

HOUSE RESEARCH

Bill Summary

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Overview

This bill contains a variety of provisions related to economic development. Included are changes to the workforce development assessment (sections 19 and 26), extensions of unemployment benefits for certain workers (sections 27 and 28), miscellaneous provisions related to the department of trade and economic development (throughout), provisions to encourage the use of available properties rather than new construction (sections 2, 3, and 6), a provision increasing the share of redevelopment funding for rural Minnesota (section 7), and a provision to allow money to be collected to pay interest that the state may need to pay if it needs to borrow money from the federal government in order to pay unemployment benefits (section 20).

Section

- 1 **Findings.** Contains legislative findings encouraging keeping a balance in the workforce development fund, and not using the fund for other purposes.
- 2 **Political subdivision.** Requires that before a political subdivision submits a capital project request to the governor or the legislature that involves new construction, it consult with the commissioner of trade and economic development, and obtain information about existing buildings that could serve the same function as the proposed new construction. Requires this information to be provided to the legislature with the capital budget request.
- 3 **State agencies.** Imposes a similar requirement to section 2, but for state agencies.
- 4 **Export finance authority.** Removes a reference to the export finance authority.
- 5 **Membership.** Current law provides that the members of the environmental quality board cannot delegate their responsibility to attend meetings. This section exempts the commissioner of DTED from this provision from July 1, 2003 to June 30, 2004, so that the commissioner could send a representative rather than attending personally.
- 6 **Promotion of available properties.** Requires the commissioner of trade and economic

development to obtain information about available low-cost land and buildings, and to the greatest extent possible, incorporate this information into publications or databases that the commissioner makes available for marketing purposes.

7 **Characteristics.** Current law provides for redevelopment funds from DTED to be given in a balanced way to both metro and rural Minnesota projects, with at least 25 percent going to rural projects. This section increases this to a 50 percent split, provided that adequate applications are received for both metro and rural projects.

8 **Enumeration.** Removes a requirement that the commissioner of DTED report certain statistics relating to companies that have left the state and moved to other states or countries.

9 **Definitions.** Removes the definition of the conference and service center.

10 **Duties.** Removes a reference to duties related to the conference and service center.

11 **World trade center account.** Removes a reference to the conference and service center.

12 **Low-income area.** Revises the definition of a "low-income area" for the purposes of the urban initiative program.

13 **Challenge grant eligibility; nonprofit corporation.** Adds language allowing the urban initiative board to make agreements to guarantee loans, in addition to the authority to actually make loans.

14 **Revolving loan fund.** Makes a change to conform with section 17.

15 **Business loan criteria.** Makes changes to conform with section 17.

16 **Revolving fund administration; rules.** Makes changes related to those in section 17.

17 **Nonprofit corporation loans.** Allows the urban initiative board to make loans to nonprofit corporations to support various forms of financing.

18 **Reporting requirements.** Adds the modifier "nonprofit" to an existing section requiring corporations to report to the board.

19 **Collection and determination of special assessment.** This section relates to the workforce development fund and the assessment collected to fund it. The assessment is currently .07 percent of taxable wages. This section would allow it to be set anywhere between .07 percent and 0.1 percent, at the discretion of the commissioner of economic security, based on a set of listed factors.

20 **Special assessment for interest on federal loan.** Provides for an assessment on unemployment insurance taxes of between 2 and 8 percent of all taxes due for a calendar year if the commissioners of economic security and finance determine that the state will need to make an interest payment during that year. Any amount over what is needed to pay the interest would go into the unemployment insurance trust fund. This is effective the day following final enactment.

21 **Intended use plan.** Current law requires the PCA to file the intended use plan with the EPA. This section changes this requirement to the PFA. Changes some requirements related to the preparation of the plan.

22 **Bonding authority.** Raises the limit on bonds issued by the public facilities authority from \$850,000,000 to \$1,000,000,000.

23 **Creation; members.** Current law makes the commissioner of DTED part of the Minnesota housing finance agency. This section removes the commissioner of DTED from the agency.

24 **Chairs.** Conforms to the change in section 23.

25 **Partnerships for tourism.** This section relates to a 2001 appropriation to the office of tourism for partnerships with local interests to promote tourism. This section would provide that the appropriation is available until spent.

- 26 **Workforce enhancement fee.** In section 19, the statutory workforce development fund assessment is changed. Under current law, a separate "workforce enhancement fee" is technically being collected in place of that assessment, in order to allow some funds to be provided for technology improvements at the department of economic security. This section aligns these provisions so that the effect of section 19 is preserved as to the current enhancement fee.
- 27 **Farmland Foods extra benefits; availability.** This section is effective immediately, and is effective retroactive to July 8, 2001.
- Subd. 1. Extra benefits; availability.** Provides that extra unemployment benefits are available to individuals who were laid off by Farmland Foods on or after July 8, 2001.
- Subd. 2. Payment from fund; effect on employer.** Provides that benefits paid to employees under this section are paid from the fund and are not recovered by increased taxes on the employers involved, as would normally be the case.
- Subd. 3. Eligibility conditions.** Generally requires that applicants meet most normal conditions of eligibility for benefits in order to collect.
- Subd. 4. Weekly amount of extra benefits.** Provides that an applicant's weekly amount of extra benefits is the same as the applicant's normal weekly unemployment benefit amount. Also contains a provision supplementing the weekly benefit amount that would apply if the applicant established a second benefit account following the layoff.
- Subd. 5. Maximum amount of extra unemployment benefits.** Provides that an applicant can receive no more than 26 times his weekly amount in extra benefits (in other words, 26 weeks of benefits).
- Subd. 6. Program expiration.** Provides that the program expires July 5, 2003.
- 28 **Airline and related industries extra benefits.** This section is effective immediately, and is effective retroactive to September 16, 2001.
- Subd. 1. Extra benefits; availability.** Provides that extra unemployment benefits are available to individuals who had unemployment benefit accounts active on March 11, 2001 or after, and were laid off from work with listed airlines or airline-related employers.
- Subd. 2. Payment from fund; effect on employer.** Provides that benefits paid to employees under this section are paid from the fund..
- Subd. 3. Eligibility conditions.** Generally requires that applicants meet most normal conditions of eligibility for benefits in order to collect. Also provides that applicants must be in training at the time they are receiving the benefits.
- Subd. 4. Weekly amount of extra benefits.** Provides that an applicant's weekly amount of extra benefits is the same as the applicant's normal weekly unemployment benefit amount.
- Subd. 5. Maximum amount of extra unemployment benefits.** Provides that an applicant can receive no more than 13 times his weekly amount in extra benefits (in other words, 13 weeks of benefits).
- Subd. 6. Program expiration.** Provides that the program expires March 15, 2003.
- 29 **Findings.** Provides that the legislature finds that the airline benefit extensions in this bill are appropriate due to certain unique features of the airline unemployment situation at issue.
- 30 **Reinstatement of law.** As part of changes made to the state dislocated worker program in 2001, a section of state law that provided for additional notice to the state when layoffs occur (over and above any notice required under federal law) was repealed. This section would reinstate that provision.
- 31 **Repealer.** Repeals two provisions related to the export finance authority.

