaint and retain records of all consumer
330.22 complaints, the results of its investigations, and the dealer's response and resolution of the
330.23 complaint;

330.24 (3) fail to deliver by common carrier bullion products to a consumer within the time
330.25 agreed upon with the consumer or, if no such agreement exists, within 30 days after the
330.26 consumer has paid for the bullion products;

330.27 (4) fail to pay a consumer for purchased bullion products within the time agreed upon
330.28 with the consumer or, if no such agreement exists, within 30 days after the consumer has
330.29 provided the bullion products;

330.30 (5) misrepresent the delivery date of bullion products or payment for bullion products,
330.31 or the dealer or representative's professional qualifications, affiliations, or registration;

331.1 (6) misrepresent any material aspect of a bullion product, including its performance,
331.2 efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or
331.3 profitability;

331.4 (7) misrepresent the manner in which any bullion products a consumer provides will be
331.5 stored or otherwise handled once received;

331.6 (8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or
331.7 bullion products without first obtaining the consumer's agreement to renegotiate and offering
331.8 the consumer the option to have the payment fully refunded or the entirety of the bullion
331.9 products returned;

331.10 (9) fail to respond within three business days to a consumer inquiry about the delivery
331.11 status of bullion products that the consumer has paid for but not yet received or the status
331.12 of a payment for bullion products that the consumer has already provided;

331.13 (10) telephone or solicit a consumer, or sell or provide the consumer's name to any other
331.14 dealer or dealer representative, after the consumer requests not to be contacted;

331.15 (11) violate a subpoena or order of the commissioner or a court;

331.16 (12) make any communication to a potential buyer or seller of bullion products that
331.17 misrepresents the relationship, if any, between the dealer or dealer representative and any
331.18 government agency or mint;

331.19 (13) improperly withhold, misappropriate, or convert any money or properties received
331.20 in the course of buying, selling, soliciting, or marketing bullion products or investments in
331.21 bullion products to consumers;

331.22 (14) misrepresent the terms of an actual or proposed purchase or sale of bullion products
331.23 or investment in bullion products to a consumer; or

331.24 (15) violate any other federal, state, or local law or rule related to selling, purchasing,
331.25 soliciting, or marketing of bullion products, investments in bullion products, or precious
331.26 metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest
331.27 practices, or federal, state, or local law related to taxation or labor standards.

331.28 Sec. 45. Minnesota Statutes 2021 Supplement, section 80G.11, is amended to read:

331.29 **80G.11 NOTIFICATION TO COMMISSIONER.**

331.30 A registered dealer must notify the commissioner of any dealer representative termination
331.31 within ten days of the termination if the termination is based in whole or in part on a violation
331.32 of this chapter.

332.1 Sec. 46. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to
332.2 read:

332.3 Subd. 4. **Minimum damage acquisition report.** A real estate appraiser may provide a
332.4 minimum damage acquisition report for purposes of section 117.036. When providing a
332.5 minimum damage acquisition report, a real estate appraiser is not engaged in real estate
332.6 appraisal activity and is not subject to this chapter.

332.7 **EFFECTIVE DATE.** This section is effective September 1, 2022.

332.8 Sec. 47. Minnesota Statutes 2020, section 82B.19, is amended by adding a subdivision to
332.9 read:

332.10 Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision,
332.11 the following terms have the meanings given:

332.12 (1) "asynchronous educational offering" has the meaning given in the most recent version
332.13 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
332.14 Qualifications Board; and

332.15 (2) "synchronous educational offering" has the meaning given in the most recent version
332.16 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
332.17 Qualifications Board, and includes an educational process based on live or real-time
332.18 instruction where there is no geographic separation of instructor and student.

332.19 (b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser may
332.20 submit, in a form prescribed by the commissioner, an application for continuing education
332.21 credit for a synchronous educational offering that has not been submitted for prior approval
332.22 in Minnesota. The commissioner must grant a real estate appraiser continuing education
332.23 credit if:

332.24 (1) the application is submitted on or before August 1 of the year in which the real estate
332.25 appraiser license is due for renewal;

332.26 (2) the synchronous educational offering has been approved for continuing education
332.27 credit by the regulator of real estate appraisers in at least one other state or United States
332.28 territory; and

332.29 (3) an application is submitted by the real estate appraiser to the commissioner within
332.30 30 days of successful completion of the synchronous education offering.

332.31 (c) The application must include a certificate of successful completion from the
332.32 synchronous education offering provider. The commissioner must grant a real estate appraiser

333.1 the same number of continuing education credits for the successful completion of the
333.2 synchronous educational offering as was approved for the offering by the out-of-state real
333.3 estate appraiser regulatory authority. The commissioner must grant a real estate appraiser
333.4 continuing education credit within 60 days of the submission of the completed application
333.5 for out-of-state continuing education credit.

333.6 (d) The commissioner may charge a fee to a real estate appraiser, in an amount determined
333.7 by the commissioner, to submit an application under this subdivision.

333.8 (e) This subdivision does not apply to asynchronous educational offerings.

333.9 **EFFECTIVE DATE.** This section is effective September 1, 2022.

333.10 Sec. 48. Minnesota Statutes 2021 Supplement, section 82B.25, subdivision 2, is amended
333.11 to read:

333.12 Subd. 2. **Education.** ~~Within two years of receiving a license under this chapter and as~~
333.13 ~~required by the Appraiser Qualifications Board,~~ A real property appraiser shall provide to
333.14 the commissioner evidence of satisfactory completion of a continuing education course on
333.15 the valuation bias of real property. An appraiser licensed after September 1, 2021, must
333.16 complete the course required by this section prior to the appraiser's first license renewal.

333.17 **EFFECTIVE DATE.** This section is effective September 1, 2022.

333.18 Sec. 49. Minnesota Statutes 2020, section 82C.17, subdivision 2, is amended to read:

333.19 Subd. 2. **Evidence.** (a) An appraisal management company can evidence that the fees
333.20 paid to an appraiser were reasonable and customary through:

333.21 (1) objective third-party information, including, but not limited to, government agency
333.22 fee schedules or academic studies. An academic study used must exclude appraisal
333.23 assignments ordered by an appraisal management company. ~~The commissioner may establish~~
333.24 ~~a fee scheduled for use by an appraisal management company;~~ or

333.25 (2) reviewing each of the following factors and making adjustments to recent fees paid
333.26 for appraisal services performed in the market area:

333.27 (i) the type of property appraised;

333.28 (ii) the scope of the appraisal work;

333.29 (iii) the time in which the appraisal service must be performed;

333.30 (iv) appraiser qualifications;

334.1 (v) appraiser experience and professional record; and

334.2 (vi) appraiser work quality.

334.3 (b) The fees paid for a complex appraisal assignment shall reflect the increased time,
334.4 difficulty, and scope of work required.

334.5 (c) An appraisal management company shall maintain written documentation describing
334.6 and substantiating all methods and information used to determine the customary and
334.7 reasonable fees required by this section.

334.8 **EFFECTIVE DATE.** This section is effective September 1, 2022.

334.9 Sec. 50. **[214.035] LICENSING DISQUALIFICATIONS; PRELIMINARY**
334.10 **APPLICATIONS; REPORTS.**

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

334.13 (b) "Conviction" has the meaning given in section 609.02, subdivision 5.

334.14 (c) "Criminal record" means a record of an arrest, prosecution, criminal proceeding, or
334.15 conviction.

334.16 (d) "State licensor" or "licensor" means a state agency or examining and licensing board
334.17 that issues an occupational or professional license, registration, or certificate and considers
334.18 before issuing the license, registration, or certificate any criminal record or conviction of
334.19 an applicant that may make an applicant ineligible to receive the license, registration, or
334.20 certificate.

334.21 **Subd. 2. Scope.** (a) This section does not apply to a license, registration, or certificate
334.22 issued by a state licensor if the license, registration, or certificate does not require an applicant
334.23 to report to the state licensor as part of the application process the applicant's criminal record
334.24 or does not require an applicant to obtain a criminal background check or study as part of
334.25 the application process to obtain the license, registration, or certificate.

334.26 (b) This section does not apply to a license, registration, or certificate issued by the
334.27 Department of Health, Department of Human Services, or any health-related licensing board,
334.28 as defined in section 214.01, subdivision 2.

334.29 (c) The preliminary application process described under this section may only be utilized
334.30 by an individual who has a criminal record.

335.1 Subd. 3. Preliminary applications. (a) Notwithstanding any law to the contrary, all
335.2 state licensors shall permit an individual to submit a preliminary application for a
335.3 determination pursuant to this section as to whether a criminal record or conviction that
335.4 may be considered by the state licensor under state law would make the individual ineligible
335.5 to receive an occupational or professional license, registration, or certificate issued by the
335.6 state licensor.

335.7 (b) An applicant shall submit a preliminary application and any other supporting
335.8 documents to the appropriate state licensor in a form and manner approved by the licensor.
335.9 The state licensor may require that the applicant provide information about the applicant's
335.10 criminal record in the form and manner approved by the licensor.

335.11 (c) A state licensor may charge a fee to cover any expenses incurred in connection with
335.12 processing a preliminary application, provided the fee does not exceed the actual cost to
335.13 the state licensor of processing the application or the initial fee for the applicable license,
335.14 registration, or certificate. If the applicant subsequently applies for the license, registration,
335.15 or certificate, the amount of the preliminary application fee paid by the applicant must be
335.16 credited toward the applicant's initial fee for the license, registration, or certificate. An
335.17 applicant may request a waiver of this fee. A fee collected under this paragraph for the
335.18 expenses incurred by the state licensor shall be deposited in the fund in the state treasury
335.19 in which the state licensor deposits fees collected for issuing occupational or professional
335.20 licenses, registrations, or certificates. If the state licensor does not collect a fee for issuing
335.21 occupational or professional licenses, registrations, or certificates, any fee collected under
335.22 this paragraph shall be deposited pursuant to section 214.06, subdivision 1.

335.23 (d) Upon receipt of a completed preliminary application and any necessary supporting
335.24 documents, the state licensor must determine under state law whether a criminal record or
335.25 conviction that may be considered under state law would make the applicant ineligible to
335.26 receive a professional or occupational license, registration, or certificate from the licensor.
335.27 The state licensor must issue a written decision within 60 days of receiving a completed
335.28 preliminary application. If the state licensor determines that a criminal record or conviction
335.29 would make the applicant ineligible to receive a professional or occupational license,
335.30 registration, or certificate, the written decision must:

335.31 (1) state all reasons the professional or occupational license, registration, or certificate
335.32 would be denied, including the standard used to make the decision;

335.33 (2) notify the applicant of the right to appeal the decision or seek reconsideration of the
335.34 results of a background check or background study, if applicable; and

336.1 (3) inform the applicant of any action or additional steps the applicant could take to
336.2 qualify for a professional or occupational license, registration, or certificate.

336.3 (e) If a state licensor determines that no criminal records or convictions would make the
336.4 applicant ineligible to receive a professional or occupational license, registration, or
336.5 certificate, that decision is binding on the licensor unless the decision is clearly erroneous
336.6 under state law or:

336.7 (1) the applicant is convicted of a crime or commits any other disqualifying act that may
336.8 be considered by the state licensor under state law after submission of the preliminary
336.9 application;

336.10 (2) the applicant provided incomplete information in the preliminary application;

336.11 (3) the applicant provided inaccurate or fraudulent information in the preliminary
336.12 application; or

336.13 (4) changes to state law were enacted after the date the decision was issued, making the
336.14 applicant ineligible under state law to receive a license, registration, or certificate.

336.15 (f) Nothing in this section precludes a licensor from issuing a license, registration, or
336.16 certificate to an applicant that includes limitations or conditions on the license, registration,
336.17 or certificate based on a criminal conviction or alleged misconduct of the applicant.

336.18 (g) By August 1 of each year, each state licensor shall submit to the commissioner of
336.19 management and budget the number of applicants who submitted preliminary applications
336.20 to the licensor in accordance with this section and the number of applicants who subsequently
336.21 applied for a license, registration, or certificate for the previous fiscal year. The state licensor
336.22 shall also submit the total amount of initial application fees that were not paid by these
336.23 applicants pursuant to paragraph (c), or, if the licensor does not collect a fee for issuing a
336.24 license, registration, or certificate, the cost of processing the preliminary application fee
336.25 that was not covered pursuant to paragraph (c). Each fiscal year, an amount necessary to
336.26 pay each state licensor the rest of each initial application fee or the rest of the cost of
336.27 processing each preliminary application if an initial application fee was not collected by
336.28 the licensor is appropriated from the general fund to the appropriate state licensor.

336.29 (h) This section does not apply to a state licensor that does not require an applicant to
336.30 provide a criminal record, complete a background check, or complete a background study.

336.31 Subd. 4. **Reports.** (a) By January 15 of each year, every state licensor shall report to the
336.32 Department of Employment and Economic Development on:

- 337.1 (1) the number of individuals who applied for a professional or occupational license,
337.2 registration, or certificate from the licensor;
- 337.3 (2) the number of individuals described in clause (1) who were found to be ineligible
337.4 due to a criminal record or conviction;
- 337.5 (3) the number of individuals who submitted a preliminary application under this section;
337.6 and
- 337.7 (4) the number of individuals described in clause (3) who were found to be ineligible
337.8 due to a criminal record or conviction.
- 337.9 (b) On or before February 15 of each year, the commissioner of employment and
337.10 economic development shall compile the reports received under paragraph (a) and provide
337.11 the compiled reports to the chairs and ranking minority members of the house of
337.12 representatives and senate committees and divisions with jurisdiction over employment.
337.13 The commissioner of employment and economic development must make the report readily
337.14 available on the department's public website.

337.15 Sec. 51. Minnesota Statutes 2020, section 239.761, subdivision 3, is amended to read:

337.16 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
337.17 with water or other impurities and must comply with ASTM specification D4814-11b.
337.18 Gasoline that is not blended with biofuel must also comply with the volatility requirements
337.19 in Code of Federal Regulations, title 40, part ~~80~~ 1090.

337.20 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
337.21 a person responsible for the product:

337.22 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
337.23 4;

337.24 (2) shall not blend the gasoline with any oxygenate other than biofuel;

337.25 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
337.26 biofuel;

337.27 (4) shall not blend the gasoline with products commonly and commercially known as
337.28 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
337.29 gasoline; and

337.30 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
337.31 designed to replace tetra-ethyl lead, that is registered by the EPA.

338.1 Sec. 52. Minnesota Statutes 2020, section 239.761, subdivision 4, is amended to read:

338.2 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
338.3 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
338.4 5.

338.5 (b) A gasoline-ethanol blend must:

338.6 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
338.7 ~~80~~ 1090;

338.8 (2) comply with ASTM specification D4814-11b, or the gasoline base stock from which
338.9 a gasoline-ethanol blend was produced must comply with ASTM specification D4814-11b;
338.10 and

338.11 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
338.12 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
338.13 or otherwise removed from a refinery or terminal.

338.14 Sec. 53. Minnesota Statutes 2020, section 239.791, subdivision 2a, is amended to read:

338.15 Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by
338.16 the United States Environmental Protection Agency under United States Code, title 42,
338.17 section 7545, may alter the minimum content level required by subdivision 1, paragraph
338.18 (a), clause (1), item (ii), the waiver must:

338.19 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

338.20 (2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal
338.21 Regulations, title 40, ~~section 80.27~~ part 1090.215, paragraph ~~(d)~~ (b), for blends of gasoline
338.22 and ethanol up to the maximum percent of denatured ethanol by volume authorized under
338.23 the waiver.

338.24 (b) The minimum biofuel requirement in subdivision 1, paragraph (a), clause (1), item
338.25 (ii), shall, upon the grant of the federal waiver, be effective the day after the commissioner
338.26 of commerce publishes notice in the State Register. In making this determination, the
338.27 commissioner shall consider the amount of time required by refiners, retailers, pipeline and
338.28 distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the
338.29 operational and logistical changes required to supply fuel in compliance with the minimum
338.30 biofuel requirement.

339.1 Sec. 54. Minnesota Statutes 2020, section 296A.01, subdivision 23, is amended to read:

339.2 Subd. 23. **Gasoline.** (a) "Gasoline" means:

339.3 (1) all products commonly or commercially known or sold as gasoline regardless of
339.4 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
339.5 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
339.6 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
339.7 removed from a refinery or terminal; and

339.8 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
339.9 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
339.10 tested by the Weights and Measures Division meets the specifications in ASTM specification
339.11 D4814-11b.

339.12 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
339.13 other impurities and must comply with both ASTM specification D4814-11b and the volatility
339.14 requirements in Code of Federal Regulations, title 40, part ~~80~~ 1090.

339.15 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
339.16 a person responsible for the product:

339.17 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
339.18 24;

339.19 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
339.20 derived ethanol;

339.21 (3) must not blend the gasoline with other petroleum products that are not gasoline or
339.22 denatured, agriculturally derived ethanol;

339.23 (4) must not blend the gasoline with products commonly and commercially known as
339.24 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
339.25 gasoline; and

339.26 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
339.27 designed to replace tetra-ethyl lead, that is registered by the EPA.

339.28 Sec. 55. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

339.29 Subd. 3. **Term.** Licenses issued or renewed and registrations received by the
339.30 commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each
339.31 collection agency license shall plainly state the name and business address of the licensee,
339.32 and shall be posted in a conspicuous place in the office where the business is transacted.

340.1 The fee for each collection agency license is \$500, and renewal is \$400. The fee for each
340.2 collector registration and renewal is \$10, which entitles the individual collector to work at
340.3 a licensee's business location or in another location as provided under subdivision 5b. An
340.4 additional branch license is not required for a location used under subdivision 5b. A collection
340.5 agency licensee who desires to carry on business in more than one place shall procure a
340.6 license for each place where the business is to be conducted.

340.7 **EFFECTIVE DATE.** This section is effective June 1, 2022.

340.8 Sec. 56. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to
340.9 read:

340.10 **Subd. 5b. Work from home.** An employee of a licensed collection agency may work
340.11 from a location other than the licensee's business location if the licensee and employee
340.12 comply with all requirements under this section that would apply if the employee were
340.13 working at the business location.

340.14 **EFFECTIVE DATE.** This section is effective June 1, 2022.

340.15 Sec. 57. Minnesota Statutes 2020, section 336.9-510, is amended to read:

340.16 **336.9-510 EFFECTIVENESS OF FILED RECORD.**

340.17 (a) **Filed record effective if authorized.** A filed record is effective only to the extent
340.18 that it was filed by a person that may file it under section 336.9-509 or by the filing office
340.19 under section 336.9-5135.

340.20 (b) **Authorization by one secured party of record.** A record authorized by one secured
340.21 party of record does not affect the financing statement with respect to another secured party
340.22 of record.

340.23 (c) **Continuation statement not timely filed.** A continuation statement that is not filed
340.24 within the six-month period prescribed by section 336.9-515(d) is ineffective.

340.25 Sec. 58. **[336.9-5135] TERMINATION OF WRONGFULLY FILED FINANCING**
340.26 **STATEMENT; REINSTATEMENT.**

340.27 (a) **Intent to harass.** "Intent to harass" means that from the totality of the information
340.28 provided in the record, it appears obvious to the filing office that there is no valid basis for
340.29 the filing of the record.

340.30 (b) **Affidavit of wrongful filing.** A person identified as the debtor in a filed financing
340.31 statement may deliver to the filing office a notarized affidavit that identifies the financing

341.1 statement by file number, indicates the person's mailing address, and states that the person
341.2 believes the filed record identifying the person as the debtor was not authorized to be filed
341.3 and was communicated or caused to be communicated to the office with the intent to harass
341.4 or defraud the person identified as the debtor. The office may reject an affidavit that is
341.5 incomplete or that the office believes was delivered with the intent to harass or defraud the
341.6 secured party. The secretary of state must provide a form of affidavit for use under this
341.7 section.

341.8 **(c) Termination statement by filing office.** If an affidavit is delivered to the filing
341.9 office under subsection (b) and is not rejected under subsection (b), the office must promptly
341.10 file a termination statement with respect to the financing statement identified in the affidavit.
341.11 The termination statement must identify by its file number the initial financing statement
341.12 it relates to and must indicate that it was filed pursuant to this section. A termination
341.13 statement filed under this subsection is not effective until 20 days after the date it is filed.

341.14 **(d) No fee charged or refunded.** The filing office must not charge a fee to file an
341.15 affidavit under subsection (b) or a termination statement under subsection (c). The office
341.16 must not return any fee paid to file the financing statement identified in the affidavit, whether
341.17 or not the financing statement is reinstated under subsection (g).

341.18 **(e) Notice of termination statement.** Within two business days of the date a filing office
341.19 files a termination statement under subsection (c), it must send to the secured party of record
341.20 for the financing statement the termination statement relates to a notice stating the termination
341.21 statement has been filed and becomes effective 20 days after the date the termination
341.22 statement was filed. The notice must be sent by certified mail, return receipt requested, to
341.23 the address provided for the secured party of record in the financing statement, with a copy
341.24 sent by e-mail to the e-mail address provided by the secured party of record, if any.

341.25 **(f) Administrative review; action for reinstatement.** If a secured party believes in
341.26 good faith the filed record identified in an affidavit and delivered to the filing office under
341.27 subsection (b) was authorized to be filed and was not communicated or caused to be
341.28 communicated to the filing office with the intent to harass or defraud, the secured party may
341.29 do the following:

341.30 (1) before the termination statement takes effect, request that the filing office conduct
341.31 an expedited review of the filed record and any documentation provided by the secured
341.32 party. The filing office may, as a result of the review, remove from the record the termination
341.33 statement the filing office filed under subsection (c) before the termination statement takes
341.34 effect; or

342.1 (2) at any time, commence an action against the filing office seeking reinstatement of
342.2 the financing statement the filed record relates to. The action must be commenced before
342.3 the expiration of six months after the date the termination statement was filed under
342.4 subsection (c) becomes effective. If the person identified as the debtor is not named as a
342.5 defendant in the action, the secured party must send a copy of the complaint to the person
342.6 identified as the debtor at the address indicated in the affidavit. The exclusive venue for the
342.7 action is the district court for the county where the filing office in which the financing
342.8 statement was filed is located. The action must be considered by the court on an expedited
342.9 basis.

342.10 (g) **Office to file notice of action for reinstatement.** Within ten days after the date the
342.11 filing office is served with process in an action under subsection (f), the filing office must
342.12 file in the central filing system a notice indicating the action has been commenced. The
342.13 notice must indicate the file number of the initial financing statement it relates to.

342.14 (h) **Action for reinstatement successful.** In an action under subsection (f), if the court
342.15 determines the financing statement was authorized to be filed and was not communicated
342.16 or caused to be communicated to the filing office with the intent to harass or defraud the
342.17 person identified as the debtor, the court must order that the financing statement is reinstated.
342.18 If a reinstatement order is issued by the court, the filing office must promptly file a record
342.19 that identifies by its file number the initial financing statement the record relates to and
342.20 indicates the financing statement has been reinstated.

342.21 (i) **Effect of reinstatement.** Upon the filing of a record reinstating a financing statement
342.22 under subsection (h), the effectiveness of the financing statement is reinstated and the
342.23 financing statement is considered to never have been terminated under this section. A
342.24 continuation statement filed under section 336.9-515(d) after the effective date of a
342.25 termination statement filed under subsection (c) becomes effective if the financing statement
342.26 is reinstated.

342.27 (j) **Liability for wrongful filing.** In an action under subsection (f), if the court determines
342.28 the filed record identified in an affidavit delivered to the filing office under subsection (b)
342.29 was not authorized to be filed and was communicated or caused to be communicated to the
342.30 filing office with the intent to harass or defraud the person identified as the debtor, the filing
342.31 office and the person identified as the debtor may recover from the secured party that filed
342.32 the action the costs and expenses, including reasonable attorney fees, that the filing office
342.33 and the person identified as the debtor incurred in the action. The recovery is under this
342.34 subsection in addition to any recovery the person identified as the debtor is entitled to under
342.35 section 336.9-625.

343.1 Sec. 59. Minnesota Statutes 2020, section 336.9-516, is amended to read:

343.2 **336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.**

343.3 (a) **What constitutes filing.** Except as otherwise provided in subsection (b),
343.4 communication of a record to a filing office and tender of the filing fee or acceptance of
343.5 the record by the filing office constitutes filing.

343.6 (b) **Refusal to accept record; filing does not occur.** Filing does not occur with respect
343.7 to a record that a filing office refuses to accept because:

343.8 (1) the record is not communicated by a method or medium of communication authorized
343.9 by the filing office. For purposes of filing office authorization, transmission of records using
343.10 the Extensible Markup Language (XML) format is authorized by the filing office after the
343.11 later of July 1, 2007, or the determination of the secretary of state that the central filing
343.12 system is capable of receiving and processing these records;

343.13 (2) an amount equal to or greater than the applicable filing fee is not tendered;

343.14 (3) the filing office is unable to index the record because:

343.15 (A) in the case of an initial financing statement, the record does not provide a name for
343.16 the debtor;

343.17 (B) in the case of an amendment or information statement, the record:

343.18 (i) does not identify the initial financing statement as required by section 336.9-512 or
343.19 336.9-518, as applicable; or

343.20 (ii) identifies an initial financing statement whose effectiveness has lapsed under section
343.21 336.9-515;

343.22 (C) in the case of an initial financing statement that provides the name of a debtor
343.23 identified as an individual or an amendment that provides a name of a debtor identified as
343.24 an individual which was not previously provided in the financing statement to which the
343.25 record relates, the record does not identify the debtor's surname; or

343.26 (D) in the case of a record filed or recorded in the filing office described in section
343.27 336.9-501 (a)(1), the record does not provide a sufficient description of the real property
343.28 to which it relates;

343.29 (4) in the case of an initial financing statement or an amendment that adds a secured
343.30 party of record, the record does not provide a name and mailing address for the secured
343.31 party of record;

344.1 (5) in the case of an initial financing statement or an amendment that provides a name
344.2 of a debtor which was not previously provided in the financing statement to which the
344.3 amendment relates, the record does not:

344.4 (A) provide a mailing address for the debtor; or

344.5 (B) indicate whether the name provided as the name of the debtor is the name of an
344.6 individual or an organization;

344.7 (6) in the case of an assignment reflected in an initial financing statement under section
344.8 336.9-514 (a) or an amendment filed under section 336.9-514 (b), the record does not provide
344.9 a name and mailing address for the assignee; or

344.10 (7) in the case of a continuation statement, the record is not filed within the six-month
344.11 period prescribed by section 336.9-515 (d); or

344.12 (8) in the case of an initial financing statement or an amendment that provides a name
344.13 of a debtor not previously provided in the financing statement to which the amendment
344.14 relates, the office reasonably believes the record was communicated or caused to be
344.15 communicated (i) with the intent to harass or defraud the person identified as the debtor, or
344.16 (ii) for another unlawful purpose. The office has no duty to form a belief as to whether a
344.17 record was communicated or caused to be communicated with the intent to harass or defraud
344.18 the person identified as the debtor or for another unlawful purpose, and has no duty to
344.19 investigate or ascertain facts relevant to whether the intent or purpose was present. The
344.20 secretary of state is not required to return an image of a filing rejected under this clause.

344.21 (c) **Rules applicable to subsection (b).** For purposes of subsection (b):

344.22 (1) a record does not provide information if the filing office is unable to read or decipher
344.23 the information; and

344.24 (2) a record that does not indicate that it is an amendment or identify an initial financing
344.25 statement to which it relates, as required by section 336.9-512, 336.9-514, or 336.9-518, is
344.26 an initial financing statement.

344.27 (d) **Refusal to accept record; record effective as filed record.** A record that is
344.28 communicated to the filing office with tender of the filing fee, but which the filing office
344.29 refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed
344.30 record except as against a purchaser of the collateral which gives value in reasonable reliance
344.31 upon the absence of the record from the files.

344.32 (e) **Effectiveness of record; purchaser in good faith.** A record that the filing office
344.33 initially refuses to accept under subsection (b)(8) but later accepts after receiving additional

345.1 information is effective as if the office had not initially refused to accept the record, except
345.2 as against a purchaser of the collateral that gives value in reasonable reliance upon the
345.3 absence of the record from the files.

345.4 Sec. 60. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

345.5 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

345.6 (a) Except as provided in subsections (b), (c), (d), ~~and~~ (e), (f), (g), and (h) and subject
345.7 to the provisions of the declaration or bylaws, the association shall have the power to:

345.8 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
345.9 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
345.10 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
345.11 jeopardize the health, safety or welfare of other occupants, which involves noise or other
345.12 disturbing activity, or which may damage the common elements or other units; (iii) regulating
345.13 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
345.14 and conduct which may damage the common interest community; (v) regulating the exterior
345.15 appearance of the common interest community, including, for example, balconies and patios,
345.16 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
345.17 implementing the articles of incorporation, declaration and bylaws, and exercising the
345.18 powers granted by this section; and (vii) otherwise facilitating the operation of the common
345.19 interest community;

345.20 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
345.21 collect assessments for common expenses from unit owners;

345.22 (3) hire and discharge managing agents and other employees, agents, and independent
345.23 contractors;

345.24 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
345.25 own name on behalf of itself or two or more unit owners on matters affecting the common
345.26 elements or other matters affecting the common interest community or, (ii) with the consent
345.27 of the owners of the affected units on matters affecting only those units;

345.28 (5) make contracts and incur liabilities;

345.29 (6) regulate the use, maintenance, repair, replacement, and modification of the common
345.30 elements and the units;

345.31 (7) cause improvements to be made as a part of the common elements, and, in the case
345.32 of a cooperative, the units;

346.1 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
346.2 real estate or personal property, but (i) common elements in a condominium or planned
346.3 community may be conveyed or subjected to a security interest only pursuant to section
346.4 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
346.5 may be subjected to a security interest, only pursuant to section 515B.3-112;

346.6 (9) grant or amend easements for public utilities, public rights-of-way or other public
346.7 purposes, and cable television or other communications, through, over or under the common
346.8 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
346.9 by the declaration; and, subject to approval by a vote of unit owners other than declarant
346.10 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
346.11 the common elements;

346.12 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
346.13 of the common elements, other than limited common elements, and for services provided
346.14 to unit owners;

346.15 (11) impose interest and late charges for late payment of assessments and, after notice
346.16 and an opportunity to be heard before the board or a committee appointed by it, levy
346.17 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
346.18 association;

346.19 (12) impose reasonable charges for the review, preparation and recordation of
346.20 amendments to the declaration, resale certificates required by section 515B.4-107, statements
346.21 of unpaid assessments, or furnishing copies of association records;

346.22 (13) provide for the indemnification of its officers and directors, and maintain directors'
346.23 and officers' liability insurance;

346.24 (14) provide for reasonable procedures governing the conduct of meetings and election
346.25 of directors;

346.26 (15) exercise any other powers conferred by law, or by the declaration, articles of
346.27 incorporation or bylaws; and

346.28 (16) exercise any other powers necessary and proper for the governance and operation
346.29 of the association.

346.30 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
346.31 on the power of the association to deal with the declarant which are more restrictive than
346.32 the limitations imposed on the power of the association to deal with other persons.

347.1 (c) An association levying a fine pursuant to subsection (a)(11), or an assessment pursuant
347.2 to section 515B.3-115(g) or 515B.3-1151(g), must provide written notice to a unit owner
347.3 that:

347.4 (1) if applicable, indicates the amount, date, and reason for the levy;

347.5 (2) identifies the violation for which a fine is being levied and the specific section of
347.6 the declaration, bylaws, or rules and regulations allegedly violated;

347.7 (3) states that all unpaid fines and assessments are liens which, if not satisfied, could
347.8 lead to foreclosure of the unit;

347.9 (4) describes the right of the unit owner to be heard by the board or a committee appointed
347.10 by the board;

347.11 (5) states that if the assessment, fees, charges, or fine is not paid, the amount owed may
347.12 increase as a result of the imposition of attorney fees and other costs of collection; and

347.13 (6) informs the unit owner that homeownership assistance is available from, and includes
347.14 the contact information for, the Minnesota Homeownership Center.

347.15 (d) No further collection or enforcement action may be taken by the association for the
347.16 15-day period following delivery of the notice required under paragraph (c).

347.17 (e) No attorney fees are chargeable or may be collected from a unit owner who disputes
347.18 the levy or assessment and prevails at a hearing held by the board or a committee appointed
347.19 by the board.

347.20 ~~(e)~~ (f) Notwithstanding subsection (a), powers exercised under this section must comply
347.21 with section 500.215.

347.22 ~~(d)~~ (g) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
347.23 association, before instituting litigation or arbitration involving construction defect claims
347.24 against a development party, shall:

347.25 (1) mail or deliver written notice of the anticipated commencement of the action to each
347.26 unit owner at the addresses, if any, established for notices to owners in the declaration and,
347.27 if the declaration does not state how notices are to be given to owners, to the owner's last
347.28 known address. The notice shall specify the nature of the construction defect claims to be
347.29 alleged, the relief sought, and the manner in which the association proposes to fund the cost
347.30 of pursuing the construction defect claims; and

347.31 (2) obtain the approval of owners of units to which a majority of the total votes in the
347.32 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the

348.1 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
348.2 are excluded. The association may obtain the required approval by a vote at an annual or
348.3 special meeting of the members or, if authorized by the statute under which the association
348.4 is created and taken in compliance with that statute, by a vote of the members taken by
348.5 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
348.6 means or mailed ballots is authorized by that statute, the association shall also provide for
348.7 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
348.8 or mailed ballots, except that the votes must be used in combination with the vote taken at
348.9 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
348.10 for purposes of determining whether a quorum was present. Proxies may not be used for a
348.11 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
348.12 the notice required under subsection ~~(d)~~ (g)(1) and the proxy expressly references this notice.

348.13 ~~(e)~~ (h) The association may intervene in a litigation or arbitration involving a construction
348.14 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
348.15 claim before complying with subsections ~~(d)~~ (g)(1) and ~~(d)~~ (g)(2) but the association's
348.16 complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed
348.17 without prejudice unless the association has complied with the requirements of subsection
348.18 ~~(d)~~ (g) within 90 days of the association's commencement of the complaint in an intervention
348.19 or the assertion of the counterclaim, crossclaim, or third-party claim.

348.20 **EFFECTIVE DATE.** This section is effective January 1, 2023.

348.21 Sec. 61. Minnesota Statutes 2020, section 549.30, subdivision 3, is amended to read:

348.22 Subd. 3. **Applicable law.** "Applicable law" means: (1) the laws of the United States; (2)
348.23 the laws of this state, including principles of equity applied in the courts of this state; and
348.24 (3) the laws of any other jurisdiction: (i) which is the domicile of the payee ~~or any other~~
348.25 ~~interested party~~; (ii) under whose laws a structured settlement agreement was approved by
348.26 a court or responsible administrative authority; or (iii) in whose courts a settled claim was
348.27 pending when the parties entered into a structured settlement agreement.

348.28 Sec. 62. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to
348.29 read:

348.30 **Subd. 3a. Assignee.** "Assignee" means a person acquiring or proposing to acquire
348.31 structured settlement payment rights from a transferee.

349.1 Sec. 63. Minnesota Statutes 2020, section 549.30, is amended by adding a subdivision to
349.2 read:

349.3 Subd. 5a. **Effective equivalent annual interest rate.** "Effective equivalent annual
349.4 interest rate" means the annualized rate of interest on the net advance amount, calculated
349.5 by treating the transferred settlement payments as if the transferred settlement payments
349.6 were installment payments on a loan, with each payment applied first to the accrued unpaid
349.7 interest and then to the principal.

349.8 Sec. 64. Minnesota Statutes 2020, section 549.30, subdivision 6, is amended to read:

349.9 **Subd. 6. Independent professional advice.** "Independent professional advice" means
349.10 advice of an attorney, certified public accountant, actuary, financial adviser, or other licensed
349.11 professional adviser: (1) who is engaged by a payee to render advice concerning the legal,
349.12 tax, and financial implications of a transfer of structured settlement payment rights; (2) to
349.13 whom the payee is not referred directly or indirectly and who is not in any manner affiliated
349.14 with or compensated by the transferee of the transfer; and (3) whose compensation for
349.15 providing the advice is not affected by whether a transfer occurs or does not occur.

349.16 Sec. 65. Minnesota Statutes 2020, section 549.30, subdivision 15, is amended to read:

349.17 **Subd. 15. Structured settlement payment rights.** "Structured settlement payment
349.18 rights" means rights to receive periodic payments, including lump-sum payments, under a
349.19 structured settlement, whether from the settlement obligor or the annuity issuer, where: (1)
349.20 ~~the payee or any other interested party~~ is domiciled in the state; (2) the structured settlement
349.21 agreement was approved by a court or responsible administrative authority in the state; or
349.22 (3) the settled claim was pending before the courts of this state when the parties entered
349.23 into the structured settlement agreement.

349.24 Sec. 66. Minnesota Statutes 2020, section 549.30, subdivision 19, is amended to read:

349.25 **Subd. 19. Transferee.** "Transferee" means a person ~~who is receiving or will receive~~
349.26 acquiring or proposing to acquire structured settlement payment rights resulting from a
349.27 transfer.

350.1 Sec. 67. Minnesota Statutes 2020, section 549.31, is amended to read:

350.2 **549.31 CONDITIONS TO TRANSFERS OF STRUCTURED SETTLEMENT**
350.3 **PAYMENT RIGHTS AND STRUCTURED SETTLEMENT AGREEMENTS.**

350.4 Subdivision 1. **Generally.** No direct or indirect transfer of structured settlement payment
350.5 rights is effective and no structured settlement obligor or annuity issuer is required to make
350.6 a payment directly or indirectly to a transferee of structured settlement payment rights unless
350.7 the transfer has been authorized in advance in a final order of a court of competent jurisdiction
350.8 or responsible administrative authority, based on the court's or responsible administrative
350.9 authority's written express findings, after notice and hearing, that:

350.10 (a) the transfer complies with the requirements of sections 549.31 to 549.34 and will
350.11 not contravene other applicable law;

350.12 (b) not less than ten days before the date on which the payee first incurred an obligation
350.13 with respect to the transfer, the transferee has provided to the payee, an attorney representing
350.14 the payee or advising the payee, or any other professional known to be advising the payee
350.15 a disclosure statement in bold type, no smaller than 14 points, specifying:

350.16 (1) the amounts and due dates of the structured settlement payments to be transferred;

350.17 (2) the aggregate amount of the payments;

350.18 (3) the discounted present value of the payments, together with the discount rate used
350.19 in determining the discounted present value;

350.20 (4) the gross amount payable to the payee in exchange for the payments;

350.21 (5) an itemized listing of all brokers' commissions, service charges, application fees,
350.22 processing fees, closing costs, filing fees, referral fees, administrative fees, legal fees, notary
350.23 fees, and other commissions, fees, costs, expenses, and any other charges payable by the
350.24 payee or deductible from the gross amount otherwise payable to the payee, and verification
350.25 that the total fees and charges do not exceed two percent of the total compensation payable
350.26 to the payee;

350.27 (6) the net amount payable to the payee after deduction of all commissions, fees, costs,
350.28 expenses, and charges described in clause (5);

350.29 (7) the quotient, expressed as a percentage, obtained by dividing the net payment amount
350.30 by the discounted present value of the payments; ~~and~~

351.1 (8) the amount of any penalty and the aggregate amount of any liquidated damages,
351.2 including penalties, payable by the payee in the event of a breach of the transfer agreement
351.3 by the payee;

351.4 (9) the effective equivalent annual interest rate, disclosed in the following form: "Based
351.5 on the net amount that you will receive from us and the amounts and timing of the structured
351.6 settlement payments you are transferring to us, in effect you will be paying us at an interest
351.7 rate of % per year"; and

351.8 (10) that the payee is advised to obtain independent professional advice about the transfer,
351.9 disclosed in the following form: "Before agreeing to sell any of your payment rights, you
351.10 should seek guidance from an attorney, accountant, actuary, financial adviser, or tax or
351.11 other licensed professional adviser who is not associated with the buyer. It is illegal for the
351.12 buyer to refer you to anyone for this advice and for anyone associated with or paid for by
351.13 the buyer to give you advice.";

351.14 (c) based on the files, records, disclosures, and evidence presented at the hearing, the
351.15 payee court has established that the financial terms of the proposed transfer are fair and
351.16 reasonable and the proposed transfer is in the best interests of the payee and the payee's
351.17 dependents;, after considering:

351.18 (1) the payee's age, legal knowledge, and apparent maturity level, and any other relevant
351.19 factors and the stated purpose of the transfer;

351.20 (2) whether the payee has the capacity to fully understand the financial terms and
351.21 implications of the transfer agreement;

351.22 (3) whether the payee is employed or employable;

351.23 (4) the payee's ability to meet (i) ongoing and known future living expenses, including
351.24 medical expenses, and (ii) the current and future financial obligations of the payee and the
351.25 payee's dependents, including child support and spousal maintenance;

351.26 (5) whether the payee completed previous transactions involving the payee's structured
351.27 settlement payments, and the timing, size, stated purpose, and actual use of the proceeds;

351.28 (6) the impact of the proposed transfer on current or future eligibility of the payee or
351.29 the payee's dependents for public benefits; and

351.30 (7) any other factors or facts the court determines are relevant and should be considered;

351.31 (d) the payee has or has not received independent professional advice regarding the
351.32 legal, tax, and financial implications of the transfer;

352.1 (e) the transferee has given written notice of the transferee's name, address, and taxpayer
352.2 identification number to the annuity issuer and the structured settlement obligor and has
352.3 filed a copy of the notice with the court or responsible administrative authority; and

352.4 (f) that the transfer agreement provides that any disputes between the parties will be
352.5 governed, interpreted, construed, and enforced in accordance with the laws of this state and
352.6 that the domicile state of the payee is the proper place of venue to bring any cause of action
352.7 in district court arising out of a breach of the agreement. The transfer agreement must also
352.8 provide that the parties agree to the jurisdiction of any court of competent jurisdiction located
352.9 in this state and that no predispute arbitration is required by the agreement.

352.10 ~~If the transfer would contravene the terms of the structured settlement, upon the filing~~
352.11 ~~of a written objection by any interested party and after considering the objection and any~~
352.12 ~~response to it, the court or responsible administrative authority may grant, deny, or impose~~
352.13 ~~conditions upon the proposed transfer as the court or responsible administrative authority~~
352.14 ~~deems just and proper under the facts and circumstances in accordance with established~~
352.15 ~~principles of law.~~ Any order approving a transfer must require that the transferee indemnify
352.16 the annuity issuer and the structured settlement obligor for any liability including reasonable
352.17 costs and attorney fees arising from compliance by the issuer or obligor with the order of
352.18 the court or responsible administrative authority.

352.19 Subd. 1a. **Appointment of evaluator.** The court may, in its discretion in any case,
352.20 appoint an attorney to make an independent assessment and advise the court whether the
352.21 financial terms of the proposed transfer agreement are fair and reasonable, and whether the
352.22 transfer is in the best interests of the payee and the payee's dependents. The evaluator must
352.23 present the findings of the evaluation to the court at or prior to a hearing on the application.
352.24 All costs and reasonable fees for the evaluator shall be borne by the transferee.

352.25 Subd. 1b. **Obligations of annuity issuers and structured settlement obligors; liability**
352.26 of transferees. (a) The annuity issuer and the structured settlement obligor may rely on the
352.27 court order approving the transfer of structured settlement payment rights in redirecting
352.28 periodic payments and, as to all parties except the transferee or an assignee, be discharged
352.29 and released from any and all liability for the redirected payments. The failure of any party
352.30 to the transfer to comply with sections 549.30 to 549.34 or with the court order approving
352.31 the transfer has no effect on the discharge and release.

352.32 (b) The transferee is liable to the structured settlement obligor and annuity issuer:

353.1 (1) if the transfer contravenes the terms of the structured settlement, and for any taxes
353.2 incurred by the structured settlement obligor or annuity issuer resulting from the transfer;
353.3 or

353.4 (2) for any other liabilities or costs, including reasonable attorney fees, arising from
353.5 compliance by the annuity issuer or the structured settlement obligor with the court order
353.6 approving the transfer, or from the failure of any party to the transfer to comply with sections
353.7 549.30 to 549.34.

353.8 (c) Compliance with the requirements in sections 549.30 to 549.34 regarding any transfer
353.9 of structured settlement payment rights is solely the responsibility of the transferee, and
353.10 neither the annuity issuer nor the structured settlement obligor bears any responsibility for,
353.11 or any liability arising from, the failure to comply with the requirements or failure to fulfill
353.12 the conditions of the transfer.

353.13 (d) Neither the annuity issuer nor the structured settlement obligor is required to divide
353.14 any periodic payment between the payee and any transferee or assignee or between two or
353.15 more transferees or assignees.

353.16 **Subd. 2. Unenforceable confessions of judgment.** A provision in a transfer agreement
353.17 giving a transferee power to confess judgment against a payee is unenforceable ~~to the extent~~
353.18 ~~the amount of the judgment would exceed the amount paid by the transferee to the payee,~~
353.19 ~~less any payments received from the structured settlement obligor or the payee.~~

353.20 **Subd. 3. Initial disclosure of structured settlement terms.** In negotiating a structured
353.21 settlement of claims brought by or on behalf of a claimant who is domiciled in this state,
353.22 the structured settlement obligor shall disclose in writing to the claimant or the claimant's
353.23 legal representative all of the following information that is not otherwise specified in the
353.24 structured settlement agreement:

353.25 (1) the amounts and due dates of the periodic payments to be made under the structured
353.26 settlement agreement. In the case of payments that will be subject to periodic percentage
353.27 increases, the amounts of future payments may be disclosed by identifying the base payment
353.28 amount, the amount and timing of scheduled increases, and the manner in which increases
353.29 will be compounded;

353.30 (2) the amount of the premium payable to the annuity issuer;

353.31 (3) the discounted present value of all periodic payments that are not life-contingent,
353.32 together with the discount rate used in determining the discounted present value;

354.1 (4) the nature and amount of any cost that may be deducted from any of the periodic
354.2 payments;

354.3 (5) where applicable, that any transfer of the periodic payments is prohibited by the
354.4 terms of the structured settlement and may otherwise be prohibited or restricted under
354.5 applicable law; and

354.6 (6) that any transfer of the periodic payments by the claimant may subject the claimant
354.7 to serious adverse tax consequences.

354.8 Sec. 68. [549.315] DISCOUNT RATE.

354.9 The discount rate used in determining the net amount payable to the payee under the
354.10 transfer agreement may not exceed an annual percentage rate of prime plus five percentage
354.11 points calculated as if the net amount payable to the payee was the principal of a consumer
354.12 loan made by the transferee to the payee, and if the structured settlement payments to be
354.13 transferred to the transferee were the payee's payments of principal plus interest on such
354.14 loan. For purposes of this subdivision, the prime rate shall be as reported by the Federal
354.15 Reserve Statistical Release H.15 on the first Monday of the month in which the transfer
354.16 agreement is signed by both the payee and the transferee, except when the transfer agreement
354.17 is signed prior to the first Monday of that month then the prime rate shall be as reported by
354.18 the Federal Reserve Statistical Release H.15 on the first Monday of the preceding month.

354.19 Sec. 69. Minnesota Statutes 2020, section 549.32, is amended to read:

354.20 **549.32 ~~JURISDICTION APPLICATION~~; PROCEDURE FOR APPROVAL OF**
354.21 **TRANSFERS.**

354.22 Subdivision 1. **Jurisdiction; venue.** ~~The district court has nonexclusive jurisdiction~~
354.23 ~~over~~ (a) An application for authorization under section 549.31 of a transfer of structured
354.24 settlement payment rights must be filed in the district court in the county in which the payee
354.25 resides.

354.26 (b) The payee must appear in person at the hearing unless the court determines that good
354.27 cause exists to excuse the payee from appearing in person.

354.28 Subd. 2. **Notice.** Not less than 20 days before the scheduled hearing on an application
354.29 for authorization of a transfer of structured settlement payment rights under section 549.31,
354.30 the transferee shall file with the court or responsible administrative authority and serve on:
354.31 any other government authority that previously approved the structured settlement; and all

355.1 interested parties, a notice of the proposed transfer and the application for its authorization.

355.2 The notice must include:

355.3 (1) a copy of the transferee's application to the court or responsible administrative
355.4 authority, which must contain the payee's name and age;

355.5 (2) a copy of the transfer agreement;

355.6 (3) a copy of the disclosure statement required under section 549.31, subdivision 1,
355.7 paragraph (b), and proof that the disclosure statement has been delivered to the payee, to
355.8 an attorney representing or advising the payee, and to any other professional known to be
355.9 advising the payee;

355.10 (4) notification that an interested party is entitled to support, oppose, or otherwise respond
355.11 to the transferee's application, either in person or by counsel, by submitting written comments
355.12 to the court or responsible administrative authority or by participating in the hearing;

355.13 (5) notification of the time and place of the hearing and notification of the manner in
355.14 which and the time by which written responses to the application must be filed, in order to
355.15 be considered by the court or responsible administrative authority. Written responses to the
355.16 application must be filed within 15 days after service of the transferee's notice; and

355.17 (6) notification of the date and ~~judicial district~~ court, and details of any prior application
355.18 for transfer filed by the transferee, an affiliate or assignee of the transferee, or any other
355.19 transferee relating to a prior proposed transfer with the payee, including whether the prior
355.20 application was granted or denied. If any prior application was granted, the notice shall
355.21 provide the amount and due dates of any structured settlement payments that were transferred,
355.22 the aggregate amount of the payments, the discounted present value of the payments, and
355.23 the gross amount that was payable to the payee in exchange for the payments.

355.24 Sec. 70. **[549.325] PROHIBITED PRACTICES.**

355.25 Subdivision 1. Prohibitions. No transferee shall:

355.26 (1) represent the payee;

355.27 (2) intervene in a pending structured settlement transfer proceeding, if the transferee is
355.28 not a party to such proceeding or an interested party relative to the proposed transfer that
355.29 is the subject of the pending structured settlement transfer proceeding;

355.30 (3) offer or provide any gift, loan, extension of credit, or advance as an inducement to
355.31 enter into a transfer agreement or pay a fee to any person to refer a potential payee to the
355.32 transferee or any affiliate of the transferee;

356.1 (4) communicate with a payee or a person associated with the payee with excessive
356.2 frequency, at unusual hours, or in any other manner as reasonably may be expected to abuse
356.3 or harass the payee in connection with a proposed transfer;

356.4 (5) solicit a prospective payee through the conveyance of a document in any way
356.5 resembling a check or other form of payment;

356.6 (6) provide in a transfer agreement or related document that gives to the transferee the
356.7 first choice or option to purchase any remaining structured settlement rights belonging to
356.8 the payee; or

356.9 (7) solicit or petition for a transfer of a structured settlement from a minor or a parent
356.10 or guardian of a minor.

356.11 Subd. 2. **Enforcement.** A violation of this section is a deceptive practice in violation of
356.12 section 325F.69.

356.13 Sec. 71. Minnesota Statutes 2020, section 549.34, is amended to read:

356.14 **549.34 CONSTRUCTION.**

356.15 (a) Nothing contained in sections 549.30 to 549.34 may be construed to authorize the
356.16 transfer of workers' compensation payment rights in contravention of applicable law or to
356.17 give effect to the transfer of workers' compensation payment rights that is invalid under
356.18 applicable law.

356.19 (b) No transfer of structured settlement payment rights shall extend to any payments
356.20 that are life contingent unless, prior to the date on which the payee signs the transfer
356.21 agreement, the transferee has established and has agreed to maintain procedures reasonably
356.22 satisfactory to the annuity issuer and the structured settlement obligor for:

356.23 (1) periodically confirming the payee's survival; and

356.24 (2) giving the annuity issuer and the structured settlement obligor prompt written notice
356.25 in the event of the payee's death.

356.26 Sec. 72. **REVISOR INSTRUCTION.**

356.27 (a) The revisor of statutes shall change the term "self-study course" to "on-demand
356.28 course" wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make
356.29 grammatical changes related to the change in term.

357.1 (b) The revisor of statutes shall change the term "classroom course" to "live course"
357.2 wherever it appears in Minnesota Statutes, chapter 45. The revisor shall also make
357.3 grammatical changes related to the change in term.

357.4 Sec. 73. **REPEALER.**

357.5 (a) Minnesota Statutes 2020, section 45.25, subdivisions 2a and 14, are repealed.

357.6 (b) Minnesota Statutes 2020, section 60A.033, subdivision 3, is repealed.

357.7 **ARTICLE 28**

357.8 **INSURANCE**

357.9 Section 1. Minnesota Statutes 2020, section 61A.02, is amended by adding a subdivision
357.10 to read:

357.11 Subd. 7. **Regulatory flexibility.** (a) Notwithstanding any other requirement of this
357.12 section, the commissioner may authorize long-term care insurance to be sold as part of or
357.13 in conjunction with life insurance, if the proposed policy:

357.14 (1) is not permitted under current law;

357.15 (2) represents an innovative and reasonable approach to provide both life insurance and
357.16 long-term care insurance;

357.17 (3) provides reasonable coverage; and

357.18 (4) is in the best interest of insureds.

357.19 (b) The insurer filing for authorization under this section must demonstrate that the
357.20 proposed policy satisfies the requirements of paragraph (a).

357.21 Sec. 2. Minnesota Statutes 2021 Supplement, section 62J.26, subdivision 2, is amended
357.22 to read:

357.23 **Subd. 2. Evaluation process and content.** (a) The commissioner, in consultation with
357.24 the commissioners of health and management and budget, must evaluate all mandated health
357.25 benefit proposals as provided under subdivision 3.

357.26 (b) The purpose of the evaluation is to provide the legislature with a complete and timely
357.27 analysis of all ramifications of any mandated health benefit proposal. The evaluation must
357.28 include, in addition to other relevant information, the following to the extent applicable:

358.1 (1) scientific and medical information on the mandated health benefit proposal, on the
358.2 potential for harm or benefit to the patient, and on the comparative benefit or harm from
358.3 alternative forms of treatment, and must include the results of at least one professionally
358.4 accepted and controlled trial comparing the medical consequences of the proposed therapy,
358.5 alternative therapy, and no therapy;

358.6 (2) public health, economic, and fiscal impacts of the mandated health benefit proposal
358.7 on persons receiving health services in Minnesota, on the relative cost-effectiveness of the
358.8 proposal, and on the health care system in general;

358.9 (3) the extent to which the treatment, service, equipment, or drug is generally utilized
358.10 by a significant portion of the population;

358.11 (4) the extent to which insurance coverage for the mandated health benefit proposal is
358.12 already generally available;

358.13 (5) the extent to which the mandated health benefit proposal, by health plan category,
358.14 would apply to the benefits offered to the health plan's enrollees;

358.15 (6) the extent to which the mandated health benefit proposal will increase or decrease
358.16 the cost of the treatment, service, equipment, or drug;

358.17 (7) the extent to which the mandated health benefit proposal may increase enrollee
358.18 premiums; and

358.19 (8) if the proposal applies to a qualified health plan as defined in section 62A.011,
358.20 subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal
358.21 using commercial market reimbursement rates in accordance with Code of Federal
358.22 Regulations, title 45, section 155.70.

358.23 (c) The commissioner shall consider actuarial analysis done by health plan companies
358.24 and any other proponent or opponent of the mandated health benefit proposal in determining
358.25 the cost of the proposal.

358.26 (d) The commissioner must summarize the nature and quality of available information
358.27 on these issues, and, if possible, must provide preliminary information to the public. The
358.28 commissioner may conduct research on these issues or may determine that existing research
358.29 is sufficient to meet the informational needs of the legislature. The commissioner may seek
358.30 the assistance and advice of researchers, community leaders, or other persons or organizations
358.31 with relevant expertise.

358.32 (e) The commissioner shall not make public any information submitted under this section
358.33 if that information is trade secret information under section 13.37, subdivision 1, paragraph

359.1 (b). Trade secret information submitted by a health plan company or other proponent or
359.2 opponent of the mandated health benefit proposal must be clearly and specifically identified
359.3 as trade secret information. If the commissioner disagrees with the classification of the
359.4 information as trade secret, the commissioner must notify in writing the health plan company
359.5 or other proponent or opponent of the mandated health benefit proposal that the information
359.6 will be made public at least 30 days prior to the information being made public.

359.7 (f) When requesting information from a health plan company or other proponent or
359.8 opponent of the mandated health benefit proposal pursuant to this section, the commissioner
359.9 must provide at least 60 days' notice.

359.10 Sec. 3. Minnesota Statutes 2020, section 62Q.733, subdivision 1, is amended to read:

359.11 Subdivision 1. **Applicability.** For purposes of sections 62Q.732 to ~~62Q.739~~ 62Q.7391,
359.12 the following definitions apply.

359.13 Sec. 4. Minnesota Statutes 2020, section 62Q.735, subdivision 1, is amended to read:

359.14 Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign
359.15 a contract, a health plan company shall give to the provider a complete copy of the proposed
359.16 contract, including:

359.17 (1) all attachments and exhibits;

359.18 (2) operating manuals;

359.19 (3) a general description of the health plan company's health service coding guidelines
359.20 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

359.21 (4) all guidelines and treatment parameters incorporated or referenced in the contract.

359.22 (b) The health plan company shall make available to the provider the fee schedule or a
359.23 method or process that allows the provider to determine the fee schedule for each health
359.24 care service to be provided under the contract.

359.25 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan~~
359.26 ~~organization, as defined in section 62Q.76, shall disclose information related to the individual~~
359.27 ~~contracted provider's expected reimbursement from the dental plan organization.~~ Nothing
359.28 in this section requires a dental plan organization to disclose the plan's aggregate maximum
359.29 allowable fee table used to determine other providers' fees. The contracted provider must
359.30 not release this information in any way that would violate any state or federal antitrust law.

360.1 Sec. 5. Minnesota Statutes 2020, section 62Q.735, subdivision 5, is amended to read:

360.2 Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any
360.3 additional fees or fee schedules relevant to the particular provider's practice beyond those
360.4 provided with the renewal documents for the next contract year to all participating providers,
360.5 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the
360.6 requirements of this section by making the full fee schedules available through a secure
360.7 web portal for contracted providers.

360.8 ~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,~~
360.9 ~~subdivision 1, paragraph (e).~~

360.10 Sec. 6. **[62Q.7391] HEALTH CARE PROVIDER CONTRACT TERMINATION.**

360.11 Subdivision 1. **Termination for cause.** (a) A contract between a health care provider
360.12 and a health plan company may be terminated by the health plan company for cause only
360.13 if the contract includes an appeal process for the provider to appeal the termination. The
360.14 health plan company must provide the provider with written notice of termination that
360.15 includes:

360.16 (1) the reasons for the termination;

360.17 (2) the date upon which the termination is effective; and

360.18 (3) a statement that the provider has the right to appeal the termination decision and a
360.19 description of the appeal process available to the provider to request an appeal.

360.20 (b) The process must permit the provider with the opportunity to request an appeal and
360.21 present any relevant documents and arguments against termination. The process must also
360.22 include (1) an internal review, and (2) an external review that occurs if the internal review
360.23 upholds the decision to terminate. The external review must be conducted by an independent
360.24 external review entity agreed to by the provider. The decision of the external review entity
360.25 is final. If the external review entity determines that the reason for termination is not
360.26 supported the provider's contract with the health plan company must be reinstated.

360.27 (c) A health plan company regulated by the commissioner of commerce must submit to
360.28 the commissioner of commerce for approval the appeal process required under this
360.29 subdivision. A health plan company regulated by the commissioner of health must submit
360.30 to the commissioner of health for approval the appeal process required under this subdivision.
360.31 If the health plan company fails to submit the process or the appeal process is not approved,
360.32 the commissioner of commerce or commissioner of health, as appropriate, may take
360.33 regulatory action against the health plan company.

361.1 Subd. 2. **Termination not for cause.** A health plan company is prohibited from
361.2 terminating a contract with a health care provider without cause.

361.3 Sec. 7. Minnesota Statutes 2020, section 62Q.76, is amended by adding a subdivision to
361.4 read:

361.5 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract
361.6 with a dental organization or with another third party to gain access to the dental care services
361.7 or contractual discounts under a dental provider contract. Third party does not include an
361.8 enrollee of a dental organization or an employer or other group for whom the dental
361.9 organization provides administrative services.

361.10 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to dental
361.11 plans and dental provider agreements offered, issued, or renewed on or after that date.

361.12 Sec. 8. Minnesota Statutes 2020, section 62Q.78, is amended by adding a subdivision to
361.13 read:

361.14 Subd. 7. **Network leasing.** (a) A dental organization may grant a third party access to
361.15 a dental provider contract, or a provider's dental care services or contractual discounts
361.16 provided pursuant to a dental provider contract, if at the time the dental provider contract
361.17 is entered into or renewed the dental organization allows a dentist to choose not to participate
361.18 in third-party access to the dental provider contract, without any penalty to the dentist. The
361.19 third-party access provision of the dental provider contract must be clearly identified. A
361.20 dental organization must not grant a third party access to the dental provider contract of any
361.21 dentist who does not participate in third-party access to the dental provider contract.

361.22 (b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose
361.23 of recruiting dentists for dental provider contracts that establish a network to be leased to
361.24 third parties, the dentist waives the right to choose whether to participate in third-party
361.25 access.

361.26 (c) A dental organization may grant a third party access to a dental provider contract,
361.27 or a dentist's dental care services or contractual discounts under a dental provider contract,
361.28 if the following requirements are met:

361.29 (1) the dental organization lists all third parties that may have access to the dental provider
361.30 contract on the dental organization's website, which must be updated at least once every 90
361.31 days;

362.1 (2) the dental provider contract states that the dental organization may enter into an
362.2 agreement with a third party that would allow the third party to obtain the dental
362.3 organization's rights and responsibilities as if the third party were the dental organization,
362.4 and the dentist chose to participate in third-party access at the time the dental provider
362.5 contract was entered into; and

362.6 (3) the third party accessing the dental provider contract agrees to comply with all
362.7 applicable terms of the dental provider contract.

362.8 (d) A dentist is not bound by and is not required to perform dental care services under
362.9 a dental provider contract granted to a third party in violation of this section.

362.10 (e) This subdivision does not apply when:

362.11 (1) the dental provider contract is for dental services provided under a public health plan
362.12 program, including but not limited to medical assistance, MinnesotaCare, Medicaid, or
362.13 Medicare Advantage; or

362.14 (2) access to a dental provider contract is granted to a dental organization, an entity
362.15 operating in accordance with the same brand licensee program as the dental organization
362.16 or other entity, or to an entity that is an affiliate of the dental organization, provided the
362.17 entity agrees to substantially similar terms and conditions of the originating dental provider
362.18 contract between the dental organization and the dentist or dental clinic. A list of the dental
362.19 organization's affiliates must be posted on the dental organization's website.

362.20 Sec. 9. Minnesota Statutes 2020, section 62Q.79, is amended by adding a subdivision to
362.21 read:

362.22 Subd. 7. **Method of payments.** A dental provider contract must include a method of
362.23 payment for dental care services in which no fees associated with the method of payment,
362.24 including credit card fees and fees related to payment in the form of digital or virtual
362.25 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a
362.26 payment must be disclosed to a dentist prior to entering into or renewing a dental provider
362.27 contract. For purposes of this section, fees related to a provider's electronic claims processing
362.28 vendor, financial institution, or other vendor used by a provider to facilitate the submission
362.29 of claims are excluded.

363.1 Sec. 10. Minnesota Statutes 2020, section 72A.20, is amended by adding a subdivision to
363.2 read:

363.3 Subd. 41. **Discrimination based on status as a living organ or bone marrow donor**
363.4 **prohibited.** A life insurance, long-term care insurance, or disability insurance carrier is
363.5 prohibited from declining or limiting coverage of an insured or otherwise discriminating in
363.6 the premium rating, offering, issuance, cancellation, amount of coverage, or any other
363.7 condition based solely upon the status of an insured as a living organ or bone marrow donor
363.8 and without additional actuarial risks.

363.9 **EFFECTIVE DATE.** This section is effective for insurance policies issued and renewed
363.10 on or after August 1, 2022.

363.11 Sec. 11. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
363.12 to read:

363.13 Subd. 3a. **Cash compensation.** "Cash compensation" means any discount, concession
363.14 fee, service fee, commission, sales charge, loan, override, or cash benefit received by an
363.15 insurance producer from an insurer, intermediary, or consumer in connection with
363.16 recommending or selling an annuity.

363.17 Sec. 12. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
363.18 to read:

363.19 Subd. 3b. **Consumer profile information.** "Consumer profile information" means
363.20 information that is reasonably appropriate to determine whether a recommendation addresses
363.21 the consumer's financial situation, insurance needs, and financial objectives, including at a
363.22 minimum the following:

363.23 (1) age;

363.24 (2) annual income and anticipated material changes in annual income;

363.25 (3) financial situation and needs, including debts and other obligations, and anticipated
363.26 material changes in financial situation and needs;

363.27 (4) financial experience;

363.28 (5) insurance needs;

363.29 (6) financial objectives;

363.30 (7) intended use of the annuity;

- 364.1 (8) financial time horizon;
- 364.2 (9) existing assets or financial products, including investment, annuity, and insurance
- 364.3 holdings, and anticipated material changes in existing assets;
- 364.4 (10) liquidity needs and anticipated material changes in liquidity needs;
- 364.5 (11) liquid net worth and anticipated material changes in liquid net worth;
- 364.6 (12) risk tolerance, including but not limited to willingness to accept nonguaranteed
- 364.7 elements in the annuity;
- 364.8 (13) financial resources used to fund the annuity;
- 364.9 (14) tax status; and
- 364.10 (15) whether or not the consumer has a reverse mortgage.

364.11 Sec. 13. Minnesota Statutes 2020, section 72A.2031, subdivision 8, is amended to read:

364.12 Subd. 8. **Insurance producer.** "Insurance producer" means a person required to be

364.13 licensed under the laws of this state to sell, solicit, or negotiate insurance, including annuities.

364.14 For purposes of sections 72A.203 to 72A.2036, insurance producer includes an insurer

364.15 where no insurance producer is involved.

364.16 Sec. 14. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision

364.17 to read:

364.18 Subd. 8a. **Intermediary.** "Intermediary" means an entity contracted directly with an

364.19 insurer or with another entity contracted with an insurer to facilitate the sale of the insurer's

364.20 annuities by insurance producers.

364.21 Sec. 15. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision

364.22 to read:

364.23 Subd. 8b. **Material conflict of interest.** "Material conflict of interest" means a financial

364.24 interest of the insurance producer in the sale of an annuity that a reasonable person would

364.25 expect to influence the impartiality of a recommendation. The payment of compensation,

364.26 including both cash and noncash compensation, does not in and of itself constitute a material

364.27 conflict of interest.

365.1 Sec. 16. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
365.2 to read:

365.3 Subd. 8c. **Noncash compensation.** "Noncash compensation" means any form of
365.4 compensation that is not cash compensation, including but not limited to health insurance,
365.5 office rent, office support, and retirement benefits.

365.6 Sec. 17. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
365.7 to read:

365.8 Subd. 8d. **Nonguaranteed elements.** "Nonguaranteed elements" means the premiums
365.9 and credited interest rates, including any bonus, benefits, values, dividends, noninterest-based
365.10 credits, charges, or elements of formulas used to determine any of the elements in this
365.11 subdivision, that are subject to company discretion and are not guaranteed at issue. An
365.12 element is considered nonguaranteed if any of the underlying nonguaranteed elements are
365.13 used in the element's calculation.

365.14 Sec. 18. Minnesota Statutes 2020, section 72A.2031, is amended by adding a subdivision
365.15 to read:

365.16 Subd. 8e. **Recommendation.** "Recommendation" means advice provided by an insurance
365.17 producer to an individual consumer that was intended to result or does result in a purchase,
365.18 exchange, or replacement of an annuity in accordance with the advice rendered.
365.19 Recommendation does not include a general communication to the public, generalized
365.20 customer services, assistance or administrative support, general educational information
365.21 and tools, prospectuses, or other product and sales material.

365.22 Sec. 19. Minnesota Statutes 2020, section 72A.2031, subdivision 10, is amended to read:

365.23 Subd. 10. **Replacement.** "Replacement" means a transaction in which a new ~~policy or~~
365.24 ~~contract~~ annuity is to be purchased, and it is known or should be known to the proposing
365.25 insurance producer, or the proposing insurer, whether or not ~~there is~~ an insurance producer
365.26 is involved, that by reason of the transaction, an existing annuity or other insurance policy
365.27 ~~or contract~~ has been or is to be any of the following:

365.28 (1) lapsed, forfeited, surrendered or partially surrendered, assigned to the replacing
365.29 insurer, or otherwise terminated;

365.30 (2) converted to reduced paid-up insurance, continued as extended term insurance, or
365.31 otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

366.1 (3) amended so as to effect either a reduction in benefits or in the term for which coverage
366.2 would otherwise remain in force or for which benefits would be paid;

366.3 (4) reissued with any reduction in cash value; or

366.4 (5) used in a financed purchase.

366.5 Sec. 20. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
366.6 to read:

366.7 Subd. 1a. **Best interest obligations.** An insurance producer, when recommending an
366.8 annuity, shall act in the best interest of the consumer under the circumstances known at the
366.9 time the recommendation is made. An insurance producer shall not place the insurance
366.10 producer's or the insurer's financial interest ahead of the consumer's interest. An insurance
366.11 producer has acted in the best interest of the consumer if the insurance producer has satisfied
366.12 obligations regarding care, disclosure, conflict of interest, and documentation specified in
366.13 subdivisions 1b, 1c, 1d, and 1e.

366.14 Sec. 21. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
366.15 to read:

366.16 Subd. 1b. **Care obligation.** (a) The insurance producer, in making a recommendation,
366.17 shall exercise reasonable diligence, care, and skill to:

366.18 (1) know the consumer's financial situation, insurance needs, and financial objectives;

366.19 (2) understand the available recommendation options after making a reasonable inquiry
366.20 into the options available to the insurance producer;

366.21 (3) have a reasonable basis to believe the recommended option effectively addresses the
366.22 consumer's financial situation, insurance needs, and financial objectives over the life of the
366.23 product, as evaluated in light of the consumer profile information; and

366.24 (4) communicate the basis or rationale supporting the recommendation.

366.25 (b) The requirements under paragraph (a) include making reasonable efforts to obtain
366.26 consumer profile information from the consumer prior to recommending an annuity.

366.27 (c) Paragraph (a) requires an insurance producer to consider the types of products the
366.28 insurance producer is authorized and licensed to recommend or sell that address the
366.29 consumer's financial situation, insurance needs, and financial objectives. This paragraph
366.30 does not require an insurance producer to analyze or consider (1) any products outside the
366.31 insurance producer's authority and license, or (2) other possible alternative products or

367.1 strategies available in the market at the time of the recommendation. Insurance producers
367.2 shall be held to standards applicable to insurance producers with similar authority and
367.3 licensure.

367.4 (d) This subdivision does not create a fiduciary obligation or relationship and only creates
367.5 a statutory obligation under sections 72A.203 to 72A.2036.

367.6 (e) The consumer profile information; characteristics of the insurer; and product costs,
367.7 rates, benefits, and features are the factors generally relevant in determining whether an
367.8 annuity effectively addresses the consumer's financial situation, insurance needs, and financial
367.9 objectives. The level of importance of each factor under paragraph (a) may vary depending
367.10 on the facts and circumstances of a particular case. Each factor must not be considered in
367.11 isolation.

367.12 (f) The requirements under paragraph (a) include having a reasonable basis to believe
367.13 the consumer benefits from certain features of the annuity, including but not limited to
367.14 annuitization, death or living benefit, or other insurance-related features.

367.15 (g) Paragraph (a) applies to the particular annuity as a whole and the underlying
367.16 subaccounts to which funds are allocated at the time of the purchase or exchange of an
367.17 annuity, riders, and similar product enhancements, if any.

367.18 (h) Paragraph (a) does not require that the annuity with the lowest onetime or
367.19 multiple-occurrence compensation structure must be recommended.

367.20 (i) Paragraph (a) does not require the insurance producer to assume ongoing monitoring
367.21 obligations. An ongoing monitoring obligation may be separately owed under the terms of
367.22 a fiduciary, consulting, investment advising, or financial planning agreement between the
367.23 consumer and the insurance producer.

367.24 (j) When an annuity is being exchanged or replaced, the insurance producer shall consider
367.25 the whole transaction, which includes considering whether:

367.26 (1) the consumer incurs a surrender charge; is subject to the commencement of a new
367.27 surrender period; loses existing benefits such as death, living, or other contractual benefits;
367.28 or is subject to increased fees, investment advisory fees, or charges for riders and similar
367.29 product enhancements;

367.30 (2) the replacing product substantially benefits the consumer in comparison to the replaced
367.31 product over the life of the product; and

367.32 (3) the consumer had another annuity exchange or replacement and, in particular, an
367.33 annuity exchange or replacement within the preceding 60 months.

368.1 (k) If a person is 65 years of age or older, neither an insurance producer nor an insurer
368.2 shall recommend replacing or exchanging an annuity that requires the insured to pay a
368.3 surrender charge for the annuity being replaced or exchanged if the replacement or exchange
368.4 does not confer a substantial financial benefit over the life of the annuity to the consumer,
368.5 so that a reasonable person would believe the purchase is unnecessary.

368.6 (l) Nothing in sections 72A.203 to 72A.2036 requires an insurance producer to obtain
368.7 any license other than an insurance producer license with the appropriate line of authority
368.8 to sell, solicit, or negotiate insurance in Minnesota, including but not limited to any securities
368.9 license in order to fulfill the duties and obligations contained in sections 72A.203 to
368.10 72A.2036, provided that the insurance producer does not give advice or provide services
368.11 that are subject to other securities law or engage in any other activity requiring other
368.12 professional licenses.

368.13 Sec. 22. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
368.14 to read:

368.15 Subd. 1c. **Disclosure obligation.** (a) Prior to recommending and selling an annuity, the
368.16 insurance producer shall prominently disclose to the consumer the information required
368.17 under this paragraph on a form prescribed by the commissioner. The form prescribed by
368.18 the commissioner must contain:

368.19 (1) a description of (i) the scope and terms of the relationship with the consumer, and
368.20 (ii) the role of the insurance producer in the transaction;

368.21 (2) an affirmative statement indicating whether the insurance producer is licensed and
368.22 authorized to sell the following products:

368.23 (i) fixed annuities;

368.24 (ii) fixed indexed annuities;

368.25 (iii) variable annuities;

368.26 (iv) life insurance;

368.27 (v) mutual funds;

368.28 (vi) stocks and bonds; and

368.29 (vii) certificates of deposit;

369.1 (3) an affirmative statement describing the insurers that the insurance producer is
369.2 authorized, contracted, appointed, or otherwise able to sell insurance products for, using
369.3 the following descriptions:

369.4 (i) from one insurer;

369.5 (ii) from two or more insurers; or

369.6 (iii) from two or more insurers, although primarily contracted with one insurer;

369.7 (4) a description of the sources and types of cash and noncash compensation received
369.8 by the insurance producer, including whether the insurance producer is (i) compensated for
369.9 the sale of a recommended annuity by commission as part of a premium, or (ii) receives
369.10 other remuneration from the insurer, intermediary, or other insurance producer or by fee as
369.11 a result of a contract for advice or consulting service; and

369.12 (5) a notice of the consumer's right to request additional information regarding cash
369.13 compensation.

369.14 (b) Upon request of the consumer or the consumer's designated representative, the
369.15 insurance producer shall disclose:

369.16 (1) a reasonable estimate of the amount of cash compensation received by the insurance
369.17 producer, which may be stated as a range of amounts or percentages; and

369.18 (2) whether the cash compensation is a onetime or multiple-occurrence amount and, if
369.19 a multiple-occurrence amount, the frequency and amount of the occurrence, which may be
369.20 stated as a range of amounts or percentages.

369.21 (c) Prior to or at the time an annuity is recommended or sold, the insurance producer
369.22 shall have a reasonable basis to believe the consumer has been reasonably informed of
369.23 various features of the annuity, including the potential surrender period and surrender charge;
369.24 potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes
369.25 the annuity; mortality and expense fees; investment advisory fees; annual fees; potential
369.26 charges for and features of riders or other options of the annuity; limitations on interest
369.27 returns; potential changes in nonguaranteed elements of the annuity; insurance and investment
369.28 components; and market risk.

370.1 Sec. 23. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
370.2 to read:

370.3 Subd. 1d. **Conflict of interest obligation.** An insurance producer shall identify and
370.4 avoid or reasonably manage and disclose material conflicts of interest, including a material
370.5 conflict of interest related to an ownership interest.

370.6 Sec. 24. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
370.7 to read:

370.8 Subd. 1e. **Documentation obligation.** An insurance producer shall, at the time of
370.9 recommendation or sale:

370.10 (1) make a written record of any recommendation and the basis for the recommendation,
370.11 subject to sections 72A.203 to 72A.2036;

370.12 (2) obtain a signed statement, on a form prescribed by the commissioner, that includes:

370.13 (i) a customer's refusal to provide the consumer profile information, if any; and

370.14 (ii) a customer's understanding of the ramifications of not providing the customer's
370.15 consumer profile information or providing insufficient consumer profile information; and

370.16 (3) a consumer-signed statement, on a form prescribed by the commissioner, that
370.17 acknowledges the annuity transaction is not recommended if the customer decides to enter
370.18 into an annuity transaction that is not based on the insurance producer's recommendation.

370.19 Sec. 25. Minnesota Statutes 2020, section 72A.2032, is amended by adding a subdivision
370.20 to read:

370.21 Subd. 1f. **Application of best interest obligation.** Any requirement applicable to an
370.22 insurance producer under this section applies to every insurance producer who (1) exercises
370.23 control or influence in making a recommendation, and (2) has received direct compensation
370.24 as a result of the recommendation or sale, regardless of whether the insurance producer had
370.25 any direct contact with the consumer. Providing or delivering marketing or educational
370.26 materials, product wholesaling or other back office product support, and general supervision
370.27 of an insurance producer do not, in and of themselves, constitute material control or influence.

370.28 Sec. 26. Minnesota Statutes 2020, section 72A.2032, subdivision 4, is amended to read:

370.29 Subd. 4. **Exception Transactions not based on recommendation.** (a) Except as provided
370.30 under paragraph (b), an insurance producer; or an insurer; does not have any obligation to
370.31 a consumer under subdivision ~~1 or 3~~ 1a related to an annuity transaction if:

371.1 (1) no recommendation is made;

371.2 ~~(1)~~ (2) a recommendation was made and was later found to have been prepared based
371.3 on materially inaccurate information provided by the consumer; ~~or~~

371.4 ~~(2)~~ (3) a consumer refuses to provide relevant ~~suitability~~ consumer profile information
371.5 and the annuity transaction is not recommended; or

371.6 (4) a consumer decides to enter into an annuity transaction that is not based on a
371.7 recommendation made by the insurance producer.

371.8 (b) An insurer's issuance of an annuity subject to paragraph (a) shall be reasonable under
371.9 all the circumstances actually known, ~~or which after reasonable inquiry should be known~~
371.10 to the insurer or the insurance producer, at the time the annuity is issued.

371.11 Sec. 27. Minnesota Statutes 2020, section 72A.2032, subdivision 6, is amended to read:

371.12 Subd. 6. ~~Supervision system~~ **Insurer duties.** (a) Except as permitted under subdivision
371.13 4, an insurer shall not issue an annuity recommended to a consumer unless there is a
371.14 reasonable basis to believe the annuity effectively addresses the particular consumer's
371.15 financial situation, insurance needs, and financial objectives based on the consumer's
371.16 consumer profile information.

371.17 ~~(a)~~ (b) An insurer shall establish and maintain a supervision system that is reasonably
371.18 designed to achieve the insurer's and its insurance producers' compliance with sections
371.19 72A.203 to 72A.2036, including, but not limited to, all of the following:

371.20 (1) the insurer shall establish and maintain reasonable procedures to inform its insurance
371.21 producers of the requirements of sections 72A.203 to 72A.2036 and shall incorporate the
371.22 requirements of sections 72A.203 to 72A.2036 into relevant insurance producer training
371.23 programs and manuals;

371.24 (2) the insurer shall establish and maintain standards for insurance producer product
371.25 training and shall establish and maintain reasonable procedures to require its insurance
371.26 producers to comply with the requirements of section 72A.2033;

371.27 (3) the insurer shall provide product-specific training and training materials which explain
371.28 all material features of its annuity products to its insurance producers;

371.29 (4) the insurer shall establish and maintain procedures for the review of each
371.30 recommendation before issuance of an annuity that are designed to ensure ~~that~~ there is a
371.31 reasonable basis to determine ~~that a recommendation is suitable~~ the recommended annuity
371.32 effectively addresses the particular consumer's financial situation, insurance needs, and

372.1 financial objectives. The review procedures shall apply a screening system for the purpose
372.2 of identifying selected transactions for additional review and may be accomplished
372.3 electronically or through other reasonable means including, but not limited to, physical
372.4 review. The electronic or other system shall be designed to require an elevated individual
372.5 review for those transactions involving consumers 65 years of age or older on the basis of
372.6 the review procedure's thresholds for liquidity, liquid net worth, income, and anticipated
372.7 material changes in their financial situation and needs and the elevated review shall be
372.8 conducted by a natural person or persons;

372.9 (5) the insurer shall establish and maintain reasonable procedures to detect
372.10 recommendations that are not ~~suitable~~ in compliance with subdivisions 1a to 1f, 4, 7, and
372.11 8. This may include, but is not limited to, confirmation of ~~consumer suitability~~ the consumer's
372.12 profile information, systematic customer surveys, insurance producer and consumer
372.13 interviews, confirmation letters, insurance producer attestations, and programs of internal
372.14 monitoring. Nothing in this clause prevents an insurer from complying with this clause by
372.15 applying sampling procedures, or by confirming ~~suitability~~ consumer profile information
372.16 or other required information under this subdivision after issuance or delivery of the annuity;
372.17 ~~and~~

372.18 (6) the insurer shall establish and maintain reasonable procedures to assess, prior to or
372.19 upon issuance or delivery of an annuity, whether an insurance producer has provided to the
372.20 consumer the information required under this subdivision;

372.21 (7) the insurer shall establish and maintain reasonable procedures to identify and address
372.22 suspicious consumer refusals to provide consumer profile information;

372.23 (8) the insurer shall establish and maintain reasonable procedures to identify and eliminate
372.24 any sales contests, sales quotas, bonuses, and noncash compensation that are based on the
372.25 sales of specific annuities within a limited period of time. This clause does not prohibit the
372.26 receipt of health insurance, office rent, office support, retirement benefits, or other employee
372.27 benefits, as long as the benefits are not based on the volume of sales of a specific annuity
372.28 within a limited period of time; and

372.29 ~~(6)~~ (9) the insurer shall annually provide a written report to senior management, including
372.30 to the senior manager responsible for audit functions, which details a review, with appropriate
372.31 testing, reasonably designed to determine the effectiveness of the supervision system, the
372.32 exceptions found, and corrective action taken or recommended, if any.

372.33 ~~(b)(1)~~ (c)(1) Nothing in this subdivision restricts an insurer from contracting for
372.34 performance of a function, including maintenance of procedures, required under paragraph

373.1 ~~(a)~~ (b). An insurer is responsible for taking appropriate corrective action and may be subject
 373.2 to sanctions and penalties pursuant to section 72A.2034 regardless of whether the insurer
 373.3 contracts for performance of a function and regardless of the insurer's compliance with
 373.4 ~~subdivision 2 clause (2)~~, and an insurer is responsible for the compliance of an insurance
 373.5 producer with the provisions of sections 72A.203 to 72A.2036 regardless of whether the
 373.6 insurer contracts for performance of a function required under this paragraph; and

373.7 (2) an insurer's supervision system under paragraph ~~(a)~~ (b) must include supervision of
 373.8 contractual performance under this clause. This includes, but is not limited to, the following:

373.9 (i) monitoring and, as appropriate, conducting audits to assure that the contracted function
 373.10 is properly performed; and

373.11 (ii) annually obtaining a certification from a senior manager who has responsibility for
 373.12 the contracted function that the manager has a reasonable basis to represent, and does
 373.13 represent, that the function is properly performed.

373.14 ~~(e)~~ (d) An insurer is not required to include in its system of supervision an insurance
 373.15 producer's recommendations to consumers of products other than the annuities offered by
 373.16 the insurer, or consideration of or comparison to options available to the insurance producer
 373.17 or compensation relating to the options other than annuities or other products offered by
 373.18 the insurer.

373.19 Sec. 28. Minnesota Statutes 2020, section 72A.2032, subdivision 7, is amended to read:

373.20 Subd. 7. ~~Undue influence~~ **Prohibited practices.** An insurance producer or insurer shall
 373.21 not dissuade, or attempt to dissuade, a consumer from:

373.22 (1) providing ~~suitability~~ consumer profile information to the insurance producer or
 373.23 insurer and truthfully responding to an insurer's request for confirmation of ~~suitability~~
 373.24 consumer profile information;

373.25 (2) filing a complaint; or

373.26 (3) cooperating with the investigation of a complaint.

373.27 Sec. 29. Minnesota Statutes 2020, section 72A.2032, subdivision 8, is amended to read:

373.28 Subd. 8. ~~FINRA Comparable standards; compliance.~~ (a) Recommendations and sales
 373.29 of annuities made by broker-dealers in compliance with comparable standards satisfy the
 373.30 requirements under sections 72A.203 to 72A.2036, ~~so long as~~. This subdivision applies to
 373.31 recommendations and sales of annuities made by financial professionals in compliance with

374.1 business rules, controls, and procedures that satisfy a comparable standard even if the
374.2 standard would not otherwise apply to the product or recommendation at issue. Nothing in
374.3 this subdivision limits the commissioner's ability to investigate and enforce sections 72A.203
374.4 to 72A.2036.

374.5 ~~(1) those sales comply with FINRA requirements pertaining to suitability and supervision~~
374.6 ~~of annuity transactions; and~~

374.7 ~~(2) a registered principal reviews and approves the transaction based on review criteria~~
374.8 ~~that include consideration of the customer's age, income, liquidity needs, and financial~~
374.9 ~~situation.~~

374.10 ~~(b) The insurer remains responsible for the suitability of every transaction and must take~~
374.11 ~~reasonably appropriate corrective action for any consumer harmed by violation of law and~~
374.12 ~~is subject to the penalty provisions described in section 72A.2034, subdivision 1.~~

374.13 ~~(e)~~ (b) For paragraph (a) to apply, an insurer shall:

374.14 (1) monitor the ~~FINRA member broker-dealer~~ relevant conduct of the financial
374.15 professional seeking to rely on paragraph (a) or the entity responsible for supervising the
374.16 financial professional, including the financial professional's broker-dealer or an investment
374.17 adviser registered under federal or state securities law using information collected in the
374.18 normal course of the insurer's business; and

374.19 (2) provide to the ~~FINRA member broker-dealer~~ entity responsible for supervising the
374.20 financial professional seeking to rely on paragraph (a), including the financial professional's
374.21 broker-dealer or investment adviser registered under federal or state securities law,
374.22 information and reports that are reasonably appropriate to assist the ~~FINRA member~~
374.23 ~~broker-dealer~~ the entity to maintain its supervision system.

374.24 ~~(d) Nothing in this subdivision limits:~~ (c) For purposes of this subdivision, "financial
374.25 professional" means an insurance producer that is regulated and acting as:

374.26 (1) ~~the responsibilities of the insurer to monitor the broker-dealer as provided in this~~
374.27 ~~subdivision; and~~ a broker-dealer registered under federal or state securities law or a registered
374.28 representative of a broker-dealer;

374.29 (2) ~~the commissioner of commerce's ability to enforce the provisions of sections 72A.203~~
374.30 ~~to 72A.2036 with respect to sales made in compliance with FINRA requirements and federal~~
374.31 ~~law.~~ an investment adviser registered under federal or state securities law, or an investment
374.32 adviser representative associated with the federal or state registered investment adviser; or

375.1 (3) a plan fiduciary under the Employee Retirement Income Security Act of 1974
375.2 (ERISA), United States Code, title 29, section 1001; Code of Federal Regulations, title 29,
375.3 part 2510.3-21; fiduciary under the Internal Revenue Code, section 4975(e)(3); or any
375.4 amendments or successor statutes.

375.5 (d) For purposes of this subdivision, "comparable standards" means:

375.6 (1) with respect to broker-dealers and registered representatives of broker-dealers,
375.7 applicable United States Securities and Exchange Commission and FINRA rules pertaining
375.8 to best interest obligations and supervision of annuity recommendations and sales, including
375.9 but not limited to regulation best interest and any amendments or successor regulations;

375.10 (2) with respect to investment advisers registered under federal or state securities law
375.11 or investment adviser representatives, the fiduciary duties and all other requirements imposed
375.12 on the investment advisers or investment adviser representatives by contract or under the
375.13 Investment Advisers Act of 1940 or applicable state securities law, including but not limited
375.14 to Form ADV and interpretations; and

375.15 (3) with respect to plan fiduciaries or fiduciaries, the duties, obligations, prohibitions,
375.16 and all other requirements attendant to status under ERISA or the Internal Revenue Code
375.17 and any amendments or successor statutes.

375.18 Sec. 30. Minnesota Statutes 2020, section 72A.2033, is amended to read:

375.19 **72A.2033 INSURANCE PRODUCER TRAINING.**

375.20 Subdivision 1. **Requirement.** An insurance producer shall not solicit the sale of an
375.21 annuity product unless the insurance producer has adequate knowledge of the product to
375.22 recommend the annuity and the insurance producer is in compliance with the insurer's
375.23 standards for product training. An insurance producer may rely on insurer-provided
375.24 product-specific training standards and materials to comply with this ~~subdivision~~ section.

375.25 Subd. 2. **Initial training.** (a) An insurance producer who is otherwise entitled to engage
375.26 in the sale of annuity products shall complete a onetime four-credit training course approved
375.27 by the commissioner and provided by a continuing education provider approved by the
375.28 commissioner prior to commencing the transaction of annuities.

375.29 Insurance producers who hold a life insurance line of authority on ~~June 1, 2013~~ December
375.30 31, 2022, and who desire to sell annuities shall complete the requirements of this subdivision
375.31 no later than six months after January 1, ~~2014~~ 2023. Individuals who obtain a life insurance
375.32 line of authority on or after January 1, ~~2014~~ 2023, may not engage in the sale of annuities
375.33 until the annuity training course required under this subdivision has been completed.

376.1 (b) The length of the training required under this subdivision must be four continuing
376.2 education hours.

376.3 (c) The training required under this subdivision must include information on the following
376.4 topics:

376.5 (1) the types of annuities and various classifications of annuities;

376.6 (2) identification of the parties to an annuity;

376.7 (3) how fixed, variable, and indexed annuity contract provisions affect consumers;

376.8 (4) the application of income taxation of qualified and nonqualified annuities;

376.9 (5) the primary uses of annuities;

376.10 (6) appropriate ~~and lawful~~ standards of conduct, sales practices, replacement, and
376.11 disclosure requirements, ~~and suitability information and whether an annuity is suitable for~~
376.12 ~~a consumer~~; and

376.13 (7) the recognition of indicators that a prospective insured may lack the short-term
376.14 memory or judgment to knowingly purchase an insurance product.

376.15 (d) Providers of courses intended to comply with this subdivision shall cover all topics
376.16 listed in the prescribed outline and shall not present any marketing information or provide
376.17 training on sales techniques or provide specific information about a particular insurer's
376.18 products.

376.19 (e) A provider of an annuity training course intended to comply with this subdivision
376.20 must be an approved continuing education provider in this state and comply with the
376.21 requirements applicable to insurance producer continuing education courses.

376.22 (f) An insurance producer licensed by December 31, 2022, who holds a life insurance
376.23 line of authority and has previously completed the training in subdivision 2, paragraph (a),
376.24 shall, by July 1, 2023, complete either:

376.25 (1) a new four-credit training course approved by the Department of Commerce after
376.26 July 1, 2022; or

376.27 (2) an additional onetime one-credit training course approved by the Department of
376.28 Commerce by July 1, 2022, and provided by a Department of Commerce-approved education
376.29 provider on appropriate sales practices and replacement and disclosure requirements under
376.30 sections 72A.203 to 72A.2036.

377.1 ~~(f)~~ Annuity training courses may be conducted and completed by classroom or self-study
377.2 methods in accordance with chapter 45. In order to assist compliance with this section, all
377.3 courses approved by the commissioner for the purposes of this section shall be given the
377.4 course title "~~Annuity Suitability and Disclosure~~ Best Interest Standards of Conduct for
377.5 Annuity Sales." Only courses satisfying the requirements of this section shall use this course
377.6 title after ~~June~~ July 1, 2013 2023.

377.7 (g) Providers of annuity training shall comply with the course completion reporting
377.8 requirements of chapter 45.

377.9 (h) The satisfaction of the training requirements of another state that are substantially
377.10 similar to the provisions of this subdivision satisfies the training requirements of this
377.11 subdivision in this state, ~~but does not satisfy any of the continuing education requirements~~
377.12 ~~of chapter 60K unless the training requirements of the other state are satisfied through one~~
377.13 ~~or more continuing education courses approved by the commissioner.~~

377.14 (i) The satisfaction of the components of the training requirements of any course or
377.15 courses with components substantially similar to the provisions of this subdivision satisfy
377.16 the training requirements of this subdivision.

377.17 ~~(j)~~ (j) An insurer shall verify that an insurance producer has completed the annuity
377.18 training course required under this subdivision before allowing the insurance producer to
377.19 sell an annuity product for that insurer. An insurer may satisfy its responsibility under this
377.20 subdivision by obtaining certificates of completion of the training course or obtaining reports
377.21 provided by commissioner-sponsored database systems, vendors, or from a reasonably
377.22 reliable commercial database vendor that has a reporting arrangement with approved
377.23 insurance education providers. If such data collection and reporting arrangements are not
377.24 in place, an insurer must maintain records verifying that the producer has completed the
377.25 annuity training course required under this subdivision and make the records available to
377.26 the commissioner upon request.

377.27 Sec. 31. Minnesota Statutes 2020, section 72A.2034, is amended to read:

377.28 **72A.2034 PENALTIES.**

377.29 Subdivision 1. **Imposition; mitigation; enforcement.** (a) An insurer is responsible for
377.30 compliance with sections 72A.203 to 72A.2036. If a violation occurs, either because of the
377.31 action or inaction of the insurer or its insurance producer, the commissioner may order, in
377.32 addition to any available penalties, remedies, or administrative actions:

378.1 (1) an insurer to take reasonably appropriate corrective action, including but not limited
378.2 to canceling a transaction ~~action~~, for any consumer harmed by a failure to comply with
378.3 sections 72A.203 to 72A.2036 by the insurer's insurer, an entity contracted to perform the
378.4 insurer supervisory duties, or by its the insurer's insurance producer's, violation of sections
378.5 72A.203 to 72A.2036 producer;

378.6 (2) a general agency, independent agency, or the insurance producer to take reasonably
378.7 appropriate corrective action for any consumer harmed by the insurance producer's violation
378.8 of sections 72A.203 to 72A.2036; and

378.9 (3) appropriate penalties and sanctions.

378.10 (b) Nothing in sections 72A.203 to 72A.2036 shall affect any obligation of an insurer
378.11 for the acts of its insurance producers, or any consumer remedy or any cause of action that
378.12 is otherwise provided for under applicable federal or state law, including without limitation
378.13 chapter 60K.

378.14 Subd. 2. **Aggravation or mitigation.** Any applicable penalty for a violation of sections
378.15 72A.203 to 72A.2036 may be increased or decreased upon consideration of any aggravating
378.16 or mitigating circumstances, including if corrective action for the consumer was taken
378.17 promptly after a violation was discovered, or if the violation was not part of a pattern or
378.18 practice. The authority to enforce compliance with sections 72A.203 to 72A.2036 is vested
378.19 exclusively with the commissioner.

378.20 Sec. 32. Minnesota Statutes 2020, section 72A.2035, subdivision 1, is amended to read:

378.21 Subdivision 1. **Duration.** Insurers and insurance producers shall maintain or be able to
378.22 make available to the commissioner records of the information collected from the consumer;
378.23 disclosures made to the consumer, including summaries of oral disclosures; and other
378.24 information used in making the recommendations that were the basis for insurance
378.25 transactions for ten years after the insurance transaction is completed by the insurer. An
378.26 insurer is permitted, but shall not be required, to maintain documentation on behalf of an
378.27 insurance producer.

378.28 Sec. 33. Minnesota Statutes 2020, section 72A.2036, is amended to read:

378.29 **72A.2036 RELATIONSHIP TO OTHER LAWS; ENFORCEMENT.**

378.30 (a) Nothing in sections 72A.203 to 72A.2036 ~~shall be interpreted to:~~ limits the
378.31 commissioner's authority to make any investigation or take any action under chapter 45 or
378.32 other applicable law with respect to any insurer, insurance producer, broker-dealer, third-party

379.1 contractor, or other entity engaged in any activity involving the sale of an annuity that is
379.2 subject to sections 72A.203 to 72A.2036.

379.3 ~~(1) change, alter, or modify any of the obligations, duties, or responsibilities of insurers~~
379.4 ~~or insurance producers, pursuant to any orders of the commissioner or consent decrees in~~
379.5 ~~effect as of June 1, 2013; or~~

379.6 ~~(2) limit the commissioner's authority to make any investigation or take any action under~~
379.7 ~~chapter 45 or other applicable state law with respect to any insurer, insurance producer,~~
379.8 ~~broker-dealer, third-party contractor, or other entity engaged in any activity involving the~~
379.9 ~~sale of an annuity that is subject to sections 72A.203 to 72A.2036.~~

379.10 (b) In addition to any other penalties provided by the laws of this state, a violation of
379.11 sections 72A.203 to 72A.2036 shall be considered a violation of section 72A.20.

379.12 **Sec. 34. STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC**
379.13 **RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH**
379.14 **INSURANCE RATES.**

379.15 Subdivision 1. Study and recommendations. (a) The commissioner of commerce must
379.16 (1) study disparities between Minnesota's nine geographic rating areas in individual and
379.17 small group market health insurance rates, and (2) recommend ways to reduce or eliminate
379.18 rate disparities between the geographic rating areas and provide stability for the individual
379.19 and small group health insurance markets in Minnesota.

379.20 (b) As part of the study, the commissioner of commerce must:

379.21 (1) identify the factors that cause higher individual and small group market health
379.22 insurance rates in certain geographic rating areas, and determine the extent to which each
379.23 identified factor contributes to the higher rates;

379.24 (2) identify the impact of referral centers on individual and small group market health
379.25 insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity
379.26 between southeastern Minnesota and the metropolitan area, taking into consideration the
379.27 patterns of referral center usage by patients in those regions;

379.28 (3) determine the extent to which individuals and small employers located in a geographic
379.29 rating area with higher health insurance rates than surrounding geographic rating areas have
379.30 obtained health insurance in a lower-cost geographic rating area, identify the strategies that
379.31 individuals and small employers use to obtain health insurance in a lower-cost geographic
379.32 rating area, and measure the effects of this practice on the rates of the individuals and small
379.33 employers remaining in the geographic rating area with higher health insurance rates; and

380.1 (4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas
380.2 and calculate the effect each proposal would have on rates in each of the proposed rating
380.3 areas. The commissioner of commerce must examine at least three options for redrawing
380.4 the boundaries of Minnesota's geographic rating areas, at least one of which must reduce
380.5 the number of geographic rating areas and at least one which must be based on the first
380.6 three digits of area zip codes. The commissioner must not take into consideration the
380.7 requirements of Minnesota Statutes, section 62A.65, subdivision 3, paragraph (b), clause
380.8 (2), when developing the proposals required by this section. All options for redrawing
380.9 Minnesota's geographic rating areas considered by the commissioner of commerce must be
380.10 designed:

380.11 (i) to reduce or eliminate rate disparities between geographic rating areas and provide
380.12 for stability of the individual and small group health insurance markets in Minnesota;

380.13 (ii) after considering the composition of existing provider networks and referral patterns
380.14 in regions of Minnesota; and

380.15 (iii) in compliance with the requirements for geographic rating areas in Code of Federal
380.16 Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

380.17 (c) Health carriers that cover Minnesota residents, health systems that provide care to
380.18 Minnesota residents, and the commissioner of health must cooperate with any request for
380.19 information from the commissioner of commerce that the commissioner of commerce
380.20 determines is necessary to conduct the study.

380.21 (d) The commissioner of commerce may recommend one or more proposals to redraw
380.22 Minnesota's geographic rating areas if the commissioner of commerce determines that the
380.23 proposal would reduce or eliminate individual and small group market health insurance rate
380.24 disparities between the geographic rating areas and provide stability for the individual and
380.25 small group health insurance markets in Minnesota.

380.26 Subd. 2. **Contract.** The commissioner of commerce may contract with another entity
380.27 for technical assistance in conducting the study and developing recommendations under
380.28 subdivision 1.

380.29 Subd. 3. **Report.** The commissioner of commerce must complete the study and
380.30 recommendations by January 1, 2023, and submit a report on the study and recommendations
380.31 by January 1, 2023, to the chairs and ranking minority members of the legislative committees
380.32 with jurisdiction over health care and health insurance.

381.1 Sec. 35. **REPEALER.**

381.2 (a) Minnesota Statutes 2020, section 62Q.56, subdivision 1a, is repealed.

381.3 (b) Minnesota Statutes 2020, sections 72A.2031, subdivisions 3, 9, and 11; and 72A.2032,
381.4 subdivisions 1, 2, 3, and 5, are repealed.

381.5 **ARTICLE 29**

381.6 **CONSUMER PROTECTION**

381.7 Section 1. **[58B.011] STUDENT LOAN ADVOCATE.**

381.8 Subdivision 1. **Designation of a student loan advocate.** The commissioner of commerce
381.9 must designate a student loan advocate within the Department of Commerce to provide
381.10 timely assistance to borrowers and to effectuate this chapter.

381.11 Subd. 2. **Duties.** The student loan advocate has the following duties:

381.12 (1) receive, review, and attempt to resolve complaints from borrowers, including but
381.13 not limited to attempts to resolve borrower complaints in collaboration with institutions of
381.14 higher education, student loan servicers, and any other participants in student loan lending;

381.15 (2) compile and analyze data on borrower complaints received under clause (1);

381.16 (3) help borrowers understand the rights and responsibilities under the terms of student
381.17 loans;

381.18 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
381.19 regarding the problems and concerns of borrowers;

381.20 (5) make recommendations to resolve the problems of borrowers;

381.21 (6) analyze and monitor the development and implementation of federal, state, and local
381.22 laws, regulations, and policies relating to borrowers, and recommend any changes deemed
381.23 necessary;

381.24 (7) review the complete student loan history for any borrower who has provided written
381.25 consent to conduct the review;

381.26 (8) increase public awareness that the advocate is available to assist in resolving the
381.27 student loan servicing concerns of potential and actual borrowers, institutions of higher
381.28 education, student loan servicers, and any other participant in student loan lending; and

381.29 (9) take other actions as necessary to fulfill the duties of the advocate, as provided under
381.30 this section.

382.1 Subd. 3. **Student loan education course.** The advocate must establish and maintain a
382.2 borrower education course. The course must include educational presentations and materials
382.3 regarding important topics in student loans, including but not limited to:

382.4 (1) the meaning of important terminology used in student lending;

382.5 (2) documentation requirements;

382.6 (3) monthly payment obligations;

382.7 (4) income-based repayment options;

382.8 (5) the availability of state and federal loan forgiveness programs; and

382.9 (6) disclosure requirements.

382.10 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report
382.11 to the legislative committees with jurisdiction over commerce and higher education. The
382.12 report must describe (1) the advocate's implementation of this section, (2) the outcomes
382.13 achieved by the advocate during the previous two years, and (3) any recommendations to
382.14 improve the regulation of student loan servicers.

382.15 Sec. 2. Minnesota Statutes 2020, section 65B.84, subdivision 1, is amended to read:

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

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

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

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

382.29 (4) develop a plan of operation including:

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

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

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

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

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

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

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

383.9 (ii) providing financial support to the State Patrol and local law enforcement agencies
383.10 for automobile theft enforcement teams;

383.11 (iii) providing financial support to state or local law enforcement agencies for programs
383.12 designed to reduce the incidence of automobile theft and for improved equipment and
383.13 techniques for responding to automobile thefts;

383.14 (iv) providing financial support to local prosecutors for programs designed to reduce
383.15 the incidence of automobile theft;

383.16 (v) providing financial support to judicial agencies for programs designed to reduce the
383.17 incidence of automobile theft;

383.18 (vi) providing financial support for neighborhood or community organizations or business
383.19 organizations for programs designed to reduce the incidence of automobile theft and to
383.20 educate people about the common methods of automobile theft, the models of automobiles
383.21 most likely to be stolen, and the times and places automobile theft is most likely to occur;
383.22 and

383.23 (vii) providing financial support for automobile theft educational and training programs
383.24 for state and local law enforcement officials, driver and vehicle services exam and inspections
383.25 staff, and members of the judiciary.

383.26 (b) The commissioner may not spend in any fiscal year more than ten percent of the
383.27 money in the fund for the program's administrative and operating costs. The commissioner
383.28 is annually appropriated and must distribute the amount of the proceeds credited to the
383.29 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000
383.30 each year to the insurance fraud prevention account described in section 297I.11, subdivision
383.31 2.

384.1 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances
384.2 in the auto theft prevention account to the insurance fraud prevention account under section
384.3 45.0135, subdivision 6.

384.4 (d) The commissioner must establish a library of equipment to combat automobile-related
384.5 theft offenses. The equipment must be available to all law enforcement agencies upon
384.6 request to support law enforcement agency efforts to combat automobile theft.

384.7 Sec. 3. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
384.8 read:

384.9 Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful
384.10 for a person who is not a registered scrap metal dealer to possess a used catalytic converter
384.11 that is not attached to a motor vehicle except when:

384.12 (1) the converter is marked with (i) the date the converter was removed from the vehicle,
384.13 and (ii) the identification number of the vehicle from which the converter was removed or
384.14 an alternative number to the vehicle identification number from the vehicle from which the
384.15 converter was removed; or

384.16 (2) the converter has been EPA certified for reuse as a replacement part.

384.17 (b) If an alternative number to the vehicle identification number is used, it must be under
384.18 a numbering system that can be immediately linked to the vehicle identification number by
384.19 law enforcement. The marking of the alternative number may be made in any permanent
384.20 manner, including but not limited to an engraving or use of permanent ink. The marking
384.21 must clearly and legibly indicate (1) the date the converter was removed; and (2) the (i)
384.22 vehicle identification number, or (ii) alternative number and the method by which law
384.23 enforcement can link the converter to the vehicle identification number.

384.24 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
384.25 committed on or after that date.

384.26 Sec. 4. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
384.27 read:

384.28 Subd. 12. **Prohibition.** It is unlawful for a person who is not a registered scrap metal
384.29 dealer to purchase a used catalytic converter that is not EPA certified for reuse as a
384.30 replacement part, except when the catalytic converter is attached to a motor vehicle. A used
384.31 catalytic converter that is EPA certified for reuse as a replacement part may be sold to a

385.1 person or business for reuse as a replacement part for a motor vehicle when the requirements
385.2 of subdivision 11 are met.

385.3 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
385.4 committed on or after that date.

385.5 **Sec. 5. [325F.6945] UNLAWFUL SOCIAL MEDIA ACTIVITIES.**

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

385.8 (b) "Account holder" means a person who accesses a social media account through a
385.9 social media platform.

385.10 (c) "Social media algorithm" means the software used by social media platforms to (1)
385.11 prioritize content, and (2) direct the prioritized content to the account holder.

385.12 (d) "Social media platform" means an electronic medium, including a browser-based or
385.13 application-based interactive computer service, telephone network, or data network, that
385.14 allows users to create, share, and view user-generated content. Social media platform does
385.15 not include Internet search providers, Internet service providers, or e-mail.

385.16 (e) "User-generated content" means any content created or shared by an account holder,
385.17 including without limitation written posts, photographs, graphics, video recordings, or audio
385.18 recordings.

385.19 Subd. 2. **Prohibitions; social media algorithm.** (a) A social media platform with more
385.20 than 1,000,000 account holders operating in Minnesota is prohibited from using a social
385.21 media algorithm to target user-generated content at an account holder under the age of 18
385.22 and who is located in Minnesota, except as provided in subdivision 3. Nothing in this section
385.23 prohibits a social media platform from allowing content to appear in a chronological manner
385.24 for an account holder under the age of 18.

385.25 (b) The social media platform is liable to an individual account holder who received
385.26 user-generated content through a social media algorithm while the individual account holder
385.27 was under the age of 18 and was using the individual account holder's own account, if the
385.28 social media platform knew or had reason to know that the individual account holder was
385.29 under the age of 18 and located in Minnesota. A social media platform subject to this
385.30 paragraph is liable to the account holder for (1) any general or special damages, (2) a statutory
385.31 penalty of \$1,000 for each violation of this section, provided that no individual account
385.32 holder may recover more than \$100,000 in statutory penalties under this subdivision in any
385.33 calendar year, and (3) any other penalties available under law.

386.1 Subd. 3. **Exceptions.** (a) An algorithm, software, or device that acts as a parental control,
386.2 or an internal control used by the social media platform that is intended to control the ability
386.3 of a minor to access content, or is used to filter content for age-appropriate or banned
386.4 material, is exempt from this section.

386.5 (b) User-generated content that is created by a federal, state, or local government or by
386.6 a public or private school, college, or university, including software and applications used
386.7 by a public or private school, college, or university that are created and used for educational
386.8 purposes, is exempt from this section.

386.9 **Sec. 6. [332.365] CREDIT COUNSELING ORGANIZATIONS; DEBTORS.**

386.10 Subdivision 1. **Duties of commissioner.** (a) On or before July 1, 2023, the commissioner
386.11 must develop and maintain a document that includes the contact information for nonprofit
386.12 organizations domiciled in Minnesota that provide credit counseling services to debtors.
386.13 Credit counseling services include but are not limited to (1) helping a debtor understand
386.14 the debtor's rights and responsibilities, and (2) working with debtors, creditors, and collection
386.15 agencies to satisfy debts. The document must include contact information for organizations
386.16 that provide credit counseling services in languages other than English to individuals whose
386.17 primary language is a language other than English. The document must include the following
386.18 statement in English, Spanish, Somali, Hmong, Vietnamese, and Chinese:

386.19 "There are resources available to help manage your debt. The following Minnesota
386.20 organizations offer debt and credit counseling services. The Department of Commerce does
386.21 not control or guarantee any of the services provided by these organizations. This list is not
386.22 a referral to, or endorsement or recommendation of, any organization or the organization's
386.23 services."

386.24 (b) The document must be no more than one 8-1/2 by 11-inch sheet of paper. The
386.25 commissioner must maintain the document and make it publicly available on the department's
386.26 website in a printable format.

386.27 (c) Beginning September 1, 2024, the commissioner may update the document no more
386.28 than once per year and must notify all licensed collection agencies after an update occurs.
386.29 A collection agency has 120 days from the date the collection agency receives notice of an
386.30 update to the document from the commissioner to apply the changes to the document.

386.31 Subd. 2. **Duties of collection agency.** Beginning September 1, 2023, a collection agency
386.32 must include the document described in subdivision 1 with the initial written communication

387.1 sent to a debtor if the initial communication is performed via United States mail, e-mail, or
387.2 text message.

387.3 **EFFECTIVE DATE.** This section is effective July 1, 2022.

387.4 Sec. 7. Minnesota Statutes 2020, section 609.5316, subdivision 3, is amended to read:

387.5 Subd. 3. **Weapons, telephone cloning paraphernalia, automated sales suppression**
387.6 **devices, catalytic converters, and bullet-resistant vests.** Weapons used are contraband
387.7 and must be summarily forfeited to the appropriate agency upon conviction of the weapon's
387.8 owner or possessor for a controlled substance crime; for any offense of this chapter or
387.9 chapter 624, or for a violation of an order for protection under section 518B.01, subdivision
387.10 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the
387.11 commission or attempted commission of a crime are contraband and must be summarily
387.12 forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled
387.13 substance crime or for any offense of this chapter. Telephone cloning paraphernalia used
387.14 in a violation of section 609.894, and automated sales suppression devices, phantom-ware,
387.15 and other devices containing an automated sales suppression or phantom-ware device or
387.16 software used in violation of section 289A.63, subdivision 12, are contraband and must be
387.17 summarily forfeited to the appropriate agency upon a conviction. A catalytic converter
387.18 possessed in violation of section 325E.21 is contraband and must be summarily forfeited
387.19 to the appropriate agency upon a conviction.

387.20 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
387.21 committed on or after that date.

16B.323 SOLAR ENERGY IN STATE BUILDINGS.

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

(b) "Major renovation" means a substantial addition to an existing building, or a substantial change to the interior configuration or the energy system of an existing building.

(c) "Solar energy system" means photovoltaic devices alone or installed in conjunction with a solar thermal system.

(d) "Photovoltaic device " has the meaning given in section 216C.06, subdivision 16.

(e) "Solar thermal system" has the meaning given "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

(f) "State building" means a building whose construction or renovation is paid wholly or in part by the state from the bond proceeds fund.

Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project for the construction or major renovation of a state building, after the completion of a cost-benefit analysis, may include installation of solar energy systems of up to 300 kilowatts capacity on, adjacent, or in proximity to the state building.

(b) The capacity of a solar energy system must be less than 300 kilowatts to the extent necessary to match the electrical load of the building, or the capacity must be no more than necessary to keep the costs for the installation below the five percent maximum set by paragraph (c).

(c) The cost of the solar energy system must not exceed five percent of the appropriations from the bond proceeds fund for the construction or renovation of the state building. Purchase and installation of a solar thermal system may account for no more than 25 percent of the cost of a solar energy system installation.

(d) A project subject to this section is ineligible to receive a rebate for the installation of a solar energy system under section 116C.7791 or from any utility.

16B.326 HEATING AND COOLING SYSTEMS; STATE-FUNDED BUILDINGS.

The commissioner must review project proposer's study for geothermal and solar thermal applications as possible uses for heating or cooling for all building projects subject to a predesign review under section 16B.335 that receive any state funding for replacement of heating or cooling systems. When practicable, geothermal and solar thermal heating and cooling systems must be considered when designing, planning, or letting bids for necessary replacement or initial installation of cooling or heating systems in new or existing buildings that are constructed or maintained with state funds. The predesign review must include a written plan for compliance with this section from a project proposer.

For the purposes of this section, "solar thermal" means a flat plate or evacuated tube with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy for heating and cooling.

45.25 DEFINITIONS.

Subd. 2a. **Classroom course.** "Classroom course" means an educational process based on live or real-time instruction including, but not limited to:

(1) a course in which there is no geographic separation of instructor and learner;

(2) a course taught live that is concurrently simulcast to remote locations and where each location is monitored by a proctor; and

(3) a course taught live that is concurrently simulcast to individual students online and that includes a process to authenticate the student's identity and technology to guarantee seat time.

Subd. 14. **Self-study course.** "Self-study course" means a distance learning course that is not entirely taught by the instructor live via the Internet, video, or other electronic means.

60A.033 SCHEDULING CONFERENCE AND ORDER.

Subd. 3. **Exception.** A scheduling conference and order is not required under this section if the insurance company waives its right to a scheduling conference and order.

62Q.56 CONTINUITY OF CARE.

Subd. 1a. **Change in health care provider; termination not for cause.** (a) If the contract termination was not for cause and the contract was terminated by the health plan company, the health plan company must provide the terminated provider and all enrollees being treated by that provider with notification of the enrollees' rights to continuity of care with the terminated provider.

(b) The health plan company must provide, upon request, authorization to receive services that are otherwise covered under the terms of the health plan through the enrollee's current provider:

(1) for up to 120 days if the enrollee is engaged in a current course of treatment for one or more of the following conditions:

(i) an acute condition;

(ii) a life-threatening mental or physical illness;

(iii) pregnancy beyond the first trimester of pregnancy;

(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided that the disability has lasted or can be expected to last for at least one year, or can be expected to result in death; or

(v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician, advanced practice registered nurse, or physician assistant certifies that the enrollee has an expected lifetime of 180 days or less.

For all requests for authorization to receive services under this paragraph, the health plan company must grant the request unless the enrollee does not meet the criteria provided in this paragraph.

(c) The health plan company shall prepare a written plan that provides a process for coverage determinations regarding continuity of care of up to 120 days for enrollees who request continuity of care with their former provider, if the enrollee:

(1) is receiving culturally appropriate services and the health plan company does not have a provider in its preferred provider network with special expertise in the delivery of those culturally appropriate services within the time and distance requirements of section 62D.124, subdivision 1; or

(2) does not speak English and the health plan company does not have a provider in its preferred provider network who can communicate with the enrollee, either directly or through an interpreter, within the time and distance requirements of section 62D.124, subdivision 1.

The written plan must explain the criteria that will be used to determine whether a need for continuity of care exists and how it will be provided.

72A.2031 DEFINITIONS.

Subd. 3. **Broker-dealer.** "Broker-dealer" means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account. The term does not include:

(1) an agent;

(2) an issuer;

(3) a depository institution, provided such activities are conducted in accordance with rules as may be adopted by the administrator;

(4) an international banking institution; or

(5) a person excluded by rule adopted or order issued under this chapter.

Subd. 9. **Registered principal.** "Registered principal" means a person associated with a FINRA member broker-dealer, who is actively engaged in the management of the FINRA member broker-dealer investment banking or securities business, including supervision, solicitation, conduct of business, or the training of persons associated with a FINRA member broker-dealer for any of these functions.

Subd. 11. **Suitability information.** "Suitability information" means information that is reasonably appropriate to determine the suitability of a recommendation, including but not limited to the following:

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- (1) age;
- (2) annual income and anticipated material changes in annual income;
- (3) financial situation and needs, including the financial resources used for the funding of the annuity, and including anticipated material changes in financial situation and needs;
- (4) financial experience;
- (5) financial objectives;
- (6) intended use of the annuity;
- (7) financial time horizon;
- (8) existing assets, including investment and life insurance holdings and anticipated material changes in existing assets;
- (9) liquidity needs and anticipated material changes in liquidity needs;
- (10) liquid net worth and anticipated material changes in liquid net worth;
- (11) risk tolerance;
- (12) tax status; and
- (13) whether or not the consumer has a reverse mortgage.

72A.2032 DUTIES OF INSURERS AND INSURANCE PRODUCERS.

Subdivision 1. **Suitability standard.** In recommending to a consumer the purchase of an annuity or the exchange of an annuity that results in another insurance transaction or series of insurance transactions, the insurance producer, or the insurer where no producer is involved, shall have reasonable grounds for believing, after a reasonable inquiry, that the recommendation is suitable for the consumer, under the totality of the circumstances based on the facts disclosed by the consumer as to the consumer's investments and other insurance products and as to the consumer's financial situation and needs, including the consumer's suitability information, and that there is a reasonable basis to believe all of the following:

(1) the consumer has been reasonably informed of various features of the annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders, redeems, or annuitizes the annuity, mortality and expense fees, investment advisory fees, potential charges for and features of riders, limitations on interest returns, insurance and investment components, and market risk;

(2) the consumer would receive a tangible net benefit from the transaction;

(3) for the particular consumer based on the consumer's suitability information:

(i) the particular annuity as a whole, the underlying subaccounts to which funds are allocated at the time of purchase or exchange of the annuity, and riders and similar product enhancements, if any, are suitable; and

(ii) in the case of an exchange or replacement, the transaction as a whole is suitable taking into account, among other things, the age of the consumer; and

(4) in the case of an exchange or replacement of an annuity, the exchange or replacement is suitable including taking into consideration all of the following:

(i) the consumer will incur a surrender charge; be subject to the commencement of a new surrender period; lose existing benefits, such as death, living, or other contractual benefits; or be subject to increased fees, investment advisory fees, or charges for riders and similar product enhancements;

(ii) the consumer would receive a tangible net benefit from the transaction, and in the case of a person 65 years of age or older, neither a producer nor an insurer shall recommend a replacement or exchange of an annuity that requires the insured to pay a surrender charge for the annuity being replaced or exchanged if the replacement or exchange does not confer a substantial financial benefit over the life of the annuity to the consumer so that a reasonable person would believe the purchase is unnecessary; and

(iii) the consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 60 months.

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Subd. 2. **Obtaining suitability information.** Before the execution of a purchase, exchange, or replacement of an annuity resulting from a recommendation, an insurance producer, or an insurer where no producer is involved, shall make reasonable efforts to obtain the consumer's suitability information, and record this information on a form, inventory, or similar record. The producer, upon request, shall provide to the consumer or the consumer's legal representative a copy of the information used in the making of the suitability determination.

Subd. 3. **Restriction on issuance of annuity.** Except as permitted under subdivision 4, an insurer shall not issue an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity is suitable based on the consumer's suitability information.

Subd. 5. **Documentation.** An insurance producer or, where no insurance producer is involved, the responsible insurer representative shall at the time of sale:

- (1) make a record of any recommendation subject to subdivision 1;
- (2) obtain a consumer-signed statement documenting a consumer's refusal to provide suitability information, if any; and
- (3) obtain a consumer-signed statement acknowledging that an annuity transaction is not recommended if a consumer decides to enter into an annuity transaction that is not based on the insurance producer's or insurer's recommendation.

116J.9924 TARGETED COMMUNITY CAPITAL PROJECT GRANT PROGRAM.

Subd. 6. **Applicability of other laws.** The provisions of chapter 16A that apply to general fund appropriations for capital projects also apply to grants under this section. Money granted under this section is available until the project is completed or abandoned subject to section 16A.642.

181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or harassment or stalking. For the purpose of this paragraph:

- (1) "domestic abuse" has the meaning given in section 518B.01;
- (2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and
- (3) "harass" and "stalking" have the meanings given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section.

216B.16 RATE CHANGE; PROCEDURE; HEARING.

Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual granted formal intervenor status by the commission is eligible to receive compensation.

(b) The commission may order a utility to compensate all or part of an eligible intervenor's reasonable costs of participation in a general rate case that comes before the commission when the commission finds that the intervenor has materially assisted the commission's deliberation and when a lack of compensation would present financial hardship to the intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding. For the purpose of this subdivision, "materially assisted" means that the intervenor's participation and presentation was useful and seriously considered, or otherwise substantially contributed to the commission's deliberations in the proceeding.

(c) In determining whether an intervenor has materially assisted the commission's deliberation, the commission must consider, among other factors, whether:

(1) the intervenor represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the intervenor were an important factor in producing a fair decision;

(3) the intervenor's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the intervenor would not have been a part of the record without the intervenor's participation; and

(5) the administrative law judge or the commission adopted, in whole or in part, a position advocated by the intervenor.

(d) In determining whether the absence of compensation would present financial hardship to the intervenor, the commission must consider:

(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

(e) An intervenor seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed 30 days after the later of (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(f) The compensation request must include:

(1) the name and address of the intervenor or representative of the nonprofit organization the intervenor is representing;

(2) proof of the organization's nonprofit, tax-exempt status;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) a list of actual annual revenues and expenses of the organization the intervenor is representing for the preceding year and projected revenues, revenue sources, and expenses for the current year;

(5) the organization's balance sheet for the preceding year and a current monthly balance sheet;

(6) an itemization of intervenor costs and the total compensation request; and

(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention.

(g) Within 30 days after service of the request for compensation, a party may file a response, together with an affidavit of service, with the commission. A copy of the response must be served on the intervenor and all other parties to the proceeding.

(h) Within 15 days after the response is filed, the intervenor may file a reply with the commission. A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

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(i) If additional costs are incurred as a result of additional proceedings following the commission's initial order, the intervenor may file an amended request within 30 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

(j) The commission must issue a decision on intervenor compensation within 60 days of a filing by an intervenor.

(k) A party may request reconsideration of the commission's compensation decision within 30 days of the decision.

(l) If the commission issues an order requiring payment of intervenor compensation, the utility that was the subject of the proceeding must pay the compensation to the intervenor, and file with the commission proof of payment, within 30 days after the later of (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed or (2) the date the commission issues an order following reconsideration of its order on intervenor compensation.

Laws 2017, chapter 5, section 1

Section 1. NATURAL GAS COMBINED CYCLE ELECTRIC GENERATION PLANT.

(a) Notwithstanding Minnesota Statutes, section 216B.243 and Minnesota Statutes, chapter 216E, a public utility may, at its sole discretion, construct, own, and operate a natural gas combined cycle electric generation plant as the utility proposed to the Public Utilities Commission in docket number E-002/RP-15-21, or as revised by the utility and approved by the Public Utilities Commission in the latest resource plan filed after the effective date of this section, provided that the plant is located on property in Sherburne County, Minnesota, already owned by the public utility, and will be constructed after January 1, 2018.

(b) Reasonable and prudently incurred costs and investments by a public utility under this section may be recovered pursuant to the provisions of Minnesota Statutes, section 216B.16.

(c) No less than 20 months prior to the start of construction, a public utility intending to construct a plant under this section shall file with the commission an evaluation of the utility's forecasted costs prepared by an independent evaluator and may ask the commission to establish a sliding scale rate of return mechanism for this capital investment to provide an incentive for the utility to complete the project at or under the forecasted costs.