

HOUSE RESEARCH

Act Summary

Chapter: 94

Session: 2017 Regular Session

Topic: Omnibus Jobs Bill

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Date: June 8, 2017

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Section**Article 1: Appropriations**

- 1 **Jobs and economic development.** Specifies definitions of fiscal years. Provides for treatment of duplicate appropriations in separate bills.
- 2 **Department of Employment and Economic Development.** Provides appropriations for the Department of Employment and Economic Development. (See spreadsheet for details.)
- 3 **Housing Finance Agency.** Provides appropriations for the Housing Finance Agency. (See spreadsheet for details.)
- 4 **Department of Labor and Industry.** Provides appropriations for the Department of Labor and Industry. (See spreadsheet for details.)
- 5 **Bureau of Mediation Services.** Provides appropriations for the Bureau of Mediation Services. (See spreadsheet for details.)
- 6 **Workers' Compensation Court of Appeals.** Provides appropriations for the Workers' Compensation Court of Appeals. (See spreadsheet for details.)
- 7 **Department of Commerce.** Provides appropriations for the Department of Commerce. (See spreadsheet for details.)
- 8 **Public Utilities Commission.** Provides appropriations for the Public Utilities Commission. (See spreadsheet for details.)
- 9 **Public Facilities Authority.** Provides appropriations for the Public Facilities Authority. (See spreadsheet for details.)

Article 2: Labor and Industry

- 1 **Standards for dual training.** Modifies the pipeline dual-training program, which supports on-the-job training of employees, by requiring the commissioner of labor and industry to convene industry representatives to help develop the standards for such training. Requires the commissioner to also provide technical assistance to dual-training programs.
- 2 **Youth skills training program.**

Subd. 1. Program established and grants authorized. Establishes the youth skills training program. Requires the programs to provide work-based skills training opportunities for students who are at least 16 years of age.

Subd. 2. Definitions. Defines "school district" to include school districts and charter schools. Defines "local partnership" to mean any combination of school districts, nonpublic schools, postsecondary institutions, workforce development authorities, economic development authorities, and nonprofit organizations who enter into an agreement with one or more local employers for a local youth skills training program.

Subd. 3. Duties. Authorizes the commissioner to approve local partnership programs. Requires the local partnership plan to address hours of participation, wage rates, student workplace, and safety concerns. Requires the local partnership plan to

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address what type of high school and college credits that a participating student will receive.

Requires the commissioner to develop model program guides and provide other support for the local partnerships. Requires the commissioner to collaborate with other stakeholders.

Subd. 4. Training agreement. Requires the participating student (or student's parent) to sign a written training agreement.

Subd. 5. Program approval. Requires the commissioner to approve and review youth skills training programs.

Subd. 6. Interactions with education finance. Makes clear that hours enrolled in an approved youth skills training program continue to count as hours of instruction under Minnesota's school finance formulas.

Subd. 7. Academic credit. Authorizes a school district to grant academic credit for students participating in youth skills programs under this section.

Subd. 8. Postsecondary credit. Authorizes a postsecondary institution to grant postsecondary credit for a student's participation in a youth skills program.

Subd. 9. Work based learning program. Qualifies the youth skills program as a work based learning program if the youth skills program meets the requirements for a career and technical program and is supervised by a qualified teacher.

Subd. 10. School coordinator. Authorizes a school administrator or a qualified teacher to oversee a youth skills training program.

Subd. 11. Other apprenticeship program. Clarifies that this program doesn't interfere with the comprehensive youth apprenticeship program under Minnesota Statutes, section 124D.47.

Subd. 12. Grant applications. Provides for form and content of grant applications.

Subd. 13. Grant awards. Establishes permissible uses of grant awards.

Subd. 14. Outcomes. Lists the expected program outcomes including that at least 80 percent of program participants receive a high school diploma, and that at least 60 percent of participating students receive a recognized credential upon completion of the program.

Subd. 15. Reporting. Requires the commissioner of labor and industry to report to the legislature on program activities and outcomes.

3 License fees and renewal fees. Reduces license fees for construction contractors, electricians, plumbers, high pressure pipefitters, and boiler operators.

4 [326B.108] Places of public accommodation subject to building code. Defines "places of public accommodation" and requires places of public accommodation to comply with the state building code.

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- 5 Building permits.** Reduces construction plan review and inspection permit fees for construction projects under the jurisdiction of the Department of Labor and Industry, including state owned and state licensed facilities, hospitals, and schools.
Effective date: July 1, 2017, but the reductions in fees expire October 1, 2021.
- 6 Wind electric systems.** Reduces fees for electrical inspection of wind turbines.
- 7 Solar voltaic systems.** Creates an electrical inspection fee schedule specifically for solar voltaic installations.
- 8 Powers; duties; administrative support.** Empowers the Plumbing Board to regulate continuing education for “registered unlicensed individuals.” This could be interpreted to include both those doing plumbing work and those doing water conditioning work. Previously, registered unlicensed plumbers did not have a continuing education requirement. Corrects references to types of water conditioning businesses with the titles of water conditioning professionals.
- 9 Water conditioning installation.** Expands the scope of work a water conditioning installer can do from single family homes only, to include multifamily and nonresidential buildings when certain conditions are met. Namely, a licensed plumber must have installed both (1) the building’s plumbing system and (2) a valve allowing for isolation of the water conditioning system from the plumbing system, and (3) the piping in the system must be smaller than two inches (i.e. not a large industrial system).
- 10 Direct supervision.** Defines the requirements for “direct supervision” of water conditioning installation work.
- 11 Direct supervisor.** Defines who may be a “direct supervisor” for water conditioning installation work.
- 12 Qualifications for licensing.** Adds installation of water conditioning systems to the list of skills that must be demonstrated to earn a water conditioning master license.
- 13 Plumber’s apprentices.** Adds restricted master plumbers and restricted journeymen plumbers to the list of people who may provide direct supervision of a plumber’s apprentice.
- 14 [326B.555] Registered unlicensed individuals.** Creates a registration requirement for people who perform water conditioning installation work without a license, essentially as apprentices. Requires that a registered unlicensed individual only do water conditioning work under the direct supervision of a licensed individual who can make sure all work is done properly and that records of this work be kept. Allows registered unlicensed individuals who have accumulated 875 hours of practical experience in the trade to take the water conditioning journeyman examination. Provides for applications and fees to become a registered unlicensed individual.
- 15 Definitions.** Refines definition of “detached garages” for purposes of the contractor recovery fund.
- 16 Payment limitations.** Increases total payment allowed to owners and lessees, under the contractor recovery fund, from \$150,000 to \$300,000.

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- 17 Workers' compensation.** Allows amounts appropriated for system upgrades in fiscal years 2016 and 2017 to remain available until June 30, 2021.
- 18 Time of day; high school students.** Allows high school students age 18 or older to have restricted work hours on school nights and days if the student requests this in writing two weeks before the restrictions will begin.
- 19 Repealer.** Repeals the subdivision of the contractor recovery fund statute related to accelerated compensation.

Article 3: Workers' Compensation Advisory Council; Department Proposals

- 1 Designated contact person and required training related to submission and payment of medical bills.** Requires workers' compensation insurers and clearinghouses, as well as hospitals, to designate an employee as the contact person for questions related to the submission and payment of medical bills. The designated employee is required to attend Department of Labor and Industry training. Authorizes the department to assess penalties for noncompliance with these provisions.
- 2 Payment based on Medicare MS-DRG system.** Addresses a delay in the release of Medicare's PC-Pricer software used in calculating inpatient hospital care payments. Makes technical and conforming changes.
- 3 Payment for catastrophic, high-cost injuries.** Clarifies that the applicable threshold amount, above which payments for care are made at 75 percent of a hospital's usual charges, is determined by a patient's date of discharge from the hospital. Provides that the threshold amount will be updated annually each October, instead of each January.
- 4-5** Address electronic workers' compensation documents. The provisions allow the Department of Labor and Industry to reject certain improperly filed documents and destroy duplicate documents. The provisions also specify how electronic signatures may be used, and address issues of service and provision of electronic documents.
- 6-10** Clarify workers' compensation program for state employees. The provisions make technical, stylistic, and conforming changes.
- 11 Effective date.** This article is effective May 31, 2017.

Article 4: Workers' Compensation Advisory Council; Special Compensation Fund

- 1** In 2014, the Minnesota Supreme Court decided two cases on workers' compensation law, the *Ekdahl* and *Hartwig* cases. In broad terms, those cases held that retirement benefits, other than Social Security benefits, do not offset workers' compensation benefits paid to employees suffering permanent total disability (PTD). Before those decisions, Minnesota

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courts and the Workers' Compensation Court of Appeals had held various retirement benefits as offsetting workers' compensation benefits paid to those with PTD.

The bill would set up a program in which workers' compensation payers could choose to participate. Under the program, workers' compensation payers that pay PTD benefits without offsetting for retirement benefits would be entitled to reimbursement of certain benefits paid before the court decisions and a partial credit against obligations to the Special Compensation Fund (a fund workers' compensation payers must pay into).

Workers' compensation payers that opt not to participate in the program would be entitled to litigate application of the *Ekdahl* and *Hartwig* decisions, would not be automatically entitled to the program's reimbursement and assessment offset, and could be subject to penalties, depending on the facts.

Effective date: May 31, 2017.

Article 5: Workers' Compensation Advisory Council; Workers' Compensation Intervention

- 1-2 Make minor changes to sections of statute addressing intervention in workers' compensation disputes.
- 3 **Partial settlement.** Allows a workers' compensation judge to approve a partial stipulation for settlement that does not settle claims of all intervenors, subject to several requirements. Under current law, settlements must include all parties and intervenors.
- 4 **Rulemaking.** Authorizes expedited rulemaking by the Office of Administrative Hearings to conform with the change provided in section 3.

Article 6: Employment and Economic Development

- 1 **[116J.4221] Rural policy and development center fund.** Establishes the rural policy and development center fund as an account in the special revenue fund of the state treasury to fund the center for rural policy and development. Section effective May 31, 2017.
- 2 **Administration.** Allows a local government to receive more than one Minnesota investment fund award in a fiscal year.
- 3 **Transfer.** Allows the commissioner to transfer up to \$2,000,000 of a fiscal year's appropriation between the Minnesota job creation fund program and the Minnesota investment fund to meet business demand.
- 4 **Definitions.** Adds definitions for "minority person," "persons with disabilities," and "veteran" with regards to the job creation fund.
- 5 **Minnesota job creation fund business designation; requirements.** Provides incentives for designation as a Minnesota job creation fund business for projects located outside of the metropolitan area or if a business is cumulatively owned by minorities, veterans, women, or people with disabilities. Incentives are in the form of requiring only \$250,000 of private

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investment (instead of \$500,000) and the creation of five new jobs (rather than ten) for the incentivized businesses.

- 6** **Certification; benefits.** Allows businesses outside the metro area to receive job creation fund benefits for seven years rather than five and to qualify for a higher maximum award after adding 75 new employees rather than 200.
- 7** **Job creation award.** Increases the job creation awards by \$1,000 for businesses outside of the metro area or which are cumulatively owned by minorities, veterans, women, or people with disabilities.
- 8** **[116J.9922] Central Minnesota opportunity grant program.** Creates the central Minnesota opportunity grant program of competitive grants to nonprofit organizations to provide economic development, education, and housing services to communities of color in the St. Cloud area. Establishes the Central Minnesota Community Foundation as the administrator of the competitive grant program and outlines application requirements, evaluation criteria, and allowed expenses. Requires annual reports to the legislature on outcomes.
- 9** **Definitions.** Modifies the dislocated worker program to exclude employees of political entities, such as political committees, funds, campaigns, party units, and organizations required to file with the federal elections commission. Also strikes obsolete language.
- 10** **Workforce Development Board.** Makes technical changes necessary for federal conformity with the Workforce Innovation and Opportunity Act.
- 11-16** Makes technical and programmatic corrections to the emerging entrepreneur program.
- 17** **Assigned risk transfer.** Transfers money to the rural policy and development center fund (created in section 1 above) if there is an excess surplus in the assigned risk plan. This transfer takes place before any similar transfer to the Minnesota minerals 21st century fund. This section expires once a total of \$2,000,000 has been transferred to the rural policy and development center fund.
Effective date: May 31, 2017.
- 18** **Vocational rehabilitation.** Amends the 2015 appropriations rider for Assistive Technology of Minnesota, allowing funds to be used for low-interest loans to purchase assistive technology and employment-related equipment.
Effective date: Effective retroactively from July 1, 2015.
- 19 & 20** Extends the 2016 Mille Lacs relief program until June 30, 2018, and lowers the required reduction in gross receipts from ten percent to five percent.
- 21** **Emerging entrepreneur program appropriations cancellations.** Cancels to the general fund all unspent funds appropriated in 2016 to the emerging entrepreneur program.
Effective date: Section effective May 31, 2017.
- 22** **Greater Minnesota community design pilot project.** Creates the greater Minnesota community design pilot project, which forms a partnership between the Minnesota Design Center at the University of Minnesota and up to ten small communities in southeastern Minnesota to design and pursue rural development projects.

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- 23 Department of Employment and Economic Development mandated report holiday.** Suspends report to the legislature requirements in state law for the Department of Employment and Economic Development for fiscal years 2018 and 2019, except for the workforce programs outcome report cards and the expenditure reports to the legislature required under article 12 of this law, which are still required. Reports may still be made if required by federal law or at the election of the commissioner.
- 24 Onetime exception to restrictions on use of Minnesota investment fund local government loan repayment funds.** Provides a onetime opportunity to local governments holding uncommitted money in local revolving loan funds seeded by Minnesota investment fund (MIF) loan repayments to send 20 percent of the balance of the local fund back to the state in exchange for being able to use the remaining 80 percent without the usual restrictions. Normally, local revolving loan funds seeded by MIF repayments must meet the same requirements as the MIF program, limiting the types of projects these funds can be used for. Under this section, if a local government made the 20 percent repayment to the state, it could then use the remaining 80 percent of the fund for any lawful purpose, though it must report what the money was used for to the legislative committees with jurisdiction. Because this is a onetime exception, any new repayments entering the local revolving loan fund after the date of the transfer to the state would be subject to the normal restrictions.
- 25 Getting to Work Grant Program.** Creates the “Getting to work” grant program to make grants to nonprofit organizations to provide, repair, or maintain motor vehicles that will assist low-income individuals in obtaining or keeping employment. Outlines program and application criteria. Requires a report to the legislature on program outcomes.
- 26 Economic impact study of biomass facility closure.** Requires the DEED commissioner to complete, by February 15, 2018, a study of the economic impact of closing a biomass plant in Benson.
- 27 Use of unallocated funds.** Allows the commissioner discretion, in fiscal years 2018 and 2019 only, to use unallocated workforce development funds originally appropriated to the Job Skills Partnership Board, Minnesota investment fund, or the job creation fund for other job creation and economic opportunities.
- 28 Repealer.** Repeals the workforce housing development program with the Department of Employment and Economic Development. Note that a very similar program is created within the Minnesota Housing Finance Authority in article 11, section 7, of this bill. Also repeals obsolete Minnesota Rules for the former Urban Challenge Grant Program.

Section**Article 7: Iron Range Resource and Rehabilitation Policy****Overview**

This bill responds to issues and potential constitutional problems identified by the Office of the Legislative Auditor's 2016 report on the Iron Range Resources and Rehabilitation Board. It makes the following primary changes:

The Iron Range resources and rehabilitation state agency is officially and consistently called the "Department of Iron Range Resources and Rehabilitation." This makes the statute clearer and conforms to current use outside of the statutes.

The commissioner is required to consult with the Iron Range Resources and Rehabilitation Board before spending any money or taking action on projects. The board is left in the executive branch and has identical membership to the existing board, but is made advisory.

Section 26, gives the chair of the advisory board explicit authority to convene meetings as often as necessary to conduct the business of the advisory board, at least twice a year.

Sections 27, 28, and 33 require long-term strategic planning, careful tracking of grants and loans, and consistent evaluation of projects against set criteria.

Finally, section 59 creates a temporary early separation incentive program for employees of the commissioner.

The rest of the bill is composed of the many conforming and technical changes necessary to achieve the above.

- 1 **Definitions.** Conforming change, "board" becomes "department."
- 2 **Exclusions.** Conforming changes, "board" becomes "department" and "commissioner."
- 3 **Departments of the State.** Adds the Department of Iron Range Resources and Rehabilitation to the list of state agencies.
- 4 **Department of Iron Range Resources and Rehabilitation.** Allows the commissioner, after consulting the advisory board, to purchase insurance for facilities.
- 5 **Group II salary limits.** Conforming change, "board" removed from title of commissioner.
- 6 **Executive branch.** Conforming change, "board" becomes "department."
- 7 **Advisory council created.** Conforming change, "board" becomes "commissioner."
- 8 **Definitions.** Conforming change, "department" added to name of agency.
- 9 **Use of fund.** Includes forgivable loans and grants for infrastructure as allowed uses of the fund. Allows spending in the taconite assistance area, rather than just the taconite tax relief area.

Effective date: This section is effective May 31, 2017.

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- 10 Iron Range resources and rehabilitation contribution.** The commissioner, after consultation with advisory board, can provide matching loans or investments from the Minnesota 21st century fund and decide what interest the fund acquires in the project. Projects may be in the taconite assistance area, rather than just the taconite tax relief area.
- 11 Subsidy agreement.** Conforming change, “board” becomes “department.”
- 12 Public notice and hearing.** Conforming changes, “board” becomes “commissioner.”
- 13 Reports by recipients to grantors.** Conforming changes, “board” becomes “commissioner.”
- 14 Definitions.** Conforming change, “board” becomes “commissioner.”
- 15 Definition.** Conforming change, “board” removed from title of commissioner.
- 16 Municipality.** Requires the commissioner to consult the advisory board before jointly determining with the commissioner of revenue which municipalities can participate in the tax base sharing program.
- 17 School fund allocation.** Requires the commissioner to consult the advisory board before certifying the areawide levy or that there are insufficient funds to make payments.
- 18 Certification of values; payment.** Conforming change, “board” becomes “commissioner.”
- 19 Development.** Requires the commissioner to consult the advisory board before assisting a county in development of forest resources.
- 20 Not to affect commissioner of Iron Range resources and rehabilitation.** Technical change to correct the name of the department.
- 21 Commissioner.** Defines “commissioner” as the commissioner of Iron Range resources and rehabilitation for the relevant statutory sections.
- 22 Advisory board.** Defines “advisory board” as the Iron Range Resources and Rehabilitation Board for the relevant statutory sections.
- 23 Within taconite assistance area.** Conforming change, “board” becomes “commissioner.”
- 24 Occupation taxes to be apportioned.** Conforming changes, “board” becomes “commissioner” and is removed from the name of the account.
- 25 Department of Iron Range Resources and Rehabilitation.** The commissioner may expend amounts appropriated to the department after consultation with the advisory board. The commissioner has authority to reimburse a nongovernmental manager operating state-owned facilities at Giants Ridge for operational expenses. Conforming changes, “office of the commissioner” becomes “department.” Deletes obsolete language about arbitrator awards.
- 26 Iron Range Resources and Rehabilitation Board.** (a) Keeps the current board with the same nine legislator members as the current board, but makes it advisory, though the commissioner must consult the advisory board on all expenditures and projects. (b) The advisory board will elect a chair who has explicit authority to convene meetings as often as necessary to conduct the business of the advisory board, but at least twice a year.
- 27 Evaluation of programs.** Sets forth factors the advisory board must use in evaluating program proposals.

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- 28 Strategic plan required.** Directs the commissioner, in consultation with the advisory board, to adopt a four-year strategic plan. Requires the plan to be reviewed annually.
- 29 Forest trust.** Authorizes the commissioner, after consulting the advisory board, to buy and sell forest lands. Money from such sales goes into a special account that may be spent by the commissioner after consulting the advisory board.
- 30 Private entity participation.** Authorizes the commissioner, after consultation with the advisory board, to decide whether the fund will take an equity interest in a project in exchange for funding and to manage assets associated with such projects.
- 31 Sale or privatization of functions.** Forbids the commissioner to sell or privatize the Minnesota Discovery Center or Giants Ridge without prior approval by the advisory board.
- 32 Budgeting.** The commissioner shall prepare an annual budget and submit it to the advisory board. After the board and the governor approve the budget, the commissioner may spend money in accordance with the approved budget.
- 33 Grants and loans for economic development projects; requirements.** Sets forth criteria the commissioner must consider in evaluating potential grants and loans, recommends including job creation incentives in agreements with recipients, and requires tracking awards and outcomes more closely.
- 34 Receipts from contracts; appropriation.** Appropriates funds to the commissioner for use after consultation with the advisory board. Conforming changes, “board” removed from name of account, in other places becomes “commissioner” or “advisory board.”
- 35 Project approval.** Conforming changes and rewritten for clarity, “board” becomes “advisory board” in one case, “commissioner” in another.
- 36 Fee setting.** Conforming change, “board” becomes “commissioner.”
- 37 Investment of funds.** Conforming change, “board” removed from name of account.
- 38 Creation; purposes.** Conforming changes, “board” becomes “commissioner,” board approval language removed.
- 39 Administration.** Requires the commissioner to consult the advisory board before expending money from this fund. Deletes the requirements that half of the funds be spent on public works projects and that the governor approve projects.
- 40 Taconite economic development fund.** Requires the commissioner to consult the advisory board before expending money from this fund. Conforming change, “board” becomes “commissioner.” Deletes obsolete language. Removes language about special funding allowances tied to production in 2007.
- 41 Collection and payment of tax.** Conforming changes, “board” becomes “commissioner,” ambiguity about which commissioner resolved.
- 42 Iron Range resources and rehabilitation account.** Conforming change, “board” becomes “account” and governor’s approval requirement removed.
- 43 Iron Range school consolidation and cooperatively operated school account.** Allows the commissioner to spend from this account, including ongoing annual expenditures, only after

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consultation with the advisory board. Conforming change, “board” becomes “commissioner.”

- 44 Distribution; city of Eveleth.** Conforming change, “board” becomes “commissioner.”
- 45 Iron Range higher education account.** Allocates funds directly to the Iron Range higher education account. Allows spending from this account only after the commissioner consults the advisory board and the Iron Range Higher Education Committee approves the expense.
- 46 Remainder.** Technical changes to correct statutory references and conforming change of “board” to “account.”
- 47 Use of money.** Requires consultation with the advisory board in order to buy or sell forest land.
- 48 Operation of fund.** Requires the commissioner to consult the advisory board before making findings about projects, moving money between funds, spending funds, or purchasing land.
- 49 Producer grants.** Requires the commissioner to consult the advisory board before approving projects or taking an equity interest. Removes requirement of governor’s approval.
- 50 Advisory committees.** Conforming changes, “board” becomes “advisory board,” and board’s action replaced with advisory board’s recommendation.
- 51 Unmined iron ore; valuation petition.** Requires consultation with advisory board before commissioner grants authority to petition.
- 52 Payment of costs; reimbursement.** Conforming changes, “board” becomes “commissioner.”
- 53 Refusal to reimburse; reduction of other payments.** Conforming change, “board” becomes “commissioner.”
- 54 Water access sites.** Conforming change, “board” becomes “commissioner.”
- 55 Local government unit.** Technical change to correct the name of the department.
- 56 Preliminary resolution.** Technical change, rewritten for clarity, “board” removed from title.
- 57 Giants Ridge Recreation Area taxing authority.** Conforming changes, for future decisions about the tax only (language describing the process in the past remains in place), the commissioner acts after consultation with the advisory board.

Effective date: effective August 1, 2017, without local approval.

- 58 Department of Iron Range Resources and Rehabilitation; early separation incentive program authorization.** Creates an early separation incentive for employees of the commissioner who are over 60 years old or have over 30 years of service. Also allows offering a targeted separation incentive program for employees whose jobs are eliminated due to private management of Giants Ridge. Incentives may include employer-paid health benefits until age 65 and cash. Cost to be paid from funds available to the commissioner only after consultation with the advisory board.

Effective date: Section effective May 31, 2017, expires July 30, 2018.

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- 59 Revisor’s instruction.** Instructs the revisor to prepare legislation that makes conforming changes in accordance with this act.
- 60 Repealer.** Repeals sections that:
- (1) gave special funding priority to areas affected by the LTV Steel Mining Company closure in 2000 and 2001;
 - (2) created the Northeast Minnesota economic development fund in 1987; this fund has been empty and unused for many years; and
 - (3) required a long-range plan for the board to be presented to the legislature by 2006.

Article 8: Commerce Policy

- 1 Insurance fraud prevention account.** Updates cross-reference related to the automobile theft prevention account transfer changes.
- 2 Fiscal year assessments.** Requires fiscal year assessments to be made before the start of the fiscal year and assessment revenue to be paid into the financial institutions account on or before July 1 each year.
- 3 Financial institutions account; appropriation.** Creates the financial institutions account as a separate account in the special revenue fund to receive fiscal year assessment revenue and examination fees. Appropriates funds in the account to the commissioner for activities under this section.
- 4 Program described; commissioner’s duties; appropriation.** Provides that \$1.3 million in funding from the automobile theft prevention account, which currently is deposited in the general fund, is to be deposited in the insurance fraud prevention account.
- 5 [72A.328] Affinity group.** Defines an “affinity program” and allows insurance companies to offer discounts based on membership in an affinity program under certain conditions.
- 6 Registration by broker-dealer, agent, funding portal, investment advisor, and investment advisor representative.** Adds investment advisor representatives to the registration statute.
- 7 Registration application and renewal filing fee.** Increases filing fees for agents from \$50 to \$65 and creates a \$50 filing fee for investment advisor representatives.
- 8 Assessment for department regional and national duties.** Halves the amount the department may assess on energy utilities per fiscal year for regional and national duties. Extends the expiration date of the subdivision until June 30, 2018.
- 9 [239.7511] Gas tax sign on petroleum dispenser.** Requires the Director of the Weights and Measures Division of the Department of Commerce to ensure signs are attached to all retail petroleum dispensers in Minnesota. The sign displays the current state and federal gas tax rates per gallon, along with a statement that “[r]evenue from the state fuel tax may be used only for roads and bridges, according to the Minnesota Constitution.” The Director must provide updated signs within 12 months of a change to the rate.

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- 10** **Automobile theft prevention account.** Provides that \$1.3 million in funding from the automobile theft prevention account, which currently is deposited in the general fund, is to be deposited in the insurance fraud prevention account.
- 11** **Effect of nonredemption.** Provides that if pawned goods are not redeemed within 60 days of the original pawn transaction, the goods are automatically forfeited to the pawnbroker.
- 12** **Required lists.** Requires the commissioner of commerce to provide members of the legislature and counties lists of abandoned property owners, if requested.
Effective: This section is effective January 1, 2018.
- 13** **Claim for abandoned property paid or delivered.** Allows a person claiming an interest in property evidenced by a will or trust document, or court order, to submit to the commissioner only the parts of the document or order necessary to establish the claim, and makes such submissions nonpublic or private data.
Effective: This section is effective May 31, 2017.
- 14** **[471.9998] Merchant bags.** Prohibits local governments from adopting ordinances that would prohibit merchants from providing customers paper, plastic, or reusable bags.
Effective: This section is effective May 31, 2017. Invalidates ordinances enacted before the effective date.
- 15** **Report on unclaimed property division.** Requires the commissioner of commerce to report by February 15, 2018, to the legislature regarding the process owners of abandoned property must comply with in order to file a claim. The report must include certain information.
Effective: This section is effective May 31, 2017.
- 16** **Repealer.** Repeals a subdivision concerning the application and adjustment of fees for financial institutions.

Article 9: Telecommunications

- 1-11** **[237.162] Public right-of-way; definitions.** Defines new terms and amends current definitions.
- 12** **[237.163] Subd. 2. Generally.** Allows for the placement of small wireless facilities and wireless support structures in a public right-of-way in accord with this section. It prohibits a local government unit from establishing a moratorium with respect to permits sought for small wireless facilities but delays the effective date of this provision until January 1, 2018, for local government units that have not yet enacted a right-of-way ordinance. Makes the placement of small wireless facilities a permitted use in a public right-of-way, except in areas zoned for single-family residential use and in designated historic districts, where a conditional use or special permit may be required.
- 13** **237.163] Subd. 3a. Small wireless facility permits; general.** Sets forth general regulations for the issuance of small wireless facility permits. Allows for consolidated permit applications for the collocation of up to 15 small wireless facilities (or more, if the local unit of government agrees), provided they are for similar equipment, are to be placed on similar

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support structures, and are located within a two-mile radius. A local unit of government receiving applications from more than 30 small wireless facilities in a seven-day period may extend the 90-day review period an additional 30 days. Permits are not needed, and no fee may be charged, for maintenance or replacement of small wireless facilities. A local government unit may elect to develop a standard agreement setting forth the terms of collocation for small wireless facilities.

- 14 Subd. 3b. Small wireless facility permits; placement.** Prohibits a local government from requiring the placement of a small wireless facility on a specific support structure different from that proposed in the permit application. No support structure may extend higher than 50 feet from the ground, subject to local zoning regulations, unless it is replacing an existing structure that is above that height, in which case it can be no higher than the existing support structure. Local government units may regulate minimum distances between wireless support structures.
- 15 Subd. 3c. Small wireless facility permits; approval.** Allows permit approval to be conditioned on generally applicable and reasonable health, safety, and welfare regulations, and provides that a permit is issued automatically if a local government unit has not rendered a decision on the application within 90 days of receipt, unless the parties agree otherwise.
- 16 Subd. 4. Permit denial or revocation.** Amends the current statute listing conditions under which a right-of-way permit may be denied to include small wireless facilities. Denial of a small wireless facility permit must be made in writing and contain the reasons for the denial.
- 17 Subd. 6. Fees.** Specifies fees a local government unit may charge, with respect to permit applications, preparatory engineering and construction work, to occupy space on a support structure owned by a local government unit and electricity service. Fees for the latter include up to \$150 per year per small wireless facility, plus up to \$25 annually for maintenance, and a monthly fee for electricity costs.
- 18 Subd. 7. Additional right-of-way provisions.** Prohibits a local government unit from regulating the placement or operation of any communications facilities authorized to operate in a right-of-way or the collection of fees from such facilities, other than those required by state or federal law.
- 19 Subd. 9. Authorized contractors.** Affirms the authority of a local government unit to authorize a third-party to install, construct, or maintain facilities controlled by a telecommunications right-of-way user, and prohibits a local government unit from imposing fees on the third-party different from those it is authorized to impose on the telecommunications right-of-way user.
- 20 Subd. 10. Exemptions.** Exempts wireless support structures owned, operated, maintained, or served by a municipal electric utility from the provisions of Minnesota Statutes, section 237.163. Also exempt from the placement regulations are collocations permitted by a local government unit before the effective date of this act under an ordinance regulating small wireless facilities that was enacted before May 18, 2017.

Section**Article 10: Energy Policy**

- 1 **[3.8852] Establishment.** Reduces the size of the Legislative Energy Commission from ten members from each body to nine.
- 2 **[16.323] Subd. 1. Definitions.** Strikes the definition of the “Made in Minnesota” solar subsidy program, and increases the maximum capacity of a solar energy system on a state building from 40 to 300 kW, provided the cost of the system does not exceed five percent of the bonds used to fund construction or renovation.
- 3 **[116C.779] Subd. 1. Renewable development account.** Establishes the renewable energy account in the special revenue fund, to which Xcel Energy must transfer all funds in the Renewable Development Account on July 1, 2017. Provides for payments to the account from Xcel to continue as under current law, based on the number of casks of nuclear waste stored at the Prairie Island and Monticello plants.
- Specifies the energy-related purposes for which funds from the account may be expended. Directs Xcel to withhold from transfer any revenues needed to pay for ongoing funding commitments, including renewable energy production incentives and Xcel’s Solar Rewards program.
- Specifies payments to be made from the account to the city of Benson and the Laurentian Energy Authority if the Public Utilities Commission (PUC) approves a new, amended, or terminated power purchase agreement for those biomass plants under section 20.
- Requires the legislature to appropriate funds for approved projects.
- Requires fund expenditures to benefit Xcel ratepayers in Minnesota or the Prairie Island Indian community.
- 4 **[116C.7792] Solar energy incentive program.** Extends Xcel’s solar rewards program for three years, and appropriates \$35 million from the renewable development account for that purpose.
- 5 **[216B.164] Subd. 2. Applicability; rights maintained.** Specifies that this section does not affect any rights or duties under the federal law and regulations that govern net metering.
- 6 **[216B.164] Subd. 5. Dispute; resolution.** Provides that only public utilities may have net metering disputes resolved at the PUC, but allows a facility over 20 megawatts to request PUC resolution of a dispute with any electric utility before the end of 2022.
- 7 **[216B.164] Subd. 9. Municipal electric utility.** Removes the commission’s authority to resolve net metering disputes concerning municipal utilities.
- 8 **[216B.164] Subd. 11. Cooperative electric association.** Provides that a cooperative electric association that adopts a dispute resolution process meeting specified requirements is exempt from regulation of net metering by the commission. Allows the commission to complete its investigation of fees imposed by cooperatives on certain net metering facilities, and requires co-ops to modify the fees if they are determined not to comply with state law.
- 9 **[216B.1691] Subd. 2f. Solar energy standard.** Allows a public utility with between 50,000 and 200,000 retail electric customers to meet ten percent of its solar energy standard from

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solar projects up to 40 kw (increased from 20 kw) and to apply individual customer subscriptions of 40 kw or less to a community solar garden to that target.

- 10** [216B.1694] **Subd. 3. Staging and permitting.** Extends the validity of various permits and approvals for an innovative energy project by six years, to 2025.
- 11 to 17** [216B.241] Exempts small municipal utilities and rural electric cooperatives from all requirements of the Conservation Improvement Program (CIP). Cooperatives with fewer than 5,000 members, and municipal utilities with fewer than 1,000 retail electric customers or natural gas sales of less than one billion cubic feet annually, are exempt.
- 18** [216B.2422] **Subd. 2. Resources plan filing and approval.** Requires a utility's integrated resource plan to file least cost plans with respect to energy, not capacity, needs.
- 19** [216B.2422] **Subd. 4. Preference for renewable energy facility.** Requires the commission, in deciding whether a renewable generating facility is in the public interest, to consider impacts on grid reliability, ratepayer impacts resulting from the intermittent nature of renewables and reduced fuel price volatility, and lower environmental compliance costs.
- 20** [216B.2424] **Subd. 9. Adjustment of biomass fuel requirement.** Specifies conditions under which the commission may approve a new, amended, or terminated power purchase agreement for biomass plants fulfilling Xcel Energy's biomass mandate.
- 21** [216C.05] **Subd. 2. Energy policy goals.** Establishes as a state goal that retail electricity rates for all customer classes be at least five percent below the national average.
- 22** [216C.417] **Program administration; "Made in Minnesota" solar energy production incentives.** Provides that payment of incentives to those enrolled in the program before it is repealed (see section 45, paragraph (d)) will continue to receive the full ten-year payment required under current law.
- 23** [216C.435] **Subd. 7a. Multifamily residential dwelling.** Definition in Property-Assessed Clean Energy (PACE) statute.
- 24** [216H.03] **Subd. 3. Long-term increased emissions from power plants prohibited.** Strikes language prohibiting a utility from importing electricity from other states or entering into long-term power purchase agreements that increase greenhouse gas emissions.
- 25** [216H.03] **Subd. 4. Exception for facilities that offset emissions.** Conforming change.
- 26** [216H.03] **Subd. 7. Other exemptions.** Conforming change.
- 27** **Residential PACE consumer protection task force programs.** Establishes a task force to recommend to the legislature consumer protection provisions to be added to the state's PACE program, which allows the repayment via an assessment on property taxes of residential loans to improve energy efficiency or to install renewable energy systems. The program is suspended until legislation addressing this issue is enacted.
- 28** **Program administration; "Made in Minnesota" solar thermal rebates.** Prohibits payment of "Made in Minnesota" solar thermal rebates after the effective date of this act.
- 29** **Renewable development account; transfer of unexpended funds.** Requires the transfer of unexpended RDF grant funds back to the account.

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- 30** **Repealer.** Paragraphs (a) and (d) repeal the “Made in Minnesota” solar rebate program and associated provisions of law. Paragraph (b) repeals sections of law dealing with hydrogen energy. Paragraph (c) repeals: language directing the Legislative Energy Commission to develop a framework for an all-renewable energy future (work was completed in 2016); and funding to the University of Minnesota’s Institute for Renewable Energy and the Environment that ended in 2011.

Article 11: Housing Policy

- 1** **Class I manufactured home park.** Defines a “class I manufactured home park” as complying with section 327C.16.
Effective: This section is effective May 31, 2017.
- 2** **[327C.16] Class I Manufactured Home Park.** Requires 12 hours of approved continuing education courses every three years, to be completed by either the owner or the on-site attendant, and affidavits of compliance with this requirement to be submitted to the county assessor, in order to qualify for the class I manufactured home park property tax classification rate.
Effective: This section is effective May 31, 2017.
- 3** **Interim ordinance.** Requires a majority vote of the members of a city council present to adopt an interim ordinance that regulates or prohibits a housing proposal. A “housing proposal” is a written request for approval of a project intended primarily to provide residential dwellings, and involves the subdivision or development of land, or demolition, construction, reconstruction, alteration, repair, or occupancy of residential dwellings. Requires written notice about such a vote to interested parties and notice on the city’s Web site, if there is one, as well as a public hearing at the next regularly scheduled council meeting or within ten days of the notice, whichever is earlier. Prohibits activities proposed to be restricted by the moratorium before the hearing.
Effective for interim ordinances proposed on or after August 1, 2017.
- 4** **Low-income housing.** Makes projects to assist families with school age children find stable housing an eligible use for housing trust fund money.
- 5** **Manufactured home park redevelopment program.** Includes nonprofit organizations and cooperatives in the groups eligible for the redevelopment program grants and loans. Divides the program into individual assistance grants (for buy-out and down-payment assistance) and park infrastructure grants. Requires the statewide program of grants and loans be provided in a manner consistent with agency policies and purposes under section 462A.02 and that park infrastructure grant recipients provide for adequate reserve funds to pay for the repair and replacement of private infrastructure systems serving the community.
- 6** **School stability.** Modifies family homeless prevention and assistance program requirements to create a rental assistance program for highly mobile students. Targets unaccompanied homeless youth and families with children eligible for enrollment in prekindergarten through grade 12 academic programs who are homeless or have overcrowded, unaffordable, unstable,

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or inadequate housing. Provides such people assistance that may include rental subsidies, case management, and housing navigation, in order to boost school attendance.

- 7 **[462A.39] Workforce housing development program.** Recreates the Department of Employment and Economic Development's workforce housing development program as a new program within the Minnesota Housing Finance Agency. Provides grants and deferred loans to eligible communities in greater Minnesota with low vacancy rates for rental housing and employer demand for additional housing for employees. Grants or deferred loans may not exceed 25 percent of the cost of the residential housing project being subsidized by the grant or deferred loan. Requires annual reports to the legislature. Allows some income-restricted units to be included in eligible developments.
- 8 **[462C.16] Housing trust funds for local housing development.** Permits a local government to establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund. Lists authorized expenditures for such a fund, suggests sources of funding, and requires annual publicly accessible reports of fund activity to the local government that created the fund. Does not affect existing local or regional housing trust funds.
- 9 **Minnesota Housing Finance Agency report.** Requires reports, on September 30 of 2017 and 2018, to the legislative committees with jurisdiction over MHFA, that provide: the draft and final version of its affordable housing plan; the actual and anticipated funds available within the Housing Affordability Fund, or Pool 3; and the actual and anticipated uses of those funds.

Article 12: Miscellaneous

- 1 **Effective date.** Provides that the sections of the 2014 law establishing the Public Employment Relations Board and setting its powers, that are currently set to become effective on July 1, 2017, will be delayed in until July 1, 2020.
Effective date: This section is effective on May 31, 2017, but until July 1, 2020, actions for relief from unfair labor practices may be brought in district court.
- 2 **Agency activity and expenditure reports.** Requires reports from the commissioners of economic development, housing finance, labor and industry, and commerce, as well as from the Public Utilities Commission, detailing agency operations and finances. The reports are due to the chairs of legislative committees with jurisdiction over the agency budgets by October 15, 2018.