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Bill Summary

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Article 1: Appropriations

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- 1** **Jobs and Economic Development.** Specifies definitions of fiscal years.
- 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** **Explore Minnesota Tourism.** Provides appropriations for Explore Minnesota Tourism. See spreadsheet for details.
- 5** **Department of Labor and Industry.** Provides appropriations for the Department of Labor and Industry. See spreadsheet for details.
- 6** **Bureau of Mediation Services.** Provides appropriations for the Bureau of Mediation Services. See spreadsheet for details.
- 7** **Workers' Compensation Court of Appeals.** Provides appropriations for the Workers' Compensation Court of Appeals. See spreadsheet for details.
- 8** **Department of Commerce.** Provides appropriations for the Department of Commerce. See spreadsheet for details.
- 9** **Public Utilities Commission.** Provides appropriations for the Public Utilities Commission. See spreadsheet for details.

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- 10** **Transfer.** Transfers \$5 million from the closed landfill investment fund (CLIF) to the general fund. This transfer is in addition to any other transfer from the fund.

Article 2:

Department of Employment and Economic Development

- 1** **Definitions.** Amend the definitions of “unserved areas” to mean areas that lack access to wireless broadband service as defined by the Federal Communications Commission, with respect to download and upload speeds.
- 2** **Workforce housing development program.** Creates a workforce housing development grant program administered by DEED for grants to cities and communities to build market-rate housing in low-vacancy areas outside the seven-county metro that have an employer who believes there is a need for greater rental housing. This section also provides that there is a priority for grants in communities with less than 18,000 people; that the grants cannot exceed the greater of 25% of the project cost; and a city, local government, business, or nonprofit must match at least 50 percent of the amount of the grant. The commissioner of DEED must report back to the legislature on the projects funded through the program. This section is effective the day following final enactment.
- 3** **Certification of qualified business.** Clarifies that applications fees related to the Greater Minnesota Business Expansion program are to be deposited in the administration account in the special revenue fund.
- 4** **Funds.** Appropriates money in the greater Minnesota business expansion administration account to the commissioner of DEED for application processing costs and other administrative expenses. Appropriation is retroactive to August 1, 2014.
- 5** **Use of funds.** Authorizes the expenditure of dislocated worker funds for incumbent worker training, including assessment counseling, and preemployment training services requested by the employer.
- 6** **Definitions.** Provides definitions of terms used in bill.

A “new job” is defined as one that is provided by a new or expanding business located outside of the seven-county metropolitan area and that provides 32 hours of work per week for at least nine months during the year and that has no planned termination date. The job must be certified by the commissioner as a qualifying job before any employees may be hired to fill the job. The job cannot be one for which an employee hired was formerly employed by the employer in the state or was a replacement worker.

“Program costs” includes all necessary and incidental costs of providing program services, but does not include the purchase price of equipment that will be owned or used by the training or educational institution or service.

“Program services” means training and education for new jobs and includes in-house training and services provided by higher education institutions, local, state, or federal agencies, or private entities.

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- 7** **Commissioner’s duties and powers; agreements.** Directs the commissioner of DEED to coordinate job training program services. Directs the commissioner to enter into agreements with participating employers that:
- identify total program costs and the amount to be paid by the employer;
 - limit the costs that may be paid for by grant funds to no more than 50 percent of the annual gross wages of the new jobs during the first year;
 - specifies wage requirements of at least the median hourly wage in the county, plus benefits; and
 - provides for the job training to be provided and the duration of the training.
- Before entering into an agreement, the commissioner must determine that sufficient funds are available to finance the training specified in the agreement and investigate whether other training programs would be a more suitable option.
- Grants funds must be allocated on a first come, first served basis. A grant application fee may be charged by the commissioner.
- 8** **Job training grants.** Allows employers to recover job training costs and requires reporting by the commissioner to the legislature and governor on program performance.
- 9** **Rural career counseling coordinators.** Requires each workforce service area located outside of the metropolitan area, except for a service area serving a single city, to have a career counseling coordinator. Provides responsibilities of the career counseling coordinators. Requires annual reporting on the activities and services provided by the career counselor coordinating function.
- 10** **Requirements.** Extends workforce and training outcome reporting requirements to all education and training programs that are funded by any state funds and administered by the commissioner of DEED. Also extends requirements to education and training programs administered by the commissioner and provided to individuals enrolled in adult basic education program (ABE) or the Minnesota Family Investment Program (MFIP).
- 11** **Uniform outcome report card; reporting by commissioner.** Adds to the information on each program that must be reported to the legislature to include total program costs, program cost per participant, the cost per credential received by a participant, and the administrative costs of the programs.
- 12** **Information.** Requires analysis by the department of specific program information collected and reported on by DEED. The analysis must include an executive summary of program outcomes, including but not limited to enrollment, training, credentials, pre-and post-program employment and wages, and a comparison of program outcomes by participant characteristics.
- 13** **Workforce program net impact analysis.** Adds the career pathways program to the net impact analysis.
- 14** **Community rehabilitation provider.** Modifies a definition to specify that a “community rehabilitation provider” (rather than a facility) is an entity that conforms to the definition of a community rehabilitation program under federal law and also includes a nonprofit or public

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entity providing at least one extended employment subprogram for persons with the most significant disabilities.

- 15 Extended employment program.** Modifies the definition of “extended employment program” to mean noncompetitive employment and supported employment subprograms by removing a reference to center-based programs.
- 16 Noncompetitive employment.** Specifies that “noncompetitive employment” means paid work done on a full time or part-time basis (including self-employment) for which an individual is compensated at a rate less than minimum wage and less than the customary rate paid by the employer to similarly situated persons without disabilities, or is performed at a location where the employee does not interact with non-disabled persons to the same extent as workers without disabilities interact with others.
- 17 Powers and duties.** Changes reference from “rehabilitation facilities” to “community rehabilitation providers.”
- 18 Community rehabilitation providers.** Changes reference from “rehabilitation facilities” to “community rehabilitation providers” and adds references to extended employment programs.
- 19 Requirements for certification.** Changes reference from “rehabilitation facilities” to “community rehabilitation providers.”
- 20 Community rehabilitation provider governing boards.** Changes references from rehabilitation facility to community rehabilitation provider and replaces reference to rehabilitation facility to reference to extended employment program.
- 21 Allocation.** Amends 2014 session law for the Greater Minnesota Housing pilot project to increase the grant amount allowed to \$1,000,000 or 25 percent of the rental housing development project cost and provides for a 2-to-1 match requirement.
- 22 Mechanisms and costs; Minnesota paid family leave and medical leave program.** Requires DEED to report on the most efficient and effective mechanisms to provide partial wage replacement for parental, family, or medical leave.
- 23 Skilled manufacturing report.** Requires report by DEED commissioner in conjunction with participating MNSCU institutions regarding the skilled manufacturing training program.
- 24 Customized training for skilled manufacturing industries.**

Subd. 1. Directs the commissioner of the Department of Employment and Economic Development (DEED) in collaboration with the Minnesota State Colleges and Universities (MNSCU) to develop and administer a customized training program for skilled manufacturing industries. The program must integrate academic instruction with job-related learning. The commissioner is directed to recruit participants from among:

- individuals with disabilities;
- dislocated workers;
- retired and disabled veterans;

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- MFIP participants;
- minorities;
- previously incarcerated persons;
- persons in labor surplus areas (under designation by the U.S. Dept. of Labor); and
- other disadvantaged group the commissioner identifies.

Subd. 2. Definitions. Provides definitions of terms used in the bill. The program would be open to Minnesota employers in skilled manufacturing industries with no more than 50 employees. Employers must enter into an agreement with the commissioner and MNSCU institutions to participate. Related instruction is defined as classroom instruction or technical/vocational training necessary to perform the duties of the skilled manufacturing job.

Subd. 3. Skilled manufacturing customized training program employer agreement. Requires an agreement between the employer, commissioner, and MNSCU institution that specifically identifies the training needs of the employer. The agreement must include the name of the employer, a statement indicating the hours of work, and the hours of supplementary instruction in related subjects. Limits the hours of work per week of participants to no more than that provided for under law, or the customary regular hours of work per week of the employer. Overtime is allowed as long as it does not conflict with supplementary instruction course attendance. The agreement must also specify the wage rate, how the agreement may be terminated, a schedule of the processes of the occupation in which the participant is being trained and the length of time spent at each process; a statement by the MNSCU institution and the employer describing how the related instruction will be offered; and any other provision deemed necessary by the commissioner. The commissioner shall periodically review compliance with the agreement and may terminate an agreement if it is determined that the agreement has been breached.

Subd. 4. Skilled manufacturing customized training program participation agreement. Requires an agreement between the commissioner, employer, and participant that includes the name of the employer and the name of the participant, a statement of the processes of the occupation in which the participant will be trained, a description of any related instruction, a statement showing the number of hours to be spent by the participant in work activities and then number in supplementary instruction, the hourly wage, an explanation of how the agreement may be terminated and the maximum number of hours per week. Overtime work is allowed as long as it does not conflict with supplementary course attendance.

Subd. 5. MNSCU instruction. Requires MNSCU institutions to collaborate with employers in the provision of related instruction. Related instruction must be career-level, as negotiated by the commissioner and institution. The instruction may be for credit or non-credit and may be transferable to a degree program. MNSCU must provide a summary of the related instruction to the commissioner prior to the disbursement of funds by the commissioner. A certificate of completion shall be

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issued to a participant by the commissioner and MNSCU upon successful completion of the components of the agreement.

Article 3:

Department of Commerce

- 1 State cost-share for federal assistance.** Provides that state appropriations may be used to pay for 100 percent of the nonfederal share of disaster assistance for utility cooperatives.
- 2 Administrative penalty for insurance fraud.** Allows the commissioner of commerce to impose an administrative penalty of up to \$20,000 for insurance fraud. Penalties must be deposited in the insurance fraud prevention account, and the imposition of penalties can be contested through an administrative hearing.
- 3 [59D.01] Application.** Clarifies that the guaranteed asset protection (“GAP”) waiver chapter does not apply to insurance policies, or debt cancellation/suspension contracts, including GAP waivers, offered by a bank or credit union. Provides the commissioner of commerce with investigatory authority under chapter 45.
- 4 [59D.02] Definitions.** Provides definitions for chapter 59D.
- 5 [59D.03] Commercial transactions exempted.** Exempts commercial GAP waivers from the disclosure and contract term requirements in sections 59D.04, subdivision 3 and 59D.06.
- 6 [59D.04] Guaranteed asset protection waivers requirements.** Allows GAP waivers to be sold in Minnesota. Requires retail motor vehicle sellers to insure their GAP waiver obligations. Provides requirements for the use and contract terms of GAP waivers.
- 7 [59D.05] Contractual liability or other insurance policies.** Provides requirements for the use and contract terms of insurance policies insuring GAP waivers.
- 8 [59D.06] Disclosures.** Requires creditors to provide written disclosures about the GAP waiver to the borrower.
- 9 [59D.07] Cancellation; refunds.** Provides that, if a GAP waiver is cancelled after the free look period, then the borrower could be entitled to a refund of a portion of the purchase price of the GAP waiver. Requires the borrower, if the finance agreement was terminated, to give notice to the appropriate party within 90 days in order to be eligible to receive a refund.
- 10 Expenses.** Provides that insurers must only pay the actual, incurred costs of the commissioner of commerce’s participation in a supervisory college.
- 11 Person convicted of insurance fraud.** Provides that persons convicted of insurance fraud or the use of runners cannot enforce a contract for the payment of certain medical services.
- 12 [80A.461] MNvest registration exemption.**

Subd. 1. Definitions. Provides definitions.

Subd. 2. Generally. Exempts the MNvest program from registration and other state regulations regarding securities.

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Subd. 3. MNvest offering. Provides the requirements a MNvest offering must meet, including the amount and use of funds raised through an offering and sale, and administrative duties. Allows for advertisement and solicitation of a MNvest offering if certain disclosures and information about the MNvest issuer are provided.

Subd. 4. Required disclosures to prospective MNvest offering purchasers. Requires MNvest issuers to disclose certain information to prospective purchasers, including information about the issuing business and the terms and conditions of the offering.

Subd. 5. Required certification from MNvest offering purchasers. Requires prospective purchasers to certify that they understand the nature of the purchase, and that they are a Minnesota resident.

Subd. 6. MNvest portal. Provides requirements for MNvest portals.

Subd. 7. Portal operator. Provides the requirements for portal operators.

Subd. 8. Portal operator; privacy of purchaser information. Provides that personal information given to a portal operator by a purchaser can only be disclosed if the purchaser consents. However, personal information can be provided without consent to the commissioner of commerce, or to the MNvest issuer as it relates to the MNvest offering.

Subd. 9. Bad actor disqualification. Provides that certain bad-actors cannot participate in the MNvest program.

- 13 **Public records; confidentiality.** Provides that records provided to a MNvest portal operator pursuant to section 80A.461, subd. 7(e) are nonpublic.
- 14 [216B.02] **Subd. 3a. Propane.** Definition.
- 15 [216B.02] **Subd. 3b. Propane storage facility.** Definition.
- 16 [216B.02] **Subd. 6b. Synthetic gas.** Definition.
- 17 [216B.16] **Subd. 6. Factors considered, generally.** Directs that if the Public Utilities Commission, as a result of state or federal energy policy, orders the closure of a generating facility before the end of its physical life the public utility that owns the facility may recover its positive net book value.
- 18 [216B.16] **Subd. 7b. Transmission cost adjustment.** Allows a utility to recover costs associated with distribution system planning and investments in distribution facilities to modernize the grid that the commission has approved in a state transmission and distribution plan filed under section 216B.2425.
- 19 [216B.16] **Subd. 19. Multiyear rate plan.** Describes the required contents of a petition to the commission requiring approval of a utility's multiyear rate plan, which is extended from three to a maximum five years.
- 20 [216B.1638] **Recovery of natural gas extension project costs.** Allows a natural gas utility extending service to an unserved area to petition the commission to allow it to recover from customers up to one-third of the revenue deficiency resulting from the extension of service.
- 21 [216B.164] **Subd. 3. Purchases; small facilities.** Allows a cooperative association or municipal utility to charge an additional fee to net metering customers with a capacity below 40 kilowatts to

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recover all fixed costs required to serve the customer. The charge must be reasonable and supported by the utility's most recent cost of service study.

Allows a net metering customer with a facility below 40 kilowatts that is interconnected with a cooperative association or municipal utility to elect to be compensated for power sold to the utility via a kilowatt-hour credit on the customer's bill that is carried forward each month, but which cancels at the end of the calendar year.

- 22** **[216B.2425] State transmission and distribution plan.** Requires a utility operating under an approved multiyear rate plan to include in its biennial transmission plan information regarding investments it considers necessary to modernize its transmission and distribution systems. Requires the commission to certify, modify, or reject these projects. Requires entities subject to this section to conduct a study that identifies interconnection points for distributed generation on its distribution system and upgrades needed to support continued development of distributed resources.
- 23** **Assessment for department regional and national duties.** Extends by two years, to June 30, 2017, expiration of the department of commerce's authority to assess up to \$1 million annually to utilities for the department's activities representing the interests of Minnesota energy consumers before regional, national, and international bodies that make energy policy decisions that affect Minnesota.
- 24** **[216H.077] Legislative review.** Requires the commissioners of commerce and pollution control to submit for legislative review the plan required by the federal Environmental Protection Agency (EPA) detailing the actions Minnesota will take to meet the state's EPA-mandated goal to reduce greenhouse gas emissions.
- 25** **Task force on no-fault insurance issues.** Creates a task force for certain no-fault auto insurance issues, including the arbitration process, independent medical exam process, and treatment standards and fee schedules. Report to the legislature is due by February 1, 2016.
- 26** **Competitive rate for energy-intensive, trade-exposed electric utility customer.** Allows an investor-owned utility with between 50,000 and 200,000 retail electric customers to propose special rates for energy-intensive trade-exposed customers. Specifies industries that qualify for this special rate. The commission must approve a special rate if it finds it provides net benefits to the utility or the state. Allows recovery of lost revenues from the utility's other customers. Allows recovery of reduced revenues from a special rate to be recovered from other customers of the utility, excluding low-income customers. Requires a utility filing for approval of a special rate to deposit \$10,000 to a commission-approved affordability program for low-income customers. Authorizes the commissioner of commerce to assess a utility for the department's costs associated with implementing an EITE rate. The assessment authority is capped at \$854,000 per biennium.

Article 4:

Housing

- 1** **Rules (for manufactured home parks).** Amends Chapter 327 removing requirements that vehicles in manufactured home parks must park ten feet away from the nearest adjacent home and that the space between sides of manufactured homes have to be open. This section is effective the day following final enactment.

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- 2 **Olmsted County housing and redevelopment authority; members.** Allows the county board to act as the housing and redevelopment authority when they are also in compliance with state and federal laws.

Article 5:

Labor and Industry

- 1 **License fees and license renewal fees.** Strikes redundant language and changes fee structure, including elimination of three year license.
- 2 **Reinstatement of licenses.** Lowers fees for reinstatement of licenses.
- 3 **Boiler engineer license fees.** Changes terminology regarding boiler engineer licensing.
- 4 **Certificate of competency.** Eliminates obsolete language regarding rulemaking for certificates of competency.
- 5 **Fee schedule.** Specifies and streamlines the fee schedule that applies to professional and amateur combative sports licenses. Reduces fees for professional combatants to \$70 and for amateurs to \$50. Sets combative sports contest fees at \$500 at the time the contest is scheduled and \$1000 at the time of weigh in. Allows the commissioner to limit the number of complimentary tickets to each event.
- 6 **Repealer.** Reinstates two provisions relating to fee employment agencies that were repealed in the 2015 Department of Labor and Industry housekeeping bill.

Article 6:

Unemployment Insurance

- 1 **Benefit year.** Deletes expired provisions.
- 2 **Preponderance of the evidence.** Clarifies the meaning of “preponderance of the evidence” for use in UI appeals.
- 3 **Unemployed.** Stylistic change.
- 4 **Wages paid.** Stylistic change.
- 5 **Tax rate buydown.** Deletes expired provisions.
- 6 **Benefits account requirements.** Clarifies standards for establishing a benefit account and conforms to federal requirements.
- 7 **Limitations on applications and benefit accounts.** Clarifies the rule that a person may only have one benefit account each 52 weeks. This section adds language that makes clear this rule applies to out-of-state benefit accounts as well as Minnesota accounts.
- 8 **Eligibility conditions.** Stylistic revision to requirement that an applicant must follow a work search plan, if required, in order to be eligible for benefits.

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- 9** **Not eligible.** Clarifies the rule that a person may only have one benefit account each 52 weeks. This section adds language that makes clear this rule applies to out-of-state benefit accounts as well as Minnesota accounts.
- 10** **Ineligibility duration.** Clarifies that an award of back pay from a former employer may not be used to satisfy the requirement of a period of ineligibility for a misconduct discharge.
- 11** **Withdrawal of an appeal.** Clarifies standard for withdrawing and reinstating appeals.
- 12** **Judicial review.** Clarifies that the time period in which an applicant can appeal an adverse decision to the Court of Appeals is 33, not 30, days.
- 13** **Shared work plan requirements.** Lowers the maximum number of hours an employee may work per week under a shared work plan. This brings MN into conformity with federal requirements.
- 14** **Subpoenas; Oaths.** Clarifies that an unemployment law judge has authority to administer oaths, take depositions, certify official acts, and issue subpoenas in connection with the MN unemployment insurance program.
- 15** **Establishment.** Disallows use of 5% of recovered, overpaid UI benefits for UI administration. Provides that all recovered funds go into the UI trust fund.
- 16** **Special unemployment benefit assistance.** Provides that vacation pay will not delay eligibility for UI benefits for applicants who (1) were indefinitely laid off, (2) are not expected to be recalled within six months, (3) were laid off because of adverse trade impacts on their industry, and (4) are not seasonal workers. The section is retroactive to March 1, 2015 and expires on June 1, 2016.
- 17** **Poultry worker extra unemployment benefits.** Provides an extra 13 weeks of UI benefits to (1) applicants who were laid off by a commercial poultry producer because of the presence of highly pathogenic avian influenza in the producer's flock and (2) applicants who were laid off by a commercial poultry processor because of the presence of highly pathogenic avian influenza in the flock of the processor's supplier.
- 18** **Repealer.** Repeals the provision allowing for reciprocal arrangements with other states allowing for employees working in multiple states to be considered working in only one state for UI purposes. Minnesota does not enter into such agreements.

Article 7:

State Government Operations

- 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, 2015, will be delayed in until July 1, 2016. The section also provides that public-employment unfair labor practice charges may be brought in the district court until July 1, 2016.

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Article 8:

Destination Medical Center

- 1 Public infrastructure project.** Modifies the definition of “public infrastructure project” under the Destination Medical Center (DMC) law to clarify that it includes amounts spent on planning. Most amounts spent for planning already qualify as part of preparation of the development plan; this would expand it to planning other than for the development plan. Amounts spent for the “public infrastructure project” may be paid with either state aid or city taxes; amounts spent out of city taxes qualify as a local match.
- 2 DMC, relationship of EDA and city.** Clarifies the relationship between the city and nonprofit economic development agency (EDA), a private entity created by the Mayo Clinic. The EDA is prohibited from requiring the city to pay amounts that are unrelated to public infrastructure project costs. Under the DMC law, public infrastructure costs are defined items (largely for physical improvements and associated planning and other soft costs) that support the Mayo Clinic’s development plans, as provided under the DMC development plan.
- 3 City special taxes.** Clarifies that the special Rochester city sales tax (on lodging, food and beverages, and admissions) may be spent for any purposes that qualify as a local matching contribution under the DMC aid program. Section 5 expands the definition of what counts under the local match; this section allows city special sales tax receipts to be spent for those purposes.
- 4 City general sales tax.** Clarifies that the Rochester city general sales tax may be spent for any purposes that qualify as a local matching contribution under the DMC aid program. Section 5 expands the definition of what counts under the local match; this section allows city general sales tax receipts to be spent for those purposes.
- 5 Local matching contribution.** Provides that any city money spent to support the DMC Corporation or the EDA qualifies as a local matching contribution under the state aid program. Under present law, one-half of amounts spent for the corporation’s operating and administrative costs do not qualify as a local match.