

STATE OF MINNESOTA

NINETIETH SESSION — 2018

 EIGHTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 30, 2018

The House of Representatives convened at 10:00 a.m. and was called to order by Tony Albright, Speaker pro tempore.

Prayer was offered by the Reverend Andrew Smith, St. John's Lutheran Church, Lakeville, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Albright	Dean, M.	Hausman	Lien	Newberger	Sauke
Anderson, P.	Dehn, R.	Heintzeman	Loeffler	Nornes	Schomacker
Anderson, S.	Dettmer	Hertaus	Lohmer	O'Driscoll	Schultz
Anselmo	Drazkowski	Hilstrom	Loon	Olson	Scott
Applebaum	Ecklund	Hoppe	Loonan	Omar	Smith
Backer	Erickson	Hornstein	Lucero	O'Neill	Sundin
Bahr, C.	Fabian	Hortman	Lueck	Pelowski	Swedzinski
Baker	Fenton	Howe	Mahoney	Peppin	Theis
Barr, R.	Fischer	Jessup	Mariani	Petersburg	Torkelson
Bennett	Franke	Johnson, B.	Marquart	Peterson	Uglen
Bernardy	Franson	Johnson, C.	Masin	Pierson	Urdahl
Bliss	Freiberg	Jurgens	Maye Quade	Pinto	Vogel
Bly	Garofalo	Kiel	McDonald	Poppe	Wagenius
Carlson, A.	Green	Knoblach	Miller	Poston	West
Carlson, L.	Grossell	Koegel	Moran	Pryor	Whelan
Christensen	Gruenhagen	Koznick	Munson	Pugh	Wills
Clark	Gunther	Kunesh-Podein	Murphy, E.	Quam	Youakim
Considine	Haley	Layman	Murphy, M.	Rarick	Zerwas
Daniels	Halverson	Lee	Nash	Rosenthal	Spk. Daudt
Davids	Hamilton	Lesch	Nelson	Runbeck	
Davnie	Hansen	Liebling	Neu	Sandstede	

A quorum was present.

Johnson, S.; Lillie; Metsa; Slocum and Ward were excused.

Becker-Finn and Kresha were excused until 12:20 p.m. Flanagan was excused until 12:50 p.m. Allen was excused until 2:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 2629 and H. F. No. 2937, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Neu moved that S. F. No. 2629 be substituted for H. F. No. 2937 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3525 and H. F. No. 3395, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

O'Driscoll moved that S. F. No. 3525 be substituted for H. F. No. 3395 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 25, 2018

The Honorable Kurt Daudt
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Daudt:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2764, relating to business organizations; regulating business corporations, nonprofit corporations, limited partnerships, and limited liability companies; providing for conversions and domestications.

H. F. No. 3158, relating to commerce; modifying licensing requirements for mortgage loan originators.

H. F. No. 2636, relating to local government; authorizing towns to appropriate funds to community food shelves.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2018 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2018</i>	<i>Date Filed 2018</i>
	2764	103	11:35 a.m. April 25	April 25
	3158	104	11:37 a.m. April 25	April 25
	2636	105	11:38 a.m. April 25	April 25

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Johnson, B., from the Committee on Public Safety and Security Policy and Finance to which was referred:

H. F. No. 3296, A bill for an act relating to public safety; establishing a working group to examine crimes against vulnerable adults; requiring a report; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144.651, subdivision 14, is amended to read:

Subd. 14. **Freedom from maltreatment.** (a) Patients and residents shall be free from maltreatment as defined in the Vulnerable Adults Protection Act. "Maltreatment" means conduct described in section 626.5572, subdivision 15, or the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress. Patients and residents shall receive notification from the lead investigative agency regarding a report of alleged maltreatment, disposition of a report, and appeal rights, as provided under section 626.557, subdivision 9c.

(b) Every patient and resident shall also be free from nontherapeutic chemical and physical restraints, except in fully documented emergencies, or as authorized in writing after examination by a patient's or resident's physician for a specified and limited period of time, and only when necessary to protect the resident from self-injury or injury to others.

Sec. 2. Minnesota Statutes 2016, section 144A.53, subdivision 4, is amended to read:

Subd. 4. **Referral of complaints.** (a) If a complaint received by the director relates to a matter more properly within the jurisdiction of law enforcement, an occupational licensing board, or other governmental agency, the director shall forward the complaint ~~to that agency~~ appropriately and shall inform the complaining party of the forwarding. ~~The~~

(b) An agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding.

(c) If the director has reason to believe that an official or employee of an administrative agency, a home care provider, residential care home, ~~or health facility, or a client or resident of any of these entities~~ has acted in a manner warranting criminal or disciplinary proceedings, the director shall refer the matter to the state commissioner of health, the commissioner of human services, an appropriate prosecuting authority, or other appropriate agency.

Sec. 3. Minnesota Statutes 2016, section 609.2231, subdivision 8, is amended to read:

Subd. 8. **Vulnerable adults.** (a) As used in this subdivision, "vulnerable adult" has the meaning given in section 609.232, subdivision 11.

(b) Whoever assaults ~~and inflicts demonstrable bodily harm on~~ a vulnerable adult, knowing or having reason to know that the person is a vulnerable adult, is guilty of a gross misdemeanor.

(c) A person who uses restraints on a vulnerable adult does not violate this subdivision if: (1) the person complies with applicable requirements in state and federal law regarding the use of restraints; and (2) any force applied in imposing restraints is reasonable.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to offenses committed on or after that date.

Sec. 4. Minnesota Statutes 2016, section 626.557, subdivision 3, is amended to read:

Subd. 3. **Timing of report.** (a) A mandated reporter who has reason to believe that a vulnerable adult is being or has been maltreated, or who has knowledge that a vulnerable adult has sustained a physical injury which is not reasonably explained shall ~~immediately~~ report the information to the common entry point as soon as possible but in no event longer than 24 hours. If an individual is a vulnerable adult solely because the individual is admitted to a facility, a mandated reporter is not required to report suspected maltreatment of the individual that occurred prior to admission, unless:

(1) the individual was admitted to the facility from another facility and the reporter has reason to believe the vulnerable adult was maltreated in the previous facility; or

(2) the reporter knows or has reason to believe that the individual is a vulnerable adult as defined in section 626.5572, subdivision 21, paragraph (a), clause (4).

(b) A person not required to report under the provisions of this section may voluntarily report as described above.

(c) Nothing in this section requires a report of known or suspected maltreatment, if the reporter knows or has reason to know that a report has been made to the common entry point.

(d) Nothing in this section shall preclude a reporter from also reporting to a law enforcement agency.

(e) A mandated reporter who knows or has reason to believe that an error under section 626.5572, subdivision 17, paragraph (c), clause (5), occurred must make a report under this subdivision. If the reporter or a facility, at any time believes that an investigation by a lead investigative agency will determine or should determine that the reported error was not neglect according to the criteria under section 626.5572, subdivision 17, paragraph (c), clause (5), the reporter or facility may provide to the common entry point or directly to the lead investigative agency information explaining how the event meets the criteria under section 626.5572, subdivision 17, paragraph (c), clause (5). The lead investigative agency shall consider this information when making an initial disposition of the report under subdivision 9c.

Sec. 5. Minnesota Statutes 2016, section 626.557, subdivision 4, is amended to read:

Subd. 4. **Reporting.** (a) Except as provided in paragraph (b), a mandated reporter shall immediately make an oral report to the common entry point. The common entry point may accept electronic reports submitted through a Web-based reporting system established by the commissioner. Use of a telecommunications device for the deaf or other similar device shall be considered an oral report. The common entry point may not require written reports. To the extent possible, the report must be of sufficient content to identify the vulnerable adult, the caregiver, the nature and extent of the suspected maltreatment, any evidence of previous maltreatment, the name and address of the reporter, the time, date, and location of the incident, and any other information that the reporter believes might be helpful in investigating the suspected maltreatment. The common entry point must provide a method for the reporter to electronically submit evidence to support the maltreatment report, including but not limited to uploading photographs, videos, or documents. A mandated reporter may disclose not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, to the extent necessary to comply with this subdivision.

(b) A boarding care home that is licensed under sections 144.50 to 144.58 and certified under Title 19 of the Social Security Act, a nursing home that is licensed under section 144A.02 and certified under Title 18 or Title 19 of the Social Security Act, or a hospital that is licensed under sections 144.50 to 144.58 and has swing beds certified under Code of Federal Regulations, title 42, section 482.66, may submit a report electronically to the common entry point instead of submitting an oral report. ~~The report may be a duplicate of the initial report the facility submits electronically to the commissioner of health to comply with the reporting requirements under Code of Federal Regulations, title 42, section 483.13.~~ The commissioner of health may modify these reporting requirements to include items required under paragraph (a) that are not currently included in the electronic reporting form.

(c) All reports must be directed to the common entry point, including reports from federally licensed facilities, vulnerable adults, and interested persons.

Sec. 6. Minnesota Statutes 2016, section 626.557, subdivision 9, is amended to read:

Subd. 9. **Common entry point designation.** (a) Each county board shall designate a common entry point for reports of suspected maltreatment, for use until the commissioner of human services establishes a common entry point. Two or more county boards may jointly designate a single common entry point. The commissioner of human services shall establish a common entry point effective July 1, 2015. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to take calls from reporters of suspected maltreatment. The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section. The common entry point shall use a standard intake form that includes:

- (1) the time and date of the report;
- (2) the name, address, and telephone number of the person reporting;
- (3) the time, date, and location of the incident;
- (4) the names of the persons involved, including but not limited to, perpetrators, alleged victims, and witnesses;
- (5) whether there was a risk of imminent danger to the alleged victim;
- (6) a description of the suspected maltreatment;
- (7) the disability, if any, of the alleged victim;
- (8) the relationship of the alleged perpetrator to the alleged victim;
- (9) whether a facility was involved and, if so, which agency licenses the facility;
- (10) any action taken by the common entry point;
- (11) whether law enforcement has been notified;
- (12) whether the reporter wishes to receive notification of the initial and final reports; and
- (13) if the report is from a facility with an internal reporting procedure, the name, mailing address, and telephone number of the person who initiated the report internally.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate lead investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead investigative agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) ~~The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.~~ cross-reference multiple complaints to the lead investigative agency concerning:

- (1) the same alleged perpetrator, facility, or licensee;
- (2) the same vulnerable adult; or
- (3) the same incident.

(g) The commissioner of human services shall maintain a centralized database for the collection of common entry point data, lead investigative agency data including maltreatment report disposition, and appeals data. The common entry point shall have access to the centralized database and must log the reports into the database and immediately identify and locate prior reports of abuse, neglect, or exploitation.

(h) When appropriate, the common entry point staff must refer calls that do not allege the abuse, neglect, or exploitation of a vulnerable adult to other organizations that might resolve the reporter's concerns.

(i) A common entry point must be operated in a manner that enables the commissioner of human services to:

(1) track critical steps in the reporting, evaluation, referral, response, disposition, and investigative process to ensure compliance with all requirements for all reports;

(2) maintain data to facilitate the production of aggregate statistical reports for monitoring patterns of abuse, neglect, or exploitation;

(3) serve as a resource for the evaluation, management, and planning of preventative and remedial services for vulnerable adults who have been subject to abuse, neglect, or exploitation;

(4) set standards, priorities, and policies to maximize the efficiency and effectiveness of the common entry point; and

(5) track and manage consumer complaints related to the common entry point, including tracking and cross-referencing multiple complaints concerning:

(i) the same alleged perpetrator, facility, or licensee;

(ii) the same vulnerable adult; and

(iii) the same incident.

(j) The commissioners of human services and health shall collaborate on the creation of a system for referring reports to the lead investigative agencies. This system shall enable the commissioner of human services to track critical steps in the reporting, evaluation, referral, response, disposition, investigation, notification, determination, and appeal processes.

Sec. 7. Minnesota Statutes 2016, section 626.557, subdivision 9a, is amended to read:

Subd. 9a. **Evaluation and referral of reports made to common entry point.** (a) The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals as follows:

(1) if the common entry point determines that there is an immediate need for emergency adult protective services, the common entry point agency shall immediately notify the appropriate county agency;

(2) if the common entry point determines an immediate need exists for response by law enforcement, including the urgent need to secure a crime scene, interview witnesses, remove the alleged perpetrator, or safeguard the vulnerable adult's property, or if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;

(3) the common entry point shall refer all reports of alleged or suspected maltreatment to the appropriate lead investigative agency as soon as possible, but in any event no longer than two working days;

(4) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies, the local medical examiner, and the ombudsman for mental health and developmental disabilities established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law; and

(5) for reports involving multiple locations or changing circumstances, the common entry point shall determine the county agency responsible for emergency adult protective services and the county responsible as the lead investigative agency, using referral guidelines established by the commissioner.

(b) If the lead investigative agency receiving a report believes the report was referred by the common entry point in error, the lead investigative agency shall immediately notify the common entry point of the error, including the basis for the lead investigative agency's belief that the referral was made in error. The common entry point shall review the information submitted by the lead investigative agency and immediately refer the report to the appropriate lead investigative agency.

Sec. 8. Minnesota Statutes 2016, section 626.557, subdivision 9b, is amended to read:

Subd. 9b. **Response to reports.** Law enforcement is the primary agency to conduct investigations of any incident in which there is reason to believe a crime has been committed. Law enforcement shall initiate a response immediately. If the common entry point notified a county agency for emergency adult protective services, law enforcement shall cooperate with that county agency when both agencies are involved and shall exchange data to the extent authorized in subdivision 12b, paragraph ~~(e)~~ (k). County adult protection shall initiate a response immediately. Each lead investigative agency shall complete the investigative process for reports within its jurisdiction. A lead investigative agency, county, adult protective agency, licensed facility, or law enforcement agency shall cooperate with other agencies in the provision of protective services, coordinating its investigations, and assisting another agency within the limits of its resources and expertise and shall exchange data to the extent authorized in subdivision 12b, paragraph ~~(e)~~ (k). The lead investigative agency shall obtain the results of any investigation conducted by law enforcement officials, and law enforcement shall obtain the results of any investigation conducted by the lead investigative agency to determine if criminal action is warranted. The lead investigative agency has the right to enter facilities and inspect and copy records as part of investigations. The lead investigative agency has access to not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, that are maintained by facilities to the extent necessary to conduct its investigation. Each lead investigative agency shall develop guidelines for prioritizing reports for investigation. Nothing in this subdivision alters the duty of the lead investigative agency to serve as the agency responsible for investigating reports made under this section.

Sec. 9. Minnesota Statutes 2016, section 626.557, subdivision 9c, is amended to read:

Subd. 9c. **Lead investigative agency; notifications, dispositions, determinations.** ~~(a) Upon request of the reporter,~~ The lead investigative agency shall notify the reporter that it has received the report, and provide information on the initial disposition of the report within five business days of receipt of the report, provided that the notification will not endanger the vulnerable adult or hamper the investigation.

(b) The lead investigative agency must provide the following information to the vulnerable adult or the vulnerable adult's guardian or health care agent, if known, within five days of receipt of the report:

(1) the nature of the maltreatment allegations, including the report of maltreatment as allowed under law;

(2) the name of the facility or other location at which alleged maltreatment occurred;

(3) the name of the alleged perpetrator if the lead investigative agency believes disclosure of the name is necessary to protect the vulnerable adult's physical, emotional, or financial interests;

(4) protective measures that may be recommended or taken as a result of the maltreatment report;

(5) contact information for the investigator or other information as requested and allowed under law; and

(6) confirmation of whether the lead investigative agency is investigating the matter and, if so:

(i) an explanation of the process and estimated timeline for the investigation; and

(ii) a statement that the lead investigative agency will provide an update on the investigation approximately every three weeks upon request by the vulnerable adult or the vulnerable adult's guardian or health care agent and a report when the investigation is concluded.

(c) The lead investigative agency may assign multiple reports of maltreatment for the same or separate incidences related to the same vulnerable adult to the same investigator, as deemed appropriate. Reports related to the same vulnerable adult must, at a minimum, be cross-referenced.

~~(b)~~ (d) Upon conclusion of every investigation it conducts, the lead investigative agency shall make a final disposition as defined in section 626.5572, subdivision 8.

~~(e)~~ (e) When determining whether the facility or individual is the responsible party for substantiated maltreatment or whether both the facility and the individual are responsible for substantiated maltreatment, the lead investigative agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were in accordance with, and followed the terms of, an erroneous physician order, prescription, resident care plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible for the issuance of the erroneous order, prescription, plan, or directive or knows or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) the comparative responsibility between the facility, other caregivers, and requirements placed upon the employee, including but not limited to, the facility's compliance with related regulatory standards and factors such as the adequacy of facility policies and procedures, the adequacy of facility training, the adequacy of an individual's participation in the training, the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a consideration of the scope of the individual employee's authority; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

~~(d)~~ (f) When substantiated maltreatment is determined to have been committed by an individual who is also the facility license holder, both the individual and the facility must be determined responsible for the maltreatment, and both the background study disqualification standards under section 245C.15, subdivision 4, and the licensing actions under section 245A.06 or 245A.07 apply.

~~(e)~~ (g) The lead investigative agency shall complete its final disposition within 60 calendar days. If the lead investigative agency is unable to complete its final disposition within 60 calendar days, the lead investigative agency shall notify the following persons provided that the notification will not endanger the vulnerable adult or hamper the investigation: (1) the vulnerable adult or the vulnerable adult's guardian or health care agent, when known, if the lead investigative agency knows them to be aware of the investigation; and (2) the facility, where applicable. The notice shall contain the reason for the delay and the projected completion date. If the lead investigative agency is

unable to complete its final disposition by a subsequent projected completion date, the lead investigative agency shall again notify the vulnerable adult or the vulnerable adult's guardian or health care agent, when known if the lead investigative agency knows them to be aware of the investigation, and the facility, where applicable, of the reason for the delay and the revised projected completion date provided that the notification will not endanger the vulnerable adult or hamper the investigation. The lead investigative agency must notify the health care agent of the vulnerable adult only if the health care agent's authority to make health care decisions for the vulnerable adult is currently effective ~~under section 145C.06~~ and not suspended under section 524.5-310 ~~and the investigation relates to a duty assigned to the health care agent by the principal~~. A lead investigative agency's inability to complete the final disposition within 60 calendar days or by any projected completion date does not invalidate the final disposition.

~~(f)~~ (h) Within ten calendar days of completing the final disposition, the lead investigative agency shall provide a copy of the public investigation memorandum under subdivision 12b, paragraph ~~(b)~~, ~~clause (1)~~ (d), when required to be completed under this section, to the following persons:

(1) the vulnerable adult, or the vulnerable adult's guardian or health care agent, if known, unless the lead investigative agency knows that the notification would endanger the well-being of the vulnerable adult;

(2) the reporter, ~~if~~ unless the reporter requested ~~notification otherwise~~ when making the report, provided this notification would not endanger the well-being of the vulnerable adult;

(3) the alleged perpetrator, if known;

(4) the facility; ~~and~~

(5) the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities, as appropriate;

(6) law enforcement; and

(7) the county attorney, as appropriate.

~~(g)~~ (i) If, as a result of a reconsideration, review, or hearing, the lead investigative agency changes the final disposition, or if a final disposition is changed on appeal, the lead investigative agency shall notify the parties specified in paragraph ~~(f)~~ (h).

~~(h)~~ (j) The lead investigative agency shall notify the vulnerable adult who is the subject of the report or the vulnerable adult's guardian or health care agent, if known, and any person or facility determined to have maltreated a vulnerable adult, of their appeal or review rights under this section or section ~~256.021~~ 256.045.

~~(i)~~ (k) The lead investigative agency shall routinely provide investigation memoranda for substantiated reports to the appropriate licensing boards. These reports must include the names of substantiated perpetrators. The lead investigative agency may not provide investigative memoranda for inconclusive or false reports to the appropriate licensing boards unless the lead investigative agency's investigation gives reason to believe that there may have been a violation of the applicable professional practice laws. If the investigation memorandum is provided to a licensing board, the subject of the investigation memorandum shall be notified and receive a summary of the investigative findings.

~~(j)~~ (l) In order to avoid duplication, licensing boards shall consider the findings of the lead investigative agency in their investigations if they choose to investigate. This does not preclude licensing boards from considering other information.

(*) (m) The lead investigative agency must provide to the commissioner of human services its final dispositions, including the names of all substantiated perpetrators. The commissioner of human services shall establish records to retain the names of substantiated perpetrators."

Delete the title and insert:

"A bill for an act relating to public safety; modifying statutory provisions governing vulnerable adults and reporting maltreatment; amending Minnesota Statutes 2016, sections 144.651, subdivision 14; 144A.53, subdivision 4; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 3296 was re-referred to the Committee on Rules and Legislative Administration.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 4099, A bill for an act relating to finance; deleting an obsolete transfer; amending Minnesota Statutes 2017 Supplement, section 16A.152, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURE APPROPRIATIONS

Section 1. Laws 2017, chapter 88, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$53,096,000	\$ 53,148,000 <u>53,395,000</u>
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Appropriations by Fund

	2018	2019
General	52,703,000	52,751,000 <u>52,998,000</u>
Remediation	393,000	397,000

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

Sec. 2. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Protection Services	17,821,000	17,825,000
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Appropriations by Fund

	2018	2019
General	17,428,000	17,428,000
Remediation	393,000	397,000

(a) \$25,000 the first year and \$25,000 the second year are to develop and maintain cottage food license exemption outreach and training materials.

(b) \$75,000 the first year and \$75,000 the second year are to coordinate the correctional facility vocational training program and to assist entities that have explored the feasibility of establishing a USDA-certified or state "equal to" food processing facility within 30 miles of the Northeast Regional Corrections Center.

(c) \$125,000 the first year and \$125,000 the second year are for additional funding for the noxious weed and invasive plant program. These are onetime appropriations.

(d) \$250,000 the first year and \$250,000 the second year are for transfer to the pollinator habitat and research account in the agricultural fund. These are onetime transfers.

(e) \$393,000 the first year and \$397,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(f) \$200,000 the first year and \$200,000 the second year are for the industrial hemp pilot program under Minnesota Statutes, section 18K.09. These are onetime appropriations.

(g) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. This appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2017. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 of this appropriation each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock.

(h) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$30,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(i) \$250,000 the first year and \$250,000 the second year are to expand current capabilities for rapid detection, identification, containment, control, and management of high priority plant pests and pathogens. These are onetime appropriations.

(j) \$300,000 the first year and \$300,000 the second year are for transfer to the noxious weed and invasive plant species assistance account in the agricultural fund to award grants to local units of government under Minnesota Statutes, section 18.90, with preference given to local units of government responding to Palmer amaranth or other weeds on the eradicate list. These are onetime transfers.

(k) \$120,000 the first year and \$120,000 the second year are for wolf-livestock conflict prevention grants under article 2, section 89. The commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance by January 15, 2020, on the outcomes of the wolf-livestock conflict prevention grants and whether livestock compensation claims were reduced in the areas that grants were awarded. These are onetime appropriations.

Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	22,581,000	22,636,000
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(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes,

section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, including prevention measures that can be taken.

To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$13,256,000 the first year and \$13,311,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, or expansion of livestock operations including beginning and transitioning livestock operations; developing new markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota school children; assisting value-added agricultural businesses to begin or expand, access new markets, or diversify; providing funding not to exceed \$250,000 each year for urban youth agricultural education or urban agriculture community development; providing funding not to exceed \$250,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; good agricultural practices/good handling practices certification assistance; establishing and supporting farmer-led water management councils; and implementing farmer-led water quality improvement practices. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture; and

(2) \$1,500,000 the first year and \$1,500,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2019, and the second year appropriation is available until June 30, 2020. If this appropriation exceeds the total amount for which all

producers are eligible in a fiscal year, the balance of the appropriation is available for the agricultural growth, research, and innovation program; however, the commissioner must first issue incentive payments under Minnesota Statutes, section 41A.17, to facilities that otherwise satisfy the criteria and requirements in that section but began producing renewable chemical from forestry biomass between January 1, 2013, and January 1, 2015.

The commissioner may use funds appropriated under this subdivision to award up to two value-added agriculture grants per year of up to \$1,000,000 per grant for new or expanding agricultural production or processing facilities that provide significant economic impact to the region. The commissioner may use funds appropriated under this subdivision for additional value-added agriculture grants for awards between \$1,000 and \$200,000 per grant.

Appropriations in clauses (1) and (2) are onetime. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. Notwithstanding Minnesota Statutes, section 16A.28, appropriations encumbered under contract on or before June 30, 2019, for agricultural growth, research, and innovation grants are available until June 30, ~~2021~~ 2022.

The base budget for the agricultural growth, research, and innovation program is \$14,275,000 for fiscal years 2020 and 2021 and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

The commissioner must develop additional innovative production incentive programs to be funded by the agricultural growth, research, and innovation program.

The commissioner must consult with the commissioner of transportation, the commissioner of administration, and local units of government to identify parcels of publicly owned land that are suitable for urban agriculture.

(c) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance	8,698,000	8,691,000
		<u>8,938,000</u>

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1.

Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

(c) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association.

(d) \$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

(e) \$220,000 the first year and ~~\$220,000~~ \$250,000 the second year are for farm advocate services.

(f) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society.

(g) \$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. These are onetime appropriations.

(h) \$113,000 the first year and ~~\$113,000~~ \$330,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal ~~agent~~ agents.

(i) \$550,000 the first year and \$550,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland

must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(j) \$1,100,000 the first year and \$1,100,000 the second year are for grants to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report in the form prescribed by the commissioner. Second Harvest Heartland may use up to 15 percent of each grant for ~~matching~~ administrative and transportation expenses. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(k) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development.

(l) \$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(m) \$600,000 the first year and \$600,000 the second year are for grants to the Board of Regents of the University of Minnesota to develop, in consultation with the commissioner of agriculture and the Board of Animal Health, a software tool or application through the Veterinary Diagnostic Laboratory that empowers veterinarians and producers to understand the movement of unique pathogen strains in livestock and poultry production systems, monitor antibiotic resistance, and implement effective biosecurity measures that promote animal health and limit production losses. These are onetime appropriations.

(n) \$150,000 the first year is for the tractor rollover protection pilot program under Minnesota Statutes, section 17.119. This is a onetime appropriation and is available until June 30, 2019.

(o) \$400,000 the first year is for a grant to the Board of Trustees of the Minnesota State Colleges and Universities to expand and renovate the GROW-IT Center at Metropolitan State University. This is a onetime appropriation.

By January 15, 2018, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance with a list of inspections the department conducts at more frequent intervals than federal law requires, an explanation of why the additional inspections are necessary, and provide recommendations for eliminating any unnecessary inspections.

Sec. 5. **RURAL FINANCE AUTHORITY.**

Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds fund to the Rural Finance Authority for the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Subd. 2. **Bond sale expenses.** \$35,000 is appropriated from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 3. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$35,035,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

ARTICLE 2
AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2016, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 2. Minnesota Statutes 2017 Supplement, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 3. Minnesota Statutes 2017 Supplement, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 4. Minnesota Statutes 2016, section 18C.80, subdivision 2, is amended to read:

Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 5. Minnesota Statutes 2016, section 28A.16, is amended to read:

28A.16 PERSONS SELLING LIQUOR.

(a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407, provided that these persons sell only ice manufactured and packaged by another, or bottled or canned soft drinks and prepacked candy at retail.

(b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner must exclude all gross sales of off-sale alcoholic beverages when determining the applicable license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.

Sec. 6. Minnesota Statutes 2016, section 41A.15, is amended by adding a subdivision to read:

Subd. 2e. **Biomass.** "Biomass" means any organic matter that is available on a renewable or recurring basis, including agricultural crops and trees, wood and wood waste and residues, plants including aquatic plants, grasses, residues, fibers, animal waste, and the organic portion of solid wastes.

Sec. 7. Minnesota Statutes 2016, section 41A.15, subdivision 10, is amended to read:

Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical ~~with biobased content,~~ polymer, monomer, plastic, or composite material that is entirely produced from biomass.

Sec. 8. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent ~~raw materials from Minnesota~~ of the biomass used to produce an advanced biofuel, except that if a facility is sited 50 miles or less from the state border, ~~raw materials biomass used to produce an advanced biofuel~~ may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius ~~of the facility or from within Minnesota. Raw materials must be from agricultural or forestry sources or from solid waste.~~ The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin operating above 23,750 MMBtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least ~~23,750~~ 1,500 MMBtu of advanced biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

Sec. 9. Minnesota Statutes 2016, section 41A.16, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from ~~sugar or~~ starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

Sec. 10. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section must source from Minnesota at least 80 percent ~~biobased content from Minnesota~~ of the biomass used to produce a renewable chemical, except that if a facility is sited 50 miles or less from the state border, ~~biobased content must~~ biomass used to produce a renewable chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. ~~Biobased content must~~

~~be from agricultural or forestry sources or from solid waste.~~ The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Sec. 11. Minnesota Statutes 2016, section 41A.18, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent ~~raw materials from Minnesota.~~ of the biomass used for biomass thermal production, except that, if a facility is sited 50 miles or less from the state border, raw materials should biomass used for biomass thermal production may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility, or from within Minnesota. ~~Raw materials~~ Biomass must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 250 MMBtu of biomass thermal quarterly.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

Sec. 12. Minnesota Statutes 2016, section 41B.056, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Intermediary" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans.

(c) "Specialty crops" means crops produced in an aquaculture system and agricultural crops, such as annuals, flowers, perennials, and other horticultural products, that are intensively cultivated.

(d) "Eligible livestock" means fish produced in an aquaculture system, beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, and llamas.

Sec. 13. **[41B.058] RURAL ENERGY FEASIBILITY PROGRAM.**

Subdivision 1. **Establishment.** The authority must establish a rural energy feasibility loan program to provide feasibility study loans to farmers, local units of government, municipalities, and nonprofit entities to explore feasibility of renewable energy projects.

Subd. 2. **Loan criteria.** (a) The authority may impose a reasonable, nonrefundable application fee for a rural energy feasibility loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(b) Standards for loan amortization must be set by the authority and must not exceed five years.

(c) The borrower must demonstrate ability to repay the loan.

(d) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Subd. 3. **Loan participation.** The authority may participate in a rural energy feasibility loan with an eligible lender, as defined in section 41B.02, subdivision 8. Participation is limited to 90 percent of the principal amount of the loan or \$50,000 per project, whichever is less.

Sec. 14. Minnesota Statutes 2016, section 41B.06, is amended to read:

41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a Rural Finance Authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority livestock equipment, methane digester, disaster recovery, value-added agricultural product, agroforestry, agricultural microloan, ~~and~~ farm opportunity loan, and rural energy feasibility programs, including costs incurred by the authority to establish and administer the programs.

Sec. 15. Minnesota Statutes 2016, section 103H.275, subdivision 1, is amended to read:

Subdivision 1. **Areas where groundwater pollution is detected.** (a) If groundwater pollution is detected, a state agency or political subdivision that regulates an activity causing or potentially causing a contribution to the pollution identified shall promote implementation of best management practices to prevent or minimize the source of pollution to the extent practicable.

(b) The Pollution Control Agency, or for agricultural chemicals and practices, the commissioner of agriculture may adopt water source protection requirements under subdivision 2 that are consistent with the goal of section 103H.001 and are commensurate with the groundwater pollution if the implementation of best management practices has proven to be ineffective.

(c) The water resources protection requirements must be:

(1) designed to prevent and minimize the pollution to the extent practicable;

(2) designed to prevent the pollution from exceeding the health risk limits; and

(3) submitted to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture.

(d) The commissioner of agriculture shall not adopt water resource protection requirements under subdivision 2 for nitrogen fertilizer unless the water resource protection requirements are specifically approved by law.

ARTICLE 3
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2017, chapter 93, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. Appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment.

(b) If an appropriation in this article is enacted more than once in the 2018 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>2018</u>	<u>2019</u>
Sec. 2. <u>POLLUTION CONTROL AGENCY</u>	<u>\$-0-</u>	<u>\$199,000</u>

\$199,000 the second year is from the environmental fund for the voluntary certification program for deicer applicators under Minnesota Statutes, section 116.2025. The base for fiscal year 2020 and later is \$184,000.

Sec. 3. **NATURAL RESOURCES**

Subdivision 1. <u>Total Appropriation</u>	<u>\$50,000</u>	<u>\$2,552,000</u>
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Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>-0-</u>	<u>750,000</u>
<u>Natural Resources</u>	<u>-0-</u>	<u>1,802,000</u>
<u>Game and Fish</u>	<u>50,000</u>	<u>-0-</u>

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

Subd. 2. Land and Mineral Resources Management -0- 347,000

\$319,000 the second year is from the mineral management account in the natural resources fund for environmental research relating to mine permitting, in consultation with the Mineral Coordinating Committee.

\$28,000 the second year is from the land acquisition account in the natural resources fund to compensate the permanent school fund for a road easement on school trust lands in Sand Dunes State Forest. This appropriation must be matched with nonstate money by 20 percent of the total cost of the easement. This is a onetime appropriation.

Subd. 3. Ecological and Water Resources \$50,000 -0-

\$50,000 the first year is from the heritage enhancement account in the game and fish fund to prepare a report on the actions necessary to protect, restore, and enhance the naturally occurring wild rice in the public waters of Minnesota as required under this act. This is a onetime appropriation and is available until June 30, 2019.

Subd. 4. Parks and Trails Management -0- 1,415,000

(a) \$315,000 the second year is from the natural resources fund for a grant to St. Louis County to be used as a match to a state bonding grant for trail and bridge construction and for a maintenance fund for a five-mile segment of the Voyageur Country ATV trail system, including a multiuse bridge over the Vermilion River that would serve ATVs, snowmobiles, off-road vehicles, off-highway motorcycles, and emergency vehicles in St. Louis County. Of this amount, \$285,000 is from the all-terrain vehicle account, \$15,000 is from the off-road vehicle account, and \$15,000 is from the off-highway motorcycle account. This is a onetime appropriation and is available until June 30, 2021.

(b) \$300,000 the second year is from the natural resources fund for a grant to Lake County to match other funding sources to develop the Prospectors Loop trail system. Of this amount, \$270,000 is from the all-terrain vehicle account, \$15,000 is from the

off-highway motorcycle account, and \$15,000 is from the off-road vehicle account. This is a onetime appropriation and is available until June 30, 2021.

(c) \$100,000 the second year is from the all-terrain vehicle account in the natural resources fund for wetland delineation and work on an environmental assessment worksheet for the Taconite State Trail from Ely to Tower consistent with the 2017 Taconite State Trail Master Plan. This is a onetime appropriation and is available until June 30, 2021.

(d) \$100,000 the second year is from the all-terrain vehicle account in the natural resources fund for a grant to the city of Virginia to develop, in cooperation with the Quad Cities ATV Club, an all-terrain vehicle trail system in the cities of Virginia, Eveleth, Gilbert, and Mountain Iron and surrounding areas. This is a onetime appropriation and is available until June 30, 2021.

(e) \$200,000 the second year is from the off-road vehicle account in the natural resources fund for a contract with a project administrator to assist the commissioner in planning, designing, and providing a system of state touring routes for off-road vehicles by identifying sustainable, legal routes suitable for licensed four-wheel drive vehicles and a system of recreational trails for registered off-road vehicles. This is a onetime appropriation.

(f) \$200,000 the second year is appropriated from the off-road vehicle account in the natural resources fund for a contract to prepare a comprehensive, statewide, strategic master plan for trails for off-road vehicles. This is a onetime appropriation. At a minimum, the plan must:

(1) identify opportunities to develop new, high-quality, comprehensive trails for off-road vehicles in a system that serves regional and tourist destinations;

(2) enhance connectivity with trails for off-road vehicles, trails and parks for other off-highway vehicles, and trails and parks for other types of vehicles;

(3) provide opportunities for new exposure and economic development in greater Minnesota;

(4) help people connect with the outdoors in a safe and environmentally sustainable manner;

(5) create new and support existing opportunities for social, economic, and cultural benefits and meaningful and mutually beneficial relationships for users of off-road vehicles and the communities that host trails for off-road vehicles; and

(6) require the commissioner to cooperate with local governments, organizations, and other interested partners.

(g) \$200,000 the second year is from the off-road vehicle account in the natural resources fund to reimburse federal, county, and township entities for additional needs on forest roads when the needs are a result of increased use by off-road vehicles and are attributable to a border-to-border touring route established by the commissioner. This paragraph does apply to roads that are operated by a public road authority as defined in Minnesota Statutes, section 160.02, subdivision 25. This is a onetime appropriation and is available until June 30, 2023. To be eligible for reimbursement under this paragraph, the claimant must demonstrate that the needs result from additional traffic generated by the border-to-border touring route.

Subd. 5. Fish and Wildlife Management

-0-

650,000

(a) \$650,000 the second year is for wildlife disease surveillance and response. This is a onetime appropriation.

(b) The commissioner may use up to \$7,000 of the amount appropriated from the general fund in Laws 2017, chapter 93, article 1, section 3, subdivision 8, to cover the cost of: (1) the redesign of the printed and digital versions of fishing regulations and hunting and trapping regulations; and (2) the reprogramming of the electronic licensing system, to conform to the requirements of providing voter registration information under Minnesota Statutes, section 97A.409.

Subd. 6. Enforcement

-0-

140,000

(a) \$100,000 the second year is for responding to escaped animals from Cervidae farms, including inspection of farmed Cervidae, farmed Cervidae facilities, and farmed Cervidae records when the commissioner has reasonable suspicion that laws protecting native wild animals have been violated. This is a onetime appropriation.

(b) \$40,000 the second year is from the all-terrain vehicle account in the natural resources fund to develop a voluntary online youth all-terrain vehicle training program under Minnesota Statutes, section 84.925, subdivision 1. This is a onetime appropriation.

Sec. 4. NATURAL RESOURCES DAMAGES ACCOUNT TRANSFER

By June 30, 2018, any money in the general portion of the remediation fund dedicated for the purposes of the natural resources damages account must be transferred to the natural resources damages account.

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

Sec. 5. Laws 2010, chapter 361, article 4, section 78, is amended to read:

Sec. 78. **APPROPRIATION; MOOSE TRAIL.**

\$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources from the all-terrain vehicle account in the natural resources fund for a grant to the city of Hoyt Lakes ~~to convert the Moose Trail snowmobile trail to for a dual usage trail, so that it may also be used as an~~ off-highway vehicle trail connecting the city of Biwabik to the Iron Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available until ~~spent~~ June 30, 2020.

Sec. 6. Laws 2016, chapter 189, article 3, section 3, subdivision 5, is amended to read:

Subd. 5. **Parks and Trails Management** -0- 6,459,000

Appropriations by Fund

	2016	2017
General	-0-	2,929,000
Natural Resources	-0-	3,530,000

\$2,800,000 the second year is a onetime appropriation.

\$2,300,000 the second year is from the state parks account in the natural resources fund. Of this amount, \$1,300,000 is onetime, of which \$1,150,000 is for strategic park acquisition.

\$20,000 the second year is from the natural resources fund to design and erect signs marking the David Dill trail designated in this act. Of this amount, \$10,000 is from the snowmobile trails and enforcement account and \$10,000 is from the all-terrain vehicle account. This is a onetime appropriation.

\$100,000 the second year is for the improvement of the infrastructure for sanitary sewer service at the Woodenfrog Campground in Kabetogama State Forest. This is a onetime appropriation.

\$29,000 the second year is for computer programming related to the transfer-on-death title changes for watercraft. This is a onetime appropriation.

\$210,000 the first year is from the water recreation account in the natural resources fund for implementation of Minnesota Statutes, section 86B.532, established in this act. This is a onetime appropriation. The commissioner of natural resources shall seek federal and other nonstate funds to reimburse the department for the initial costs of producing and distributing carbon monoxide boat warning labels. All amounts collected under this paragraph shall be deposited into the water recreation account.

\$1,000,000 the second year is from the natural resources fund for a grant to Lake County for construction, including bridges, of the Prospectors ATV Trail System linking the communities of Ely, Babbitt, Embarrass, and Tower; Bear Head Lake and Lake Vermilion-Soudan Underground Mine State Parks; the Taconite State Trail; and the Lake County Regional ATV Trail System. Of this amount, \$900,000 is from the all-terrain vehicle account, \$50,000 is from the off-highway motorcycle account, and \$50,000 is from the off-road vehicle account. This is a onetime appropriation and is available until June 30, 2019.

Sec. 7. Laws 2016, chapter 189, article 3, section 4, is amended to read:

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

\$-0-

\$479,000

\$479,000 the second year is for the development of a detailed plan to implement a working lands watershed restoration program to incentivize the establishment and maintenance of perennial crops that includes the following:

- (1) a process for selecting pilot watersheds that are expected to result in the greatest water quality improvements and exhibit readiness to participate in the program;
- (2) an assessment of the quantity of agricultural land that is expected to be eligible for the program in each watershed;
- (3) an assessment of landowner interest in participating in the program;
- (4) an assessment of the contract terms and any recommendations for changes to the terms, including consideration of variable payment rates for lands of different priority or type;
- (5) an assessment of the opportunity to leverage federal funds through the program and recommendations on how to maximize the use of federal funds for assistance to establish perennial crops;
- (6) an assessment of how other state programs could complement the program;
- (7) an estimate of water quality improvements expected to result from implementation in pilot watersheds;
- (8) an assessment of how to best integrate program implementation with existing conservation requirements and develop recommendations on harvest practices and timing to benefit wildlife production;
- (9) an assessment of the potential viability and water quality benefit of cover crops used in biomass processing facilities;

(10) a timeline for implementation, coordinated to the extent possible with proposed biomass processing facilities; ~~and~~

(11) a projection of funding sources needed to complete implementation;

(12) outreach to local governments, interest groups, and individual farmers on the economic and environmental benefits of perennial and cover crops;

(13) establishment of detailed criteria to target the location of perennial and cover crops on a watershed basis to maximize the environmental benefit at the lowest cost; and

(14) development of model contracts to include payment rates, duration, type of crops, harvest standards, and monitoring procedures for use in future program implementation.

This is a onetime appropriation and is available until June 30, ~~2018~~ 2019.

The board shall coordinate development of the working lands watershed restoration plan with stakeholders and the commissioners of natural resources, agriculture, and the Pollution Control Agency. The board must submit an interim report by October 15, ~~2017~~ 2018, and the feasibility study and program plan by February 1, ~~2018~~ 2019, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture, natural resources, and environment policy and finance and to the Clean Water Council.

Sec. 8. Laws 2017, chapter 93, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. Fish and Wildlife Management	68,207,000	67,750,000 <u>69,210,000</u>
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Appropriations by Fund

	2018	2019
Natural Resources	1,912,000	1,912,000
Game and Fish	66,295,000	65,838,000 <u>67,298,000</u>

(a) \$8,283,000 the first year and \$8,386,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) Notwithstanding Minnesota Statutes, section 297A.94, \$30,000 the first year is from the heritage enhancement account in the game and fish fund for the commissioner of natural resources to contract with a private entity to search for a site to construct a world-class shooting range and club house for use by the Minnesota State High School League and for other regional, statewide, national, and international shooting events. The commissioner must provide public notice of the search, including making the public aware of the process through the Department of Natural Resources' media outlets, and solicit input on the location and building options for the facility. The siting search process must include a public process to determine if any business or individual is interested in donating land for the facility, anticipated to be at least 500 acres. The site search team must meet with interested third parties affected by or interested in the facility. The commissioner must submit a report with the results of the site search to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources by March 1, 2018. This is a onetime appropriation.

(c) Notwithstanding Minnesota Statutes, section 297A.94, \$30,000 the first year is from the heritage enhancement account in the game and fish fund for a study of lead shot deposition on state lands. By March 1, 2018, the commissioner shall provide a report of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources policy and finance. This is a onetime appropriation.

(d) Notwithstanding Minnesota Statutes, section 297A.94, \$500,000 the first year is from the heritage enhancement account in the game and fish fund for planning and emergency response to disease outbreaks in wildlife. This is a onetime appropriation and is available until June 30, 2019.

(e) \$8,606,000 the second year is from the deer management account in the game and fish fund for the purposes specified under Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

Sec. 9. Laws 2017, chapter 93, article 1, section 4, is amended to read:

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

\$14,311,000

\$14,164,000

(a) \$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

(b) \$3,116,000 the first year and \$3,116,000 the second year are for grants to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331, and for general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

(c) \$260,000 the first year and \$260,000 the second year are for feedlot water quality cost share grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters.

(d) \$1,200,000 the first year and \$1,200,000 the second year are for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices.

(e) \$100,000 the first year and \$100,000 the second year are for county cooperative weed management cost-share programs and to restore native plants in selected invasive species management sites.

(f) \$761,000 the first year and \$761,000 the second year are for implementation, enforcement, and oversight of the Wetland Conservation Act, including administration of the wetland banking program and in-lieu fee mechanism.

(g) \$300,000 the first year is for improving the efficiency and effectiveness of Minnesota's wetland regulatory programs through continued examination of United States Clean Water Act section 404 assumption including negotiation of draft agreements with the United States Environmental Protection Agency and the United States Army Corps of Engineers, planning for an online permitting system, upgrading the existing wetland banking database, and developing an in-lieu fee wetland banking program as authorized by statute. This is a onetime appropriation and is available until June 30, 2019.

(h) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The Board of Water and Soil Resources must coordinate the stakeholder drainage work group in accordance with Minnesota Statutes, section 103B.101, subdivision 13, to evaluate and make recommendations to accelerate drainage system acquisition and establishment of ditch buffer strips under Minnesota Statutes, chapter 103E, or compatible alternative practices required by

Minnesota Statutes, section 103F.48. The evaluation and recommendations must be submitted in a report to the senate and house of representatives committees with jurisdiction over agriculture and environment policy by February 1, 2018.

(i) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

(j) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(k) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(l) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(m) \$4,380,000 the first year and \$4,533,000 the second year are for Board of Water and Soil Resources agency administration and operations.

(n) Notwithstanding Minnesota Statutes, section 103C.501, the board may shift cost-share funds in this section and may adjust the technical and administrative assistance portion of the grant funds to leverage federal or other nonstate funds or to address high-priority needs identified in local water management plans or comprehensive water management plans.

(o) The appropriations for grants in this section are available until June 30, 2021, except returned grants are available for two years after they are returned. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(p) Notwithstanding Minnesota Statutes, section 16B.97, the appropriations for grants in this section are exempt from Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

ARTICLE 4
ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6, is amended to read:

Subd. 6. **Legal counsel.** The commissioner of natural resources may appoint attorneys or outside counsel to render title opinions, represent the department in severed mineral interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute to the contrary, represent the state in quiet title or title registration actions affecting land or interests in land administered by the commissioner and in all proceedings relating to road vacations.

Sec. 2. Minnesota Statutes 2016, section 84.0895, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) Subdivision 1 does not apply to:

(1) plants on land classified for property tax purposes as class 2a or 2c agricultural land under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously disturbed by construction or maintenance; and

(2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise designated as troublesome by the Department of Agriculture.

(b) If control of noxious weeds is necessary, it takes priority over the protection of endangered plant species, as long as a reasonable effort is taken to preserve the endangered plant species first.

(c) The taking or killing of an endangered plant species on land adjacent to class 3 or 3b agricultural land as a result of the application of pesticides or other agricultural chemical on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in the application of the pesticide or other chemical to avoid impact on adjacent lands. For the purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste land, or other land for which the owner receives a state paid wetlands or native prairie tax credit.

(d) The accidental taking of an endangered plant, where the existence of the plant is not known at the time of the taking, is not a violation of subdivision 1.

Sec. 3. Minnesota Statutes 2016, section 84.775, subdivision 1, is amended to read:

Subdivision 1. **Civil citation; authority to issue.** (a) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates:

(1) an off-highway motorcycle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.788 to 84.795; or 84.90;

(2) an off-road vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.798 to 84.804; or 84.90; or

(3) an all-terrain vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.90; or 84.922 to 84.928.

(b) A civil citation under paragraph (a) shall require restitution for public and private property damage and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$200 for the second offense; and
- (3) \$500 for third and subsequent offenses.

(c) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates an off-highway motorcycle, off-road vehicle, or all-terrain vehicle in violation of section 84.773, subdivision 2, clause (2) or (3). A civil citation under this paragraph shall require restitution for damage to wetlands and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$500 for the second offense; and
- (3) \$1,000 for third and subsequent offenses.

(d) If the peace officer determines that there is damage to property requiring restitution, the commissioner must send a written explanation of the extent of the damage and the cost of the repair by first class mail to the address provided by the person receiving the citation within 15 days of the date of the citation.

(e) An off-road vehicle ~~or all-terrain vehicle~~ that is equipped with a snorkel device and receives a civil citation under this section is subject to twice the penalty amounts in paragraphs (b) and (c).

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

Sec. 4. Minnesota Statutes 2016, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes for the account; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails, including maintenance of trails on lands and waters of Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack;

(2) for acquisition, development, and maintenance of state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) for the administration and enforcement of sections 84.81 to 84.91 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue ~~collected from snowmobile registration and snowmobile state trail sticker fees~~ deposited in the snowmobile trails and enforcement account must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 5. Minnesota Statutes 2016, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) Registration of snowmobiles and display of registration numbers.
- (2) Use of snowmobiles insofar as game and fish resources are affected.
- (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.
- (4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.
- (5) Specifications relating to snowmobile mufflers.

(6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of such programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

(7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 6. Minnesota Statutes 2017 Supplement, section 84.91, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance or other substance to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(b) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(c) A person who operates or is in physical control of a snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state is subject to chapter 169A. In addition to the applicable sanctions under chapter 169A, a person who is convicted of violating section 169A.20 or an ordinance in conformity with it ~~while operating a snowmobile or all-terrain vehicle~~, or who refuses to comply with a lawful request to submit to testing under sections 169A.50 to 169A.53 or 171.177, or an ordinance in conformity with it, shall be prohibited from operating a snowmobile or all-terrain vehicle for a period of one year. The commissioner shall notify the person of the time period during which the person is prohibited from operating a snowmobile or all-terrain vehicle.

(d) Administrative and judicial review of the operating privileges prohibition is governed by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving conviction or prior license revocation, as defined in section 169A.03. Otherwise, administrative and judicial review of the prohibition is governed by section 169A.53 or 171.177.

(e) The court shall promptly forward to the commissioner and the Department of Public Safety copies of all convictions and criminal and civil sanctions imposed under:

(1) this section ~~and chapters~~;

(2) chapter 169 ~~and~~ relating to snowmobiles and all-terrain vehicles;

(3) chapter 169A ~~relating to snowmobiles and all-terrain vehicles~~; ~~and~~

(4) section 171.177.

(f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either of them, is guilty of a misdemeanor. A person who operates a snowmobile or all-terrain vehicle during the time period the person is prohibited from operating a vehicle under paragraph (c) is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to violations committed on or after that date.

Sec. 7. Minnesota Statutes 2017 Supplement, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Program Training and certification programs established.** (a) The commissioner shall establish:

(1) a comprehensive all-terrain vehicle environmental and safety education and training certification program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course; ~~and~~

(2) a voluntary all-terrain vehicle online training program for youth and a parent or guardian, offered at no charge for operators at least six years of age but younger than ten years of age.

(b) A parent or guardian must be present at ~~the hands-on a training portion of the program for~~ when the youth who are six through ten is under ten years of age.

(~~b~~) (c) For the purpose of administering the program and to defray the expenses of training and certifying vehicle operators, the commissioner shall collect a fee from each person who receives the training for certification under paragraph (a), clause (1). The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the programs. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses.

(~~c~~) (d) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the ~~program programs~~ programs established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to ~~training program~~ the subject matter of the training programs and performance testing that leads to the certification of vehicle operators. The commissioner shall incorporate a riding component in the ~~safety education and training program~~ programs established under this section.

Sec. 8. Minnesota Statutes 2017 Supplement, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

- (1) make a direct crossing of a public road right-of-way;
- (2) operate an all-terrain vehicle on a public road right-of-way in the state; or
- (3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least ~~six~~ ten years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with side-by-side-style seating on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

(1) the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle with straddle-style seating; or

(2) the steering wheel and foot controls of a class 1 all-terrain vehicle with side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

(1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and

(2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

Sec. 9. [84.9258] ALL-TERRAIN VEHICLE PILOT PROJECT; HAYES LAKE STATE PARK.

(a) A person may operate an all-terrain vehicle in campground areas at Hayes Lake State Park designated by the commissioner of natural resources under this section. The all-terrain vehicle must have a valid state park permit. The commissioner must issue an annual permit for an all-terrain vehicle at the same fee and in the same manner as an annual motorcycle state park permit, unless the all-terrain vehicle is being permitted annually as a second or subsequent vehicle. The person operating the all-terrain vehicle must display the state park permit on the all-terrain vehicle or carry the state park permit while operating the vehicle.

(b) By August 1, 2018, the commissioner of natural resources, in cooperation with Roseau County and the Friends of Hayes Lake State Park, must designate campground areas at Hayes Lake State Park and access routes to those campgrounds from nearby all-terrain vehicle trails as accessible to all-terrain vehicles. The campground areas and access routes designated must have been previously open to motorized vehicle use.

(c) Designations made under this section are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(d) This section expires January 1, 2021.

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

Sec. 10. Minnesota Statutes 2016, section 84.928, subdivision 2, is amended to read:

Subd. 2. **Operation generally.** A person may not drive or operate an all-terrain vehicle:

- (1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;
- (2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;
- (3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;
- (4) without a functioning stoplight if so equipped;
- (5) in a tree nursery or planting in a manner that damages or destroys growing stock;
- (6) without a brake operational by either hand or foot;
- (7) with more than one person on the vehicle, except as allowed under section 84.9257;
- (8) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or
- ~~(9) with a snorkel device that has a raised air intake six inches or more above the vehicle manufacturer's original air intake, except within the Iron Range Off Highway Vehicle Recreation Area as described in section 85.013, subdivision 12a, or other public off highway vehicle recreation areas; or~~
- ~~(10)~~ (9) in a manner that violates operation rules adopted by the commissioner.

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

Sec. 11. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b), (c), or (d) and section 97C.341.

(b) In waters that are listed as infested waters, except those listed as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

- (1) commercial taking of wild animals for bait and aquatic farm purposes as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian watermilfoil, when the infested waters are listed solely because they contain Eurasian watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length.

(c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by hook and line for noncommercial personal use is allowed as follows:

(1) fish taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

(2) fish taken under this paragraph may not be transported live from or off the water body;

(3) fish harvested under this paragraph may only be used in accordance with this section;

(4) any other use of wild animals used for bait from infested waters is prohibited;

(5) fish taken under this paragraph must meet all other size restrictions and requirements as established in rules; and

(6) all species listed under this paragraph shall be included in the person's daily limit as established in rules, if applicable.

(d) In the Minnesota River downstream of Granite Falls, the Mississippi River downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

~~This paragraph expires December 1, 2017.~~

(e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

(f) Bait intended for sale may not be held in infested water after taking and before sale, unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

EFFECTIVE DATE. This section is effective retroactively from December 1, 2017.

Sec. 12. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 4, is amended to read:

Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit. Tagged gear must not be used in water bodies other than those specified in the license or permit. The license or permit may authorize department staff to remove tags ~~after the~~ from gear is that has been decontaminated according to a protocol specified by the commissioner if use of the decontaminated gear in other water bodies would not pose an unreasonable risk of harm to natural resources or the use of natural resources in the state. This tagging requirement does not apply to commercial fishing equipment used in Lake Superior.

(b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed solely because it contains Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum of two days before they are used in any other waters, except as provided in this paragraph. Commercial licensees must notify the department's regional or area fisheries office or a conservation officer before removing nets or equipment from an infested water listed solely because it contains Eurasian watermilfoil and before resetting those nets or equipment in any other waters. Upon notification, the commissioner may authorize a commercial licensee to move nets or equipment to another water without freezing or drying, if that water is listed as infested solely because it contains Eurasian watermilfoil.

(c) A commercial licensee must remove all aquatic macrophytes from nets and other equipment before placing the equipment into waters of the state.

(d) The commissioner shall provide a commercial licensee with a current listing of listed infested waters at the time that a license or permit is issued.

Sec. 13. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2b, is amended to read:

Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for ~~the Gull Narrows State Water Access Site, Government Point State Water Access Site, and Gull East State~~ water access Site sites on Gull Lake (DNR Division of Waters number 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake service providers participating in the Gull Lake targeted pilot study place of business must be located in Cass or Crow Wing County.

(b) If an additional targeted pilot project for Gull Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 14. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2c, is amended to read:

Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for ~~the Cross Lake #1 State~~ water access Site sites on Cross Lake (DNR Division of Waters number 18-0312) in Crow Wing County using the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place of business of lake service providers participating in the Cross Lake targeted pilot study must be located in Cass or Crow Wing County.

(b) If an additional targeted pilot project for Cross Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 15. Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1, is amended to read:

Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area Citizens Advisory Council is established. Membership on the advisory council shall include:

(1) a representative of ~~the Cuyuna Range Mineland Recreation Area Joint Powers Board~~ Cuyuna Range Economic Development Inc.;

(2) a representative ~~of~~ for the Croft Mine Historical Park ~~Joint Powers Board~~;

(3) a ~~designee of the Cuyuna Range Mineland Reclamation Committee who has worked as a miner in the local area~~ member at large appointed by the members of the council;

(4) a representative of the Crow Wing County Board;

(5) ~~an elected state official~~ the state senator representing the state recreation area;

(6) the member from the state house of representatives representing the state recreation area;

(7) a representative of the Grand Rapids regional office of the Department of Natural Resources;

~~(7)~~ (8) a designee of the commissioner of Iron Range resources and rehabilitation;

~~(8)~~ (9) a designee of the local business community selected by the area chambers of commerce;

~~(9)~~ (10) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;

~~(10)~~ (11) a designee of a local education organization selected by the Crosby-Ironton School Board;

~~(11)~~ (12) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce; and

~~(12)~~ (13) a member of the Cuyuna Country Heritage Preservation Society.

Sec. 16. Minnesota Statutes 2016, section 86B.005, subdivision 8a, is amended to read:

Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide detection system" means a device or system ~~that meets the requirements of the American Boat and Yacht Council Standard A 24, July, 2015, for carbon monoxide detection systems.~~ for detecting carbon monoxide that is certified by a nationally recognized testing laboratory to conform to current UL Standards for use on recreational boats.

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

Sec. 17. Minnesota Statutes 2016, section 86B.532, subdivision 1, is amended to read:

Subdivision 1. **Requirements; installation.** (a) No motorboat that has an enclosed accommodation compartment may be operated on any waters of the state unless the motorboat is equipped with a functioning marine carbon monoxide detection system installed according to the manufacturer's instructions and this subdivision.

(b) ~~After May 1, 2017,~~ No new motorboat that has an enclosed accommodation compartment may be sold or offered for sale in Minnesota unless the motorboat is equipped with a new functioning marine carbon monoxide detection system installed according to the manufacturer's instructions and this subdivision.

(c) A marine carbon monoxide detection system must be located:

(1) to monitor the atmosphere of the enclosed accommodation compartment; and

(2) within ten feet or 3.048 meters of any designated sleeping accommodations.

(d) A marine carbon monoxide detection system, including a sensor, must not be located within five feet or 1.52 meters of any cooking appliance.

EFFECTIVE DATE. This section is effective May 1, 2018.

Sec. 18. Minnesota Statutes 2016, section 88.10, is amended by adding a subdivision to read:

Subd. 3. Wildland firefighters; training and licensing. Forest officers and all individuals employed as wildland firefighters under this chapter are not subject to the requirements of chapter 299N.

Sec. 19. Minnesota Statutes 2016, section 88.75, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor offenses; damages; injunctive relief.** (a) Any person who violates any of the provisions of sections 88.03 to 88.22 for which no specific penalty is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

(b) Failure by any person to comply with any provision or requirement of sections 88.03 to 88.22 to which such person is subject shall be deemed a violation thereof.

(c) Any person who violates ~~any provisions of~~ sections 88.03 to 88.22, in addition to any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation, shall also be liable in full damages to any and every person suffering loss or injury by reason of such violation, including liability to the state, and any of its political subdivisions, for all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire caused by, or resulting from, any violation of these sections. Notwithstanding any statute to the contrary, an attorney who is licensed to practice law in Minnesota and is an employee of the Department of Natural Resources may represent the commissioner in proceedings under this subdivision that are removed to district court from conciliation court. All expenses so collected by the state shall be deposited in the general fund. When a fire set by any person spreads to and damages or destroys property belonging to another, the setting of the fire shall be prima facie evidence of negligence in setting and allowing the same to spread.

(d) At any time the state, or any political subdivision thereof, either of its own motion, or at the suggestion or request of the director, may bring an action in any court of competent jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to 88.22, whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any person from proceeding further in, with, or at any timber cutting or other operations without complying with the provisions of those sections, or the requirements of the director pursuant thereto; and the court may grant such relief, or any other appropriate relief, whenever it shall appear that the same may prevent loss of life or property by fire, or may otherwise aid in accomplishing the purposes of sections 88.03 to 88.22.

Sec. 20. Minnesota Statutes 2016, section 89.551, is amended to read:

89.551 APPROVED FIREWOOD REQUIRED.

(a) After the commissioner issues an order under paragraph (b), a person may not possess firewood on land administered by the commissioner of natural resources unless the firewood:

(1) was obtained from a firewood distribution facility located on land administered by the commissioner;

(2) was obtained from a firewood dealer who is selling firewood that is approved by the commissioner under paragraph (b); or

(3) has been approved by the commissioner of natural resources under paragraph (b).

(b) The commissioner of natural resources shall, by written order published in the State Register, approve firewood for possession on lands administered by the commissioner. The order is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) A violation under this section is subject to confiscation of firewood ~~and after May 1, 2008, confiscation and a \$100 penalty. A firewood dealer shall be subject to confiscation and assessed a \$100 penalty for each sale of firewood not approved under the provisions of this section and sold for use on land administered by the commissioner.~~

(d) For the purposes of this section, "firewood" means any wood that is intended for use in a campfire, as defined in section 88.01, subdivision 25.

Sec. 21. Minnesota Statutes 2016, section 97A.051, subdivision 2, is amended to read:

Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a summary of the hunting and fishing laws and rules and deliver a sufficient supply to license vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

(b) At the beginning of the summary, under the heading "Trespass," the commissioner shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that conservation officers and peace officers must enforce the trespass laws, and state the penalties for trespassing.

(c) In the summary the commissioner shall, under the heading "Duty to Render Aid," summarize the requirements under section 609.662 and state the penalties for failure to render aid to a person injured by gunshot.

Sec. 22. Minnesota Statutes 2017 Supplement, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5), (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

(b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2, clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301, subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued to a person 18 years of age or older under section 97A.473, subdivision 4; and \$2 annually

from the lifetime fish and wildlife trust fund for each license issued to a person under 18 years of age under section 97A.473, subdivision 4, shall be credited to the deer management account and is appropriated to the commissioner for deer habitat improvement or deer management programs. The deer management account is established as an account in the game and fish fund and may be used only for deer habitat improvement or deer management programs.

(c) \$1 from each annual deer license and each bear license and \$1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be credited to the deer and bear management account and is appropriated to the commissioner for deer- and bear-management programs, including a computerized licensing system.

(d) Fifty cents from each deer license is credited to the emergency deer feeding and wild Cervidae health-management account and is appropriated for emergency deer feeding and wild Cervidae health management. Money appropriated for emergency deer feeding and wild Cervidae health management is available until expended.

When the unencumbered balance in the appropriation for emergency deer feeding and wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and bear-management programs and computerized licensing.

Sec. 23. **97A.409 VOTER REGISTRATION INFORMATION.**

(a) On the Department of Natural Resources online license sales Web site for purchasing a resident license to hunt or fish that is required under the game and fish laws, the commissioner must include the voter registration eligibility requirements and a description of how to register to vote before or on election day. On the Web page where an individual has the option to print a license to hunt or fish, the commissioner must include a direct link to the secretary of state's online voter registration Web page.

(b) In the printed and digital versions of fishing regulations and hunting and trapping regulations, the commissioner must include the voter registration eligibility requirements, a description of how to register to vote before or on election day, and a link to the secretary of state's online voter registration Web page. In addition, the commissioner must include a voter registration application in the printed and digital versions of fishing regulations and hunting and trapping regulations.

(c) The secretary of state must provide the required voter registration information to the commissioner. The secretary of state must prepare and approve an alternate form of the voter registration application to be used in the regulations.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2018, and applies to licenses issued on or after March 1, 2019. Paragraph (b) is effective August 1, 2018, and applies to printed and digital versions of regulations updated on or after that date.

Sec. 24. Minnesota Statutes 2016, section 97A.433, subdivision 4, is amended to read:

Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area. Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in the area, and their family members, are eligible for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain an elk license in a separate selection ~~must allow public elk hunting on their land during the elk season for which the license is valid~~ may sell the license to any Minnesota resident eligible to hunt big game for no more than the original cost of the license.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 25. Minnesota Statutes 2016, section 97A.433, subdivision 5, is amended to read:

Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate selection for 20 percent of the elk licenses to be issued each year. Only individuals who have applied at least ten times for an elk license and who have never received a license are eligible for this separate selection. A person who is unsuccessful in a separate selection under this subdivision must be included in the selection for the remaining licenses.

Sec. 26. Minnesota Statutes 2016, section 97A.56, subdivision 2, is amended to read:

Subd. 2. **Prohibited actions; penalty.** (a) A person may not ~~possess or~~ release feral swine or swine that were feral during any part of the swine's lifetime or allow feral swine to run at large. Except as provided under paragraph (b), a person may not possess feral swine or swine that were feral during any part of the swine's lifetime.

(b) A person may not hunt or trap feral swine, except as authorized by the commissioner for feral swine control or eradication. It is not a violation of this section if a person shoots a feral swine and reports the taking to the commissioner within 24 hours. All swine taken in this manner must be surrendered to the commissioner unless the commissioner authorizes the person to keep the swine.

(c) A person who violates this subdivision is guilty of a misdemeanor.

Sec. 27. Minnesota Statutes 2016, section 97B.015, subdivision 6, is amended to read:

Subd. 6. **Provisional certificate for persons with permanent physical or developmental disability.** Upon the recommendation of a course instructor, the commissioner may issue a provisional firearms safety certificate to a person who satisfactorily completes the classroom portion of the firearms safety course but is unable to pass the written or an alternate format exam portion of the course because of a permanent physical disability or developmental disability as defined in section 97B.1055, subdivision 1. The certificate is valid only when used according to section 97B.1055.

Sec. 28. Minnesota Statutes 2016, section 97B.081, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

(1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

(2) hunt fox or coyote from January 1 to March 15 while using ~~a handheld~~ an artificial light, provided that the person is:

(i) on foot;

(ii) using a shotgun;

(iii) not within a public road right-of-way;

(iv) using a handheld or electronic calling device; and

(v) not within 200 feet of a motor vehicle; or

(3) cast the rays of a handheld artificial light to retrieve wounded or dead big game animals, provided that the person is:

(i) on foot; and

(ii) not in possession of a firearm or bow.

(b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight, headlight, or other artificial light to:

(1) carry out any agricultural, safety, emergency response, normal vehicle operation, or occupation-related activities that do not involve taking wild animals; or

(2) carry out outdoor recreation as defined in section 97B.001 that is not related to spotting, locating, or taking a wild animal.

(c) Except as otherwise provided by the game and fish laws, it is not a violation of this section for a person to use an electronic range finder device from one-half hour before sunrise until one-half hour after sunset while lawfully hunting wild animals.

(d) It is not a violation of this section for a licensed bear hunter to cast the rays of a handheld artificial light to track or retrieve a wounded or dead bear while possessing a firearm, provided that the person:

(1) has the person's valid bear-hunting license in possession;

(2) is on foot; and

(3) is following the blood trail of a bear that was shot during legal shooting hours.

Sec. 29. Minnesota Statutes 2016, section 97B.1055, is amended to read:

97B.1055 HUNTING BY PERSONS WITH A PERMANENT PHYSICAL OR DEVELOPMENTAL DISABILITY.

Subdivision 1. **Definitions.** For purposes of this section and section 97B.015, subdivision 6:

(1) "person with developmental disability" means a person who has been diagnosed as having substantial limitations in present functioning, manifested as significantly subaverage intellectual functioning, existing concurrently with demonstrated deficits in adaptive behavior, and who manifests these conditions before the person's 22nd birthday;

~~A~~ (2) "person with a related condition" means a person who meets the diagnostic definition under section 252.27, subdivision 1a; ~~and~~

(3) "person with a permanent physical disability" means a person who has a physical disability that prevents them from being able to navigate natural terrain or hold a firearm for the purpose of a required field component for the firearms safety training program under section 97B.020.

Subd. 2. **Obtaining a license.** (a) Notwithstanding section 97B.020, a person with a permanent physical disability or developmental disability may obtain a firearms hunting license with a provisional firearms safety certificate issued under section 97B.015, subdivision 6.

(b) Any person accompanying or assisting a person with a permanent physical disability or developmental disability under this section must possess a valid firearms safety certificate issued by the commissioner.

Subd. 3. **Assistance required.** A person who obtains a firearms hunting license under subdivision 2 must be accompanied and assisted by a parent, guardian, or other adult person designated by a parent or guardian when hunting. A person who is not hunting but is solely accompanying and assisting a person with a permanent physical disability or developmental disability need not obtain a hunting license.

Subd. 4. **Prohibited activities.** (a) This section does not entitle a person to possess a firearm if the person is otherwise prohibited from possessing a firearm under state or federal law or a court order.

(b) No person shall knowingly authorize or permit a person, who by reason of a permanent physical disability or developmental disability is incapable of safely possessing a firearm, to possess a firearm to hunt in the state or on any boundary water of the state.

Sec. 30. Minnesota Statutes 2016, section 97C.345, subdivision 3a, is amended to read:

Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard shad for use as bait for angling:

(1) from July 1 to November 30; and

(2) from the Minnesota River downstream of Granite Falls, Mississippi River downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under section 84D.03, subdivision 3.

(b) Cast nets used under this subdivision must be monofilament and may not exceed ~~seven~~ five feet in ~~diameter~~ radius, and mesh size must be from three-eighths to five-eighths inch bar measure. No more than two cast nets may be used at one time.

~~(c) This subdivision expires December 1, 2017. The commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by March 1, 2018, on the number of permits issued, conservation impacts from the use of cast nets, and recommendations for any necessary changes in statutes or rules.~~

EFFECTIVE DATE. This section is effective retroactively from December 1, 2017.

Sec. 31. Minnesota Statutes 2016, section 103B.3369, subdivision 5, is amended to read:

Subd. 5. **Financial assistance.** A base grant, contract, or payment may be awarded to a county or other local unit of government that provides a match utilizing a water implementation tax or other local source. A water implementation tax that a county or other local unit of government intends to use as a match to the base grant must be levied at a rate sufficient to generate a minimum amount determined by the board. The board may award performance-based or watershed-based grants, contracts, or payments to local units of government that are responsible for implementing elements of applicable portions of watershed management plans, comprehensive plans, local water management plans, or comprehensive watershed management plans, developed or amended, adopted and approved, according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the board may also award performance-based grants to local units of government to carry out TMDL implementation plans as provided in chapter 114D, if the TMDL implementation plan has been incorporated into the local water management plan according to the procedures for approving comprehensive plans, watershed management plans, local water management plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D, or if the TMDL implementation plan has undergone a public review process. Notwithstanding section 16A.41, the board may award ~~performance-based grants, contracts, or payments~~ on an advanced basis. The fee authorized in

section 40A.152 may be used as a local match or as a supplement to state funding to accomplish implementation of comprehensive plans, watershed management plans, local water management plans, or comprehensive watershed management plans under this chapter and chapter 103C or 103D.

Sec. 32. Minnesota Statutes 2016, section 103B.3369, subdivision 9, is amended to read:

Subd. 9. **Performance-based Criteria.** (a) The board ~~shall~~ must develop and utilize performance-based criteria for local water resources restoration, protection, and management programs and projects. The criteria may include but are not limited to science-based assessments, organizational capacity, priority resource issues, community outreach and support, partnership potential, potential for multiple benefits, and program and project delivery efficiency and effectiveness.

(b) Notwithstanding paragraph (a), the board may develop and utilize eligibility criteria for base amounts of state funding to local governments.

Sec. 33. Minnesota Statutes 2016, section 103B.3369, is amended by adding a subdivision to read:

Subd. 10. **Red River Basin Commission.** (a) The board may provide information and technical or financial support to the Red River Basin Commission in furtherance of the watershed management policy under section 103A.212.

(b) For the purposes of this subdivision, "Red River Basin Commission" means a Red River of the North transboundary, nonprofit corporation organized under section 501(c)(3) of the Internal Revenue Code and respective bylaws with the purpose of facilitating transboundary and basin-wide dialogue; consulting with citizens, land users, organizations, and governments; and coordinating basin-wide interstate and international efforts on water management including but not limited to flood mitigation, water quality, water supply, drainage, aquatic health, and recreation.

Sec. 34. Minnesota Statutes 2016, section 103B.801, subdivision 2, is amended to read:

Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management plan program under section 103B.101, subdivision 14, paragraph (a), are to:

(1) align local water planning purposes and procedures under this chapter and chapters 103C and 103D on watershed boundaries to create a systematic, watershed-wide, science-based approach to watershed management;

(2) acknowledge and build off existing local government structure, water plan services, and local capacity;

(3) incorporate and make use of data and information, including watershed restoration and protection strategies under section 114D.26, which may serve to fulfill all or some of the requirements under chapter 114D;

(4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

(5) focus on implementation of prioritized and targeted actions capable of achieving measurable progress; and

(6) serve as a substitute for a comprehensive plan, local water management plan, or watershed management plan developed or amended, approved, and adopted, according to this chapter or chapter 103C or 103D.

Sec. 35. Minnesota Statutes 2016, section 103B.801, subdivision 5, is amended to read:

Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June 30, 2016, a transition plan for development, approval, adoption, and coordination of plans consistent with section 103A.212. The transition plan must include a goal of completing statewide transition to comprehensive watershed management plans by 2025. The metropolitan area may be considered for inclusion in the transition plan. The board may amend the transition plan no more often than once every two years.

(b) The board may use the authority under section 103B.3369, subdivision 9, to support development or implementation of a comprehensive watershed management plan under this section.

Sec. 36. Minnesota Statutes 2016, section 103E.021, subdivision 6, is amended to read:

Subd. 6. **Incremental ~~implementation~~ establishment of vegetated ditch buffer strips and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring appointment of viewers and redetermination of benefits and damages, a drainage authority may ~~implement~~ make findings and order the establishment of permanent buffer strips of perennial vegetation approved by the drainage authority or side inlet controls, or both, adjacent to a public drainage ditch, where necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage system. The drainage authority's finding that the establishment of permanent buffer strips of perennial vegetation or side inlet controls is necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage system is sufficient to confer jurisdiction under this subdivision. Preference should be given to planting native species of a local ecotype. The approved perennial vegetation shall not impede future maintenance of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge of the existing constructed channel. Drainage system rights-of-way for the acreage and additional property required for the permanent strips must be acquired by the authority having jurisdiction.

(b) A project under this subdivision shall be implemented as a repair according to section 103E.705, except that the drainage authority may appoint an engineer to examine the drainage system and prepare an engineer's repair report for the project.

(c) Damages shall be determined by the drainage authority, or viewers, appointed by the drainage authority, according to section 103E.315, subdivision 8. A damages statement shall be prepared, including an explanation of how the damages were determined for each property affected by the project, and filed with the auditor or watershed district. Within 30 days after the damages statement is filed, the auditor or watershed district shall prepare property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6), (7), and (8), and mail a copy of the property owner's report and damages statement to each owner of property affected by the proposed project.

(d) After a damages statement is filed, the drainage authority shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the project. At least ten days before the hearing, the auditor or watershed district shall give notice by mail of the time and location of the hearing to the owners of property and political subdivisions likely to be affected by the project.

(e) The drainage authority shall make findings and order the repairs to be made if the drainage authority determines from the evidence presented at the hearing and by the viewers and engineer, if appointed, that the repairs are necessary for the drainage system and the costs of the repairs are within the limitations of section 103E.705.

Sec. 37. Minnesota Statutes 2016, section 103E.071, is amended to read:

103E.071 COUNTY ATTORNEY.

The county attorney shall represent the county in all drainage proceedings and related matters without special compensation, except as provided in section 388.09, subdivision 1. A county attorney, the county attorney's assistant, or any attorney associated with the county attorney in business, may not otherwise appear in any drainage proceeding for any interested person.

Sec. 38. Minnesota Statutes 2016, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

(d) The board may assess a fee to pay the costs associated with establishing conservation easements, or other long-term protection mechanisms prescribed in the rules adopted under subdivision 1, on property used for wetland replacement.

Sec. 39. Minnesota Statutes 2017 Supplement, section 103G.271, subdivision 7, is amended to read:

Subd. 7. **Transfer of permit.** A water-use permit may be transferred to a successive owner of real property if the permittee conveys the real property where the source of water is located. The new owner must notify the commissioner immediately after the conveyance and request transfer of the permit. The commissioner must not deny the transfer of a permit if the permittee is in compliance with all permit conditions and the permit meets the requirements of sections 103G.255 to 103G.301. The commissioner may not require additional conditions or require additional testing when transferring a permit.

Sec. 40. **[103G.276] IRRIGATION TEST WELLS.**

If the commissioner requires installation of a test well for a water appropriation permit for irrigation and denies the permit, the commissioner must pay the costs of the well.

Sec. 41. Minnesota Statutes 2016, section 103G.287, is amended by adding a subdivision to read:

Subd. 6. **Management plans.** (a) Before the commissioner approves a management plan or modification to a management plan for appropriating groundwater that restricts water usage in the area, the commissioner must demonstrate to affected permit holders that any data used to make the decision to restrict the usage supports or verifies the decision.

(b) Before the commissioner approves a management plan or modification to a management plan for appropriating groundwater, the commissioner must consider the economic impact of the plan or modification.

Sec. 42. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision to read:

Subd. 3a. **Comprehensive local water management plan.** "Comprehensive local water management plan" has the meaning given under section 103B.3363, subdivision 3.

Sec. 43. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision to read:

Subd. 3b. **Comprehensive watershed management plan.** "Comprehensive watershed management plan" has the meaning given under section 103B.3363, subdivision 3a.

Sec. 44. Minnesota Statutes 2016, section 114D.15, subdivision 7, is amended to read:

Subd. 7. **Restoration.** "Restoration" means actions, ~~including effectiveness monitoring, that~~ are taken to ~~pursue, achieve, and maintain water quality standards for impaired waters in accordance with a TMDL that has been approved by the United States Environmental Protection Agency under federal TMDL requirements.~~

Sec. 45. Minnesota Statutes 2016, section 114D.15, subdivision 11, is amended to read:

Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means:

(1) a document detailing restoration activities needed to meet the approved TMDL's pollutant load allocations for point and nonpoint sources; or

(2) one of the following that the commissioner of the Pollution Control Agency determines to be, in whole or part, sufficient to meet applicable water quality standards:

(i) a comprehensive watershed management plan;

(ii) a comprehensive local water management plan; or

(iii) an existing statewide or regional strategy published by the Pollution Control Agency.

Sec. 46. Minnesota Statutes 2016, section 114D.15, subdivision 13, is amended to read:

Subd. 13. **Watershed restoration and protection strategy or WRAPS.** "Watershed restoration and protection strategy" or "WRAPS" means a document summarizing scientific studies of a major watershed ~~no larger than at~~ approximately a hydrologic unit code 8 scale including the physical, chemical, and biological assessment of the water quality of the watershed; identification of impairments and water bodies in need of protection; identification of biotic stressors and sources of pollution, both point and nonpoint; TMDL's for the impairments; and ~~an implementation table containing~~ information to support strategies and actions designed to achieve and maintain water quality standards and goals.

Sec. 47. Minnesota Statutes 2016, section 114D.20, subdivision 2, is amended to read:

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements ~~within ten years after May 23, 2006, and thereafter~~ to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDL's to the United States Environmental Protection Agency ~~for all impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

(3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration ~~of each identified impaired water~~ and protection activities in a reasonable time period;

(4) to systematically evaluate waters, to provide assistance and incentives to prevent waters from becoming impaired, and to improve the quality of waters that are listed as impaired ~~but do not have an approved TMDL addressing the impairment~~;

(5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters;

(6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

(7) to support effective measures to prevent the degradation of groundwater according to the groundwater degradation prevention goal under section 103H.001; and

(8) to support effective measures to restore degraded groundwater.

Sec. 48. Minnesota Statutes 2016, section 114D.20, subdivision 3, is amended to read:

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

(1) develop regional ~~and, multiple pollutant, or~~ watershed TMDL's ~~and TMDL implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants~~ or WRAPSs, where reasonable and feasible;

(2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify degraded groundwater and impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality that meets the requirements ~~in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner of the Pollution Control Agency (2003);

(3) maximize opportunities for restoration of degraded groundwater and impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;

(4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;

(5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;

(6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;

(7) identify and encourage implementation of measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures;

(8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up to 150 percent of the financial assistance received for failure to comply; and

(9) identify and encourage implementation of measures to prevent groundwater from becoming degraded and measures that restore groundwater resources.

Sec. 49. Minnesota Statutes 2016, section 114D.20, subdivision 5, is amended to read:

Subd. 5. **Priorities for preparing WRAPs AND TMDL's.** In consultation with the Clean Water Council shall recommend, the commissioner of the Pollution Control Agency must coordinate with the commissioners of natural resources, health, and agriculture, the Board of Water and Soil Resources, and, when applicable, the Minnesota Forest Resources Council to establish priorities for scheduling and preparing WRAPs and TMDL's and TMDL implementation plans, taking into account, considering the severity and causes of the impairment ~~impairments, the designated uses of those the waters, and other applicable federal TMDL requirements.—In recommending priorities, the council shall also give Consideration to, groundwater and high-quality waters and watersheds watershed protection, waters and watersheds with declining water quality trends, waters used as drinking water sources, and waters and watersheds:~~

(1) with impairments that pose the greatest potential risk to human health;

(2) with impairments that pose the greatest potential risk to threatened or endangered species;

(3) with impairments that pose the greatest potential risk to aquatic health;

(4) where other public agencies and participating organizations and individuals, especially local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have demonstrated readiness to assist in carrying out the responsibilities, including availability and organization of human, technical, and financial resources necessary to undertake the work; and

(5) where there is demonstrated coordination and cooperation among cities, counties, watershed districts, and soil and water conservation districts in planning and implementation of activities that will assist in carrying out the responsibilities.

Sec. 50. Minnesota Statutes 2016, section 114D.20, subdivision 7, is amended to read:

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent groundwater and surface waters from becoming degraded or impaired and to improve the quality of surface waters that are listed as impaired ~~but do not have an approved TMDL.~~

Sec. 51. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision to read:

Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPs.** (a) If the commissioner of the Pollution Control Agency determines that a comprehensive watershed management plan or comprehensive local water management plan contains information that is sufficient and consistent with guidance from the United States Environmental Protection Agency, including the recommended structure for category 4b demonstrations or its replacement under section 303(d) of the federal Clean Water Act, the commissioner may submit the plan to the Environmental Protection Agency according to federal TMDL requirements as an alternative to developing a TMDL.

(b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for waters or watersheds when the commissioner of the Pollution Control Agency determines that a comprehensive watershed management plan, a comprehensive local water management plan, or a statewide or regional strategy published by the Pollution Control Agency meets the definition in section 114D.15, subdivision 11 or 13.

(c) The commissioner of the Pollution Control Agency may request that the Board of Water and Soil Resources conduct an evaluation of the implementation efforts under a comprehensive watershed management plan or comprehensive local water management plan when the commissioner makes a determination under paragraph (b). The board must conduct the evaluation in accordance with section 103B.102.

(d) The commissioner of the Pollution Control Agency may amend or revoke a determination made under paragraph (a) or (b) after considering the evaluation conducted under paragraph (c).

Sec. 52. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision to read:

Subd. 9. **Coordinating municipal and local water quality activities.** A project, practice, or program for water quality improvement or protection that is conducted by a watershed management organization or a local government unit with a comprehensive watershed management plan or other water management plan approved according to chapter 103B, 103C, or 103D may be considered as contributing to the requirements of a storm water pollution prevention plan (SWPPP) for a municipal separate storm sewer systems (MS4) permit unless the project, practice, or program was previously documented as contributing to a different SWPPP for an MS4 permit.

Sec. 53. Minnesota Statutes 2016, section 114D.26, is amended to read:

114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.

Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency ~~shall~~ must develop watershed restoration and protection strategies: for:

- (1) quantifying impairments and risks to water quality;
- (2) describing the causes of impairments and pollution sources;
- (3) consolidating TMDLs in a major watershed; and
- (4) informing comprehensive local water management plans and comprehensive watershed management plans.

(b) To ensure effectiveness, efficiency, and accountability in meeting the goals of this chapter, the commissioner of the Pollution Control Agency and the Board of Water and Soil Resources must coordinate the schedule, budget, scope, and use of a WRAPS and related documents and processes in consultation with local government units and, when applicable, the Minnesota Forest Resources Council in consideration of section 114D.20, subdivision 8. Each WRAPS ~~shall~~ must:

- (1) identify impaired waters and waters in need of protection;
- (2) identify biotic stressors causing impairments or threats to water quality;
- (3) summarize watershed modeling outputs and resulting pollution load allocations, and wasteload allocations, ~~and priority areas for targeting actions to improve water quality~~ and identify areas with high pollutant-loading rates;

(4) identify point sources of pollution for which a national pollutant discharge elimination system permit is required under section 115.03;

(5) identify nonpoint sources of pollution for which a national pollutant discharge elimination system permit is not required under section 115.03, with sufficient specificity to ~~prioritize and~~ geographically ~~locate~~ inform watershed restoration and protection ~~actions~~ strategies;

(6) describe the current pollution loading and load reduction needed for each source or source category to meet water quality standards and goals, including wasteload and load allocations from TMDL's;

(7) ~~contain a plan for ongoing~~ identify water quality monitoring needed to fill data gaps, determine changing conditions, ~~and~~ or gauge implementation effectiveness; and

(8) ~~contain an implementation table of strategies and actions~~ that are capable of cumulatively achieving needed pollution load reductions for point and nonpoint sources, including identifying:

(i) water quality parameters of concern;

(ii) current water quality conditions;

(iii) water quality goals and targets by parameter of concern; and

(iv) ~~strategies and actions by parameter of concern~~ and an example of the scale of adoptions ~~needed for each;~~ with a timeline to meet the water quality restoration or protection goals of this chapter.

~~(v) a timeline for achievement of water quality targets;~~

~~(vi) the governmental units with primary responsibility for implementing each watershed restoration or protection strategy; and~~

~~(vii) a timeline and interim milestones for achievement of watershed restoration or protection implementation actions within ten years of strategy adoption.~~

Subd. 2. **Reporting.** ~~Beginning July 1, 2016, and every other year thereafter, The commissioner of the~~ Pollution Control Agency must periodically report on ~~its~~ the agency's Web site the progress toward implementation milestones and water quality goals ~~for all adopted TMDL's and, where available, WRAPS's.~~

Subd. 3. **Timelines; administration.** ~~Each year, (a) The commissioner of the~~ Pollution Control Agency must complete ~~WRAPS's~~ for at least ten percent of watershed restoration and protection strategies for the state's major watersheds. ~~WRAPS shall be by June 30, 2023, unless the commissioner determines that a comprehensive watershed management plan or comprehensive local water management plan, in whole or part, meets the definition in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the strategies, in whole or part, after consultation with the Board of Water and Soil Resources and local government units.~~

~~(b) Watershed restoration and protection strategies are~~ governed by the procedures for approval and notice in section 114D.25, subdivisions 2 and 4, except that ~~WRAPS~~ the strategies need not be submitted to the United States Environmental Protection Agency.

Sec. 54. Minnesota Statutes 2016, section 114D.35, subdivision 1, is amended to read:

Subdivision 1. **Public and stakeholder participation.** ~~(a) Public agencies and private entities involved in the implementation of implementing this chapter shall must encourage participation by the public and stakeholders, including local citizens, landowners and land managers, and public and private organizations, in identifying impaired waters, in developing TMDL's, in planning, priority setting, and implementing restoration of impaired waters, in identifying degraded groundwater, and in protecting and restoring groundwater resources.~~

~~(b) In particular, the commissioner of the Pollution Control Agency shall must make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models, methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7. and to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.~~

~~(c) Public agencies and private entities involved in implementing restoration and protection identified in a comprehensive watershed management plan or comprehensive local water management plan must make efforts to inform, consult, and involve the public and stakeholders.~~

~~(d) The commissioner of the Pollution Control Agency and the Board of Water and Soil Resources must coordinate public and stakeholder participation in consultation with local government units. To the extent practicable, implementation of this chapter must be accomplished in cooperation with local, state, federal, and tribal governments and private sector organizations.~~

Sec. 55. Minnesota Statutes 2016, section 114D.35, subdivision 3, is amended to read:

Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding ~~the identification of impaired waters, development of TMDL's, development of TMDL implementation plans, implementation of restoration for impaired waters, identification of degraded groundwater, and protection and restoration of groundwater resources~~ this chapter. Public agencies ~~shall be~~ are responsible for implementing the strategies.

Sec. 56. Minnesota Statutes 2016, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The agency is hereby given and charged with the following powers and duties:

(a) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(1) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

(10) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

(f) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) to train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. The fees under this paragraph are subject to legislative approval under section 16A.1283. All such fees received shall be paid into the state treasury and credited to the Pollution Control Agency training account;

(k) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(m) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

(n) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. The fees under this paragraph are subject to legislative approval under section 16A.1283. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

The information required in clause (m) must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 57. Minnesota Statutes 2016, section 115.03, subdivision 5, is amended to read:

Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a) Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall have the authority to perform any and all acts minimally necessary including, but not limited to, the establishment and application of standards, procedures, rules, orders, variances, stipulation agreements, schedules of compliance, and permit conditions, consistent with and, therefore not less stringent than the provisions of the Federal Water Pollution Control Act, as amended, applicable to the participation by the state of Minnesota in the national pollutant discharge elimination system (NPDES); provided that this provision shall not be construed as a limitation on any powers or duties otherwise residing with the agency pursuant to any provision of law.

(b) An activity that conveys or connects waters of the state without subjecting the transferred water to intervening industrial, municipal, or commercial use does not require a national pollutant discharge elimination system permit. This exemption does not apply to pollutants introduced by the activity itself to the water being transferred.

Sec. 58. Minnesota Statutes 2016, section 115.035, is amended to read:

115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.

~~(a) When the commissioner convenes an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must provide notice and take public comment on the charge questions for the external peer review panel and must allow written and oral public comment as part of the external peer review panel process. Every new or revised numeric water quality standard must be supported by a technical support document that provides the scientific basis for the proposed standard and that has undergone external, scientific peer~~

review. Numeric water quality standards in which the agency is adopting, without change, a United States Environmental Protection Agency criterion that has been through peer review are not subject to this paragraph. Documentation of the external peer review panel, including the name or names of the peer reviewer or reviewers, must be included in the statement of need and reasonableness for the water quality standard. ~~If the commissioner does not convene an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must state the reason an external peer review panel will not be convened in the statement of need and reasonableness.~~

(b) Every technical support document developed by the agency must be released in draft form for public comment before peer review and before finalizing the technical support document.

(c) The commissioner must provide public notice and information about the external peer review through the request for comments published at the beginning of the rulemaking process for the numeric water quality standard, and:

(1) the request for comments must identify the draft technical support document and where the document can be found;

(2) the request for comments must include a proposed charge for the external peer review and request comments on the charge;

(3) all comments received during the public comment period must be made available to the external peer reviewers; and

(4) if the agency is not soliciting external peer review because the agency is adopting a United States Environmental Protection Agency criterion without change, that must be noted in the request for comments.

(d) The purpose of the external peer review is to evaluate whether the technical support document and proposed standard are based on sound scientific knowledge, methods, and practices. The external peer review must be conducted according to the guidance in the most recent edition of the United States Environmental Protection Agency's Peer Review Handbook. Peer reviewers must not have participated in developing the scientific basis of the standard.

(e) The type of review and the number of peer reviewers depends on the nature of the science underlying the standard. When the agency is developing significant new science or science that expands significantly beyond current documented scientific practices or principles, a panel review must be used.

(f) In response to the findings of the external peer review, the draft technical support document must be revised as appropriate. The findings of the external peer review must be documented and attached to the final technical support document, which must be an exhibit as part of the statement of need and reasonableness in the rulemaking to adopt the new or revised numeric water quality standard. The final technical support document must note changes made in response to the external peer review.

~~(b)~~ (g) By December 15 each year, the commissioner shall post on the agency's Web site a report identifying the water quality standards development work in progress or completed in the past year, the lead agency scientist for each development effort, and opportunities for public input.

Sec. 59. **[115.455] EFFLUENT LIMITATIONS; COMPLIANCE.**

To the extent allowable under federal law, for a municipality that constructs a publicly owned treatment works facility or for an industrial national pollutant discharge elimination system and state disposal system permit holder that constructs a treatment works facility to comply with a new or modified effluent limitation, compliance with any new or modified effluent limitation adopted after construction begins that would require additional capital investment is required no sooner than 16 years after the date the facility begins operating.

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

Sec. 60. Minnesota Statutes 2016, section 115.77, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The agency shall collect fees in amounts necessary, but no greater than the amounts necessary, to cover the reasonable costs of reviewing applications and issuing certifications. The fees under this subdivision are subject to legislative approval under section 16A.1283.

Sec. 61. Minnesota Statutes 2016, section 115.84, subdivision 2, is amended to read:

Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories according to this section. ~~Notwithstanding section 16A.1283, the agency may adopt rules establishing fees.~~

Sec. 62. Minnesota Statutes 2016, section 115.84, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the agency shall collect fees from laboratories registering with the agency, but not accredited by the commissioner of health under sections 144.97 to 144.99, in amounts necessary to cover the reasonable costs of the certification program, including reviewing applications, issuing certifications, and conducting audits and compliance assistance. The fees under this paragraph are subject to legislative approval under section 16A.1283.

(b) Fees under this section must be based on the number, type, and complexity of analytical methods that laboratories are certified to perform.

(c) Revenue from fees charged by the agency for certification shall be credited to the environmental fund.

Sec. 63. Minnesota Statutes 2016, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program ~~shall~~ must demonstrate:

~~(a)~~ (1) that the project is conceptually and technically feasible;

~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

~~(c)~~ (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including the use of existing solid waste management facilities with reasonably available capacity sufficient to accomplish the goals of the proposed project and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified waste management objectives in applicable county and regional solid waste management plans consistent with sections 115A.46, subdivision 2, paragraphs (e) and (f), and 473.149, subdivision 1, and other solid waste facilities identified in the county and regional plans; and

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste facilities, including an analysis of potential displacement of facilities to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and sections 115A.46, subdivision 2, paragraphs (e) and (f), and 473.149, subdivisions 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater.

(b) The commissioner may require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

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

Sec. 64. Minnesota Statutes 2016, section 115A.94, subdivision 2, is amended to read:

Subd. 2. **Local authority.** A city or town may organize collection, after public notification and hearing as required in subdivisions 4a to ~~4d~~ 4f. A county may organize collection as provided in subdivision 5. A city or town that has organized collection as of May 1, 2013, is exempt from subdivisions 4a to ~~4d~~ 4f.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 65. Minnesota Statutes 2016, section 115A.94, subdivision 4a, is amended to read:

Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise, license, contract, or other means of organizing collection, a city or town, by resolution of the governing body, must establish ~~an organized a solid waste~~ collection options committee to identify, examine, and evaluate various methods of ~~organized solid waste~~ collection. The governing body shall appoint the committee members.

(b) The ~~organized solid waste~~ collection options committee is subject to chapter 13D.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 66. Minnesota Statutes 2016, section 115A.94, subdivision 4b, is amended to read:

Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

(1) determine which methods of ~~organized solid waste~~ collection to examine, which must include:

(i) the existing system of collection;

~~(ii)~~ (ii) a system in which a single collector collects solid waste from all sections of a city or town; and

~~(iii)~~ (iii) a system in which multiple collectors, either singly or as members of an organization of collectors, collect solid waste from different sections of a city or town;

(2) establish a list of criteria on which the ~~organized solid waste~~ collection methods selected for examination will be evaluated, which may include: costs to residential subscribers, impacts on residential subscribers' ability to choose a provider of solid waste service based on the desired level of service, costs and other factors, the impact of

miles driven ~~by collection vehicles~~ on city streets and alleys and the incremental impact of miles driven by collection vehicles, initial and operating costs to the city of implementing the ~~organized solid waste~~ collection system, providing incentives for waste reduction, impacts on solid waste collectors, and other physical, economic, fiscal, social, environmental, and aesthetic impacts;

(3) collect information regarding the operation and efficacy of existing methods of ~~organized solid waste~~ collection in other cities and towns;

(4) seek input from, at a minimum:

(i) the governing body of the city or town;

(ii) the local official of the city or town responsible for solid waste issues;

(iii) persons currently licensed to operate solid waste collection and recycling services in the city or town; and

(iv) residents of the city or town who currently pay for residential solid waste collection services; and

(5) issue a report on the committee's research, findings, and any recommendations to the governing body of the city or town.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 67. Minnesota Statutes 2016, section 115A.94, subdivision 4c, is amended to read:

Subd. 4c. **Governing body; implementation.** The governing body of the city or town shall consider the report and recommendations of the ~~organized solid waste~~ collection options committee. The governing body must provide public notice and hold at least one public hearing before deciding whether to implement organized collection. Organized collection may begin no sooner than six months after the effective date of the decision of the governing body of the city or town to implement organized collection.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 68. Minnesota Statutes 2016, section 115A.94, subdivision 4d, is amended to read:

Subd. 4d. **Participating collectors proposal requirement.** ~~Prior to~~ Before establishing a committee under subdivision 4a to consider organizing residential solid waste collection, a city or town with more than one licensed collector must notify the public and all licensed collectors in the community. The city or town must provide a ~~60-day~~ of at least 60 days period in which meetings and negotiations shall occur exclusively between licensed collectors and the city or town to develop a proposal in which interested licensed collectors, as members of an organization of collectors, collect solid waste from designated sections of the city or town. The proposal shall include identified city or town priorities, including issues related to zone creation, traffic, safety, environmental performance, service provided, and price, and shall reflect existing haulers maintaining their respective market share of business as determined by each hauler's average customer count during the six months prior to the commencement of the ~~60-day~~ exclusive negotiation period. If an existing hauler opts to be excluded from the proposal, the city may allocate their customers proportionally based on market share to the participating collectors who choose to negotiate. The initial organized collection agreement executed under this subdivision must be for a

~~period of three to seven years.~~ Upon execution of an agreement between the participating licensed collectors and city or town, the city or town shall establish organized collection through appropriate local controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except that the governing body must provide the public notification and hearing required under subdivision 4c.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 69. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision to read:

Subd. 4e. Parties to meet and confer. Before the exclusive meetings and negotiations under subdivision 4d, participating licensed collectors and elected officials of the city or town must meet and confer regarding waste collection issues, including but not limited to road deterioration, public safety, pricing mechanisms, and contractual considerations unique to organized collection.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 70. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision to read:

Subd. 4f. Joint liability limited. Notwithstanding section 604.02, an organized collection agreement must not obligate a participating licensed collector for damages to third parties solely caused by another participating licensed collector. The organized collection agreement may include joint obligations for actions that are undertaken by all the participating licensed collectors under this section.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 71. Minnesota Statutes 2016, section 115A.94, subdivision 5, is amended to read:

Subd. 5. County organized collection. (a) A county may by ordinance require cities and towns within the county to organize collection. Organized collection ordinances of counties may:

- (1) require cities and towns to require the separation and separate collection of recyclable materials;
- (2) specify the material to be separated; and
- (3) require cities and towns to meet any performance standards for source separation that are contained in the county solid waste plan.

(b) A county may itself organize collection under subdivisions 4a to ~~4d~~ 4f in any city or town that does not comply with a county organized collection ordinance adopted under this subdivision, and the county may implement, as part of its organized collection, the source separation program and performance standards required by its organized collection ordinance.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 72. **[115B.171] TESTING FOR PRIVATE WELLS; EAST METROPOLITAN AREA.**

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

(b) "East metropolitan area" means:

(1) the cities of Afton, Cottage Grove, Lake Elmo, Newport, Oakdale, St. Paul Park, and Woodbury;

(2) the townships of Denmark, Grey Cloud Island, and Lakeland; and

(3) other areas added by the commissioner that have a potential for significant groundwater pollution from PFCs.

(c) "PFCs" means per- and poly-fluorinated chemicals.

Subd. 2. Testing required for private wells. At the request of the owner or occupier of land in the east metropolitan area containing a private well for water, the commissioner must use money in the remediation fund under section 116.155 to provide timely testing for PFCs for the well if the commissioner has not previously tested the well for PFCs. If the test of the private well measures a contamination at or above 50 percent of a health-based advisory value or health risk limit for PFCs, the commissioner must provide for additional well tests based on a schedule to ensure that the groundwater is safe for consumption.

Subd. 3. Test reporting. (a) By January 15 each year, the commissioner must report to each community in the east metropolitan area a summary of the results of the testing for private wells in the community. The report must include information on the number of wells tested and trends of PFC contamination in private wells in the community. Reports to communities under this section must also be published on the agency's Web site.

(b) By January 15 each year, the commissioner must report to the legislature, as provided in section 3.195, on the testing for private wells conducted in the east metropolitan area, including copies of the community reports required in paragraph (a), the number of requests for well testing in each community, and the total amount spent for testing private wells in each community.

Sec. 73. **[115B.172] NATURAL RESOURCES DAMAGES ACCOUNT.**

Subdivision 1. Establishment. The natural resources damages account is established as an account in the remediation fund.

Subd. 2. Revenues. The account consists of money from the following sources:

(1) revenues from actions taken by the attorney general on behalf of the commissioner of the Pollution Control Agency and commissioner of natural resources under section 115B.17, subdivisions 6 and 7, unless otherwise specified by the attorney general or settlement agreement;

(2) appropriations and transfers to the account as provided by law;

(3) interest earned on the account; and

(4) money received by the commissioner of the Pollution Control Agency or the commissioner of natural resources for deposit in the account in the form of a gift or a grant.

Subd. 3. Expenditures. (a) Money in the account is appropriated to the commissioner of natural resources for the purposes authorized in section 115B.20, subdivision 2, clause (4).

(b) The commissioner of management and budget must allocate the amounts available in any biennium to the commissioner of natural resources for the purposes of this section based upon work plans submitted by the commissioner of natural resources and may adjust those allocations upon submittal of revised work plans. Copies of the work plans must be submitted to the chairs of the house of representatives and senate committees and divisions having jurisdiction over environment and natural resources finance.

Subd. 4. **Report.** By November 1 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy and finance on expenditures from the natural resources damages account during the previous fiscal year.

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

Sec. 74. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

Subdivision 1. **Definition.** For purposes of this section and section 115B.53, the term "settlement" means the agreement and order entered on February 20, 2018, settling litigation commenced by the state against the 3M Company under section 115B.17, subdivision 7.

Subd. 2. **Establishment.** The water quality and sustainability account is established as an account in the remediation fund. The account consists of revenue deposited in the account under the terms of the settlement and earnings on the investment of money in the account. Money in the account may be invested through the State Board of Investment to ensure sufficient clean drinking water supplies are available to residents and businesses in the east metropolitan area to meet their current and future water needs.

Subd. 3. **Priorities.** The commissioners of the Pollution Control Agency and natural resources must give priority to projects that:

(1) ensure clean drinking water in sufficient supply to residents and businesses in the east metropolitan area to meet their current and future water needs, with priority given to projects that address drinking water supplies where health-based values or health risk limits for perfluorinated and polyfluorinated chemicals have been exceeded; and

(2) provide water treatment and groundwater recharge to enhance existing municipal water supplies and provide connections to municipal drinking water supplies.

Subd. 4. **Expenditures.** (a) Money in the account is appropriated to the commissioner of the Pollution Control Agency and to the commissioner of natural resources for the purposes authorized under the settlement.

(b) The commissioners must ensure that money in the account is spent:

(1) to enhance the quality, quantity, and sustainability of the drinking water in the east metropolitan area, which includes but is not limited to, the cities of Woodbury, Oakdale, Lake Elmo, Cottage Grove, St. Paul Park, Afton, and Newport and the townships of West Lakeland and Grey Cloud Island;

(2) only on projects that are technically feasible; and

(3) in a manner that ensures the priorities identified under subdivision 3 are met and that money in the account is sufficient for the long-term operation and maintenance of projects meeting the priority established under subdivision 3, clause (1), including ensuring there are adequate reserves.

Subd. 5. **Limitations.** No more than eight percent of the money in the account may be spent on state and local administrative expenses and no more than ten percent may be spent on studies.

Subd. 6. **Reporting.** The commissioner of the Pollution Control Agency and the commissioner of natural resources must jointly submit:

(1) by March 1 and November 1 each year, a biannual report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous six months; and

(2) by November 1 each year, a report to the legislature on expenditures from the water quality and sustainability account during the previous fiscal year and a spending plan for anticipated expenditures from the account during the current fiscal year.

Subd. 7. **State authority.** Nothing in this section grants authority to the commissioner of the Pollution Control Agency or commissioner of natural resources to assume control or otherwise operate existing municipal water supply operations in the east metropolitan area.

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

Sec. 75. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

The commissioner of the Pollution Control Agency and the commissioner of natural resources must work with stakeholders to identify and recommend projects to receive funding from the water quality and sustainability account under the settlement. Stakeholders include, at a minimum, representatives of the agency, the Department of Natural Resources, east metropolitan area municipalities, and the 3M Company. The commissioners must establish a process to solicit and evaluate the recommendations from each of the cities of Woodbury, Oakdale, Lake Elmo, Cottage Grove, St. Paul Park, Afton, and Newport and the townships of West Lakeland and Grey Cloud Island.

Sec. 76. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to read:

Subd. 2c. **Exemption from standards for temporary storage facilities subject to control.** (a) A temporary storage facility located at a commodity facility that is required to be controlled under Minnesota Rules, part 7011.1005, subpart 3, is not subject to Minnesota Rules, parts 7011.1000 to 7011.1015. For all portable equipment and fugitive dust emissions directly associated with the temporary storage facility, it is determined that there is no applicable specific standard of performance.

(b) For the purposes of this subdivision, the following terms have the meanings given them:

(1) "temporary storage facility" means a facility storing grain that:

(i) uses an asphalt, concrete, or comparable base material;

(ii) has rigid, self-supporting sidewalls;

(iii) provides adequate aeration; and

(iv) provides an acceptable covering; and

(2) "portable equipment" means equipment that is not fixed at any one spot and can be moved, including but not limited to portable receiving pits, portable augers and conveyors, and portable reclaim equipment directly associated with the temporary storage facility.

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

Sec. 77. Minnesota Statutes 2017 Supplement, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Water fees under this paragraph are subject to legislative approval under section 16A.1283. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. The commissioner must give the applicant an estimate of costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. The applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency. The agreement must also identify staff anticipated to be assigned to the project. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 78. Minnesota Statutes 2017 Supplement, section 116.0714, is amended to read:

116.0714 NEW OPEN-AIR SWINE BASINS.

(a) The commissioner of the Pollution Control Agency or a county board shall not approve any permits for the construction of new open-air swine basins, except that existing facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste treatment program for resolving pollution problems or to allow conversion of an existing basin of less than 1,000,000 gallons to a different animal type, provided all standards are met. This section expires June 30, 2022.

(b) This section does not apply to a storage basin for effluent basins used solely for wastewater from a truck-washing facility.

Sec. 79. Minnesota Statutes 2016, section 116.155, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in the state treasury to provide a reliable source of public money for response and corrective actions to address releases of hazardous substances, pollutants or contaminants, agricultural chemicals, and petroleum, and for environmental response actions at qualified landfill facilities for which the agency has assumed such responsibility, including perpetual care

of such facilities. The specific purposes for which the general portion of the fund may be spent are provided in subdivision 2. In addition to the general portion of the fund, the fund contains ~~two~~ four accounts described in subdivisions 4 ~~and 5~~ to 5b.

Sec. 80. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision to read:

Subd. 5a. **Water quality and sustainability account.** The water quality and sustainability account is as described in section 115B.52.

Sec. 81. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision to read:

Subd. 5b. **Natural resources damages account.** The natural resources damages account is as described in section 115B.172.

Sec. 82. **[116.2025] DEICER APPLICATORS; VOLUNTARY CERTIFICATION PROGRAM.**

Subdivision 1. **Definitions.** For the purpose of this section, the following terms have the meanings given:

(1) "certified commercial applicator" means an individual who applies deicer and has completed training approved by the commissioner on removing snow and ice and applying deicer and passed an examination after completing the training;

(2) "commercial applicator" means an individual or a company and its employees that apply deicer for hire, but does not include a municipal, state, or other government employee;

(3) "deicer" means any substance used to melt snow and ice, or used for its anti-icing effects, on privately owned surfaces traveled by pedestrians and vehicles; and

(4) "owner" means a person that owns, leases, or manages real estate and the person's employees that contract in writing with a certified commercial applicator.

Subd. 2. **Voluntary certification program; best management practices.** (a) The commissioner of the Pollution Control Agency must develop a training program that promotes best management practices for removing snow and ice and applying deicer and must allow individuals who are commercial applicators to obtain certification as a water-friendly applicator. The commissioner must certify an individual who is a commercial applicator as a water-friendly applicator if the individual successfully completes the program and passes the examination.

(b) The commissioner must provide additional training under this subdivision for certified commercial applicators renewing certification after their initial training and certification.

(c) The commissioner must provide the training and testing module at locations statewide and may make the recertification training available online.

(d) The commissioner must annually post the best management practices and a list of certified commercial applicators on the agency's Web site.

(e) The commissioner may charge a fee of no more than \$250 per certified commercial applicator for the training or recertification under this subdivision. Fees collected under this subdivision must be deposited in the environmental fund.

Subd. 3. **Liability.** (a) A commercial applicator certified under this section; the owner, occupant, or lessee of real property maintained by a certified commercial applicator; or an employee of that owner, occupant, or lessee who is certified under this section is not civilly liable for any claim based on a snow or ice condition arising out of the implementation of the best management practices developed by the commissioner under this section even if there is actual notice of the snow or ice condition, except when the snow or ice condition is affirmatively caused by the willful or reckless acts of the certified commercial applicator or the employee of the owner, occupant, or lessee who is certified under this section. Commercial applicators certified under this section; the owner, occupants, or lessees of land maintained by a certified commercial applicator; and an employee of that owner, occupant, or lessee who is certified under this section are presumed to be acting pursuant to the best management practices developed by the commissioner under this section.

(b) To receive the immunity protection under paragraph (a), and not for any other purpose, the commercial applicator, or the employee of the owner, occupant, or lessee, must have a current certification, pass an exam, complete the winter maintenance assessment tool requirements developed by the commissioner, and keep a written record describing the road, parking lot, and property maintenance practices used. The written record must include the type and rate of application of deicing materials used, the dates of treatment, and the weather conditions for each event requiring deicing. The records must be kept for a minimum of six years.

(c) The liability of a commercial applicator who applies deicer but is not certified under this section may not be determined under the standards provided in this subdivision.

Subd. 4. **Record keeping.** (a) A certified commercial applicator or a company employing one or more certified commercial applicators must maintain the following records as part of the best management practices approved by the commissioner:

- (1) a copy of the applicator's certification approved by the commissioner and any recertification;
- (2) evidence of passing the examination approved by the commissioner;
- (3) copies of the assessment tool requirements for winter maintenance developed by the commissioner; and
- (4) a written record describing the practices used for road, parking lot, and property maintenance.

(b) The written record under paragraph (a), clause (4), must include the type and rate of application of deicing materials used, the dates of treatment, and the weather conditions for each event requiring deicing.

(c) Records required under this subdivision must be kept for at least six years.

Subd. 5. **Penalty.** The commissioner may revoke or decline to renew the certification of a certified commercial applicator that violates this section or rules adopted under this section.

Subd. 6. **Relation to other law.** Nothing in this section affects municipal liability under section 466.03.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to claims arising on or after that date.

Sec. 83. Minnesota Statutes 2016, section 116.993, subdivision 2, is amended to read:

Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower must:

- (1) be a small business corporation, sole proprietorship, partnership, or association;

- (2) be a potential emitter of pollutants to the air, ground, or water;
- (3) need capital for equipment purchases that will meet or exceed environmental regulations or need capital for site investigation and cleanup;
- (4) have ~~less~~ fewer than ~~50~~ 100 full-time equivalent employees; and
- (5) have an ~~after-tax~~ after-tax profit of less than \$500,000; ~~and~~,
- ~~(6) have a net worth of less than \$1,000,000.~~

Sec. 84. Minnesota Statutes 2016, section 116.993, subdivision 6, is amended to read:

Subd. 6. **Loan conditions.** A loan made under this section must include:

- (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever is greater~~ not to exceed five percent;
- (2) a term of payment of not more than seven years; and
- (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

Sec. 85. Minnesota Statutes 2017 Supplement, section 169A.07, is amended to read:

169A.07 FIRST-TIME DWI VIOLATOR; OFF-ROAD VEHICLE OR BOAT.

A person who violates section 169A.20 (driving while impaired) while using an off-road recreational vehicle or motorboat and who does not have a qualified prior impaired driving incident is subject only to the criminal penalty provided in section 169A.25 (second-degree driving while impaired), 169A.26 (third-degree driving while impaired), or 169A.27 (fourth-degree driving while impaired); and loss of operating privileges as provided in section 84.91, subdivision 1 (operation of snowmobiles or all-terrain vehicles by persons under the influence of alcohol or controlled substances), or 86B.331, subdivision 1 (operation of motorboats while using alcohol or with a physical or mental disability), whichever is applicable. The person is not subject to the provisions of section 169A.275, subdivision 5 (submission to the level of care recommended in chemical use assessment for repeat offenders and offenders with alcohol concentration of 0.16 or more); 169A.277 (long-term monitoring); 169A.285 (penalty assessment); 169A.44 (conditional release); ~~169A.54 (impaired driving convictions and adjudications; administrative penalties); or 169A.54, subdivision 11 (chemical use assessment); the license revocation sanctions of sections 169A.50 to 169A.53 (implied consent law) or 171.177 (revocation; search warrant); or the plate impoundment provisions of section 169A.60 (administrative impoundment of plates).~~

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to violations committed on or after that date.

Sec. 86. Minnesota Statutes 2016, section 180.03, subdivision 2, is amended to read:

Subd. 2. **Fences.** Every person, firm, or corporation that is or has been engaged in the business of mining or removing iron ore, taconite, semitaconite or other minerals except sand, crushed rock, and gravel shall erect and maintain, as a minimum, a three strand wire fence along the outside perimeter of the excavation, open pit, or shaft of any mine in which mining operations have ceased for a period of six consecutive months or longer. Based upon local site conditions that may exist at shafts, caves, or open pits, the county mine inspector may require more secure fencing such as barbed wire or mesh fence, or may require barriers, appropriate signs, or any combination of the

above, to reduce the possibility of accidental falls. The county mine inspector may grant exemptions under subdivision 4. Where mining operations have ceased and not resumed, the fence, barrier, signs, or combination of them required by this section shall be erected within two years from the date when the county mine inspector directs the erection of fences, barriers, signs, or combination of them.

Sec. 87. Minnesota Statutes 2016, section 180.03, subdivision 3, is amended to read:

Subd. 3. **Abandoned mines.** Except as described in subdivision 4, when a mine is idle or abandoned it is the duty of the inspector of mines to notify the person, firm, or corporation that is or has been engaged in the business of mining to erect and maintain around all the shafts, caves, and open pits of such mines a fence, barrier, appropriate signs, or combination of them, suitable to warn of the presence of shafts, caves, or open pits and reduce the possibility of accidentally falling into these shafts, caves, or open pits. If the mine has been idled or abandoned, or if the person, firm, or corporation that has been engaged in the business of mining no longer exists, the fee owner shall erect and maintain the fence, barrier, or signs required by this section. If the fee owner fails to act, the county in which the mining operation is located may, in addition to any other remedies available, abate the nuisance by erecting or maintaining the fence, barrier, or signs and assessing the costs and related expenses pursuant to section 429.101.

Sec. 88. Minnesota Statutes 2016, section 180.03, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** (a) The portion of an excavation, cave, open or water-filled pit, or shaft is exempt from the requirements of this section if:

(1) it is located on property owned, leased, or administered by the Office of the Commissioner of Iron Range Resources and Rehabilitation;

(2) it is for the construction, operation, maintenance, or administration of:

(i) grants-in-aid trails as defined in section 85.018;

(ii) property owned or leased by a municipality, as defined in section 466.01, subdivision 1, that is intended or permitted to be used as a park, an open area for recreational purposes, or for the provision of recreational services, including the creation of trails or paths without artificial surfaces; or

(iii) recreational use, as defined in section 604A.21, subdivisions 5 and 6, provided the use is administered by a municipality, as defined in section 466.01, subdivision 1;

(3) it is for economic development purposes under chapter 469; or

(4) upon written application by the property owner, the county mine inspector ~~may exempt from the requirements of subdivision 2, any abandoned excavation, open pit, or shaft which determines that it~~ is provided with fencing, barriers, appropriate signs, or combinations of them, in a manner that is reasonably similar to the standards in subdivision 2, or ~~which if~~ in the inspector's judgment, it does not constitute a safety hazard.

(b) Where an exemption applies, there shall be, at a minimum, appropriate signs posted by the recipient of the exemption consistent with section 97B.001, subdivision 4:

(1) at each location of public access to the mining area restricting access to designated areas and warning of possible dangers due to the presence of excavations, shafts, caves, or open or water-filled pits;

(2) prohibiting public access beyond the boundaries of the designated public access area; and

(3) identifying those areas where the property on which public access is allowed abuts private property.

(c) Where an exemption applies, to reduce the possibility of inadvertent access beyond the boundaries of the designated public access area, any new fencing erected by the recipient of the exemption in accordance with subdivision 2 or 3 shall be maintained by the recipient of the exemption.

(d) Notwithstanding section 180.10, limited openings in preexisting fencing may be created and maintained by the recipient of the exemption or its agent to provide public access to the designated public access area.

(e) The county mine inspector has the authority to enter, examine, and inspect any and all property exempted under this section at all reasonable times by day or by night, and, in addition to enforcing the provisions of this chapter, may make recommendations regarding the erection of fences, barriers, signs, or a combination of them.

Sec. 89. Minnesota Statutes 2016, section 180.10, is amended to read:

180.10 REMOVAL OF FENCE; GUARD.

A worker, employee, or other person who opens, removes, or disturbs any fence, guard, barrier, sign, or rail required by section 180.03 and fails to close or replace or have the same closed or replaced again around or in front of any mine shaft, pit, chute, excavation, cave, or land liable to cave, injure, or destroy, whether by accident, injury, or damage results, either to the mine or those at work therein, or to any other person, shall be guilty of a misdemeanor. A worker, employee, or other person who, in regard to any fence, guard, barrier, sign, or rail, does any of the acts prohibited by section 609.52, commits theft of the fence, guard, barrier, sign, or rail may be sentenced as provided in section 609.52.

Sec. 90. **[383A.606] DISCONTINUANCE OF RAMSEY SOIL AND WATER CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

Subdivision 1. **Discontinuance.** Notwithstanding section 103C.225, the Ramsey Soil and Water Conservation District is discontinued effective July 1, 2018, and its duties and authorities are transferred to the Ramsey County Board of Commissioners.

Subd. 2. **Transfer of duties and authorities.** The Ramsey County Board of Commissioners has the duties and authorities of a soil and water conservation district. All contracts in effect on the date of the discontinuance of the district to which Ramsey Soil and Water Conservation District is a party remain in force and effect for the period provided in the contracts. The Ramsey County Board of Commissioners shall be substituted for the Ramsey Soil and Water Conservation District as party to the contracts and succeed to the district's rights and duties.

Subd. 3. **Transfer of assets.** The Ramsey Soil and Water Conservation District Board of Supervisors shall transfer the assets of the district to the Ramsey County Board of Commissioners. The Ramsey County Board of Commissioners shall use the transferred assets for the purposes of implementing the transferred duties and authorities.

Subd. 4. **Reestablishment.** The Ramsey County Board of Commissioners may petition the Minnesota Board of Water and Soil Resources to reestablish the Ramsey Soil and Water Conservation District. Alternatively, the Minnesota Board of Water and Soil Resources under its authority in section 103C.201, and after giving notice of corrective actions and time to implement the corrective actions, may reestablish the Ramsey Soil and Water Conservation District if it determines the goals established in section 103C.005 are not being achieved. The Minnesota Board of Water and Soil Resources may reestablish the Ramsey Soil and Water Conservation District under this subdivision without a referendum.

EFFECTIVE DATE. This section is effective the day after the governing body of Ramsey County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 91. Minnesota Statutes 2016, section 444.075, subdivision 1a, is amended to read:

Subd. 1a. **Authorization.** Any municipality may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain facilities, and maintain and operate the facilities inside or outside its corporate limits, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by the charter of any municipality. The authority regarding storm sewers granted to municipalities which have territory within a watershed which has adopted a watershed plan pursuant to section 103B.231 shall be exercised, with respect to facilities acquired following the adoption of the watershed plan, only for facilities which are not inconsistent with the watershed plan. The authority regarding storm sewers granted to municipalities which have adopted local water management plans pursuant to section 103B.235 shall be exercised, with respect to facilities acquired following the adoption of a local plan, only for facilities which are not inconsistent with the local plan. ~~Counties, except counties in the seven-county metropolitan area,~~ shall have the same authority granted to municipalities by this subdivision except for areas of the county organized into cities and areas of the county incorporated within a sanitary district established by special act of the legislature.

Sec. 92. Minnesota Statutes 2016, section 473.8441, subdivision 4, is amended to read:

Subd. 4. **Grant conditions.** The commissioner shall administer grants so that the following conditions are met:

(a) A county must apply for a grant in the manner determined by the commissioner. The application must describe the activities for which the grant will be used.

(b) The activities funded must be consistent with the metropolitan policy plan and the county master plan.

(c) A grant must be matched by equal ~~county~~ local expenditures for the activities for which the grant is made. A local expenditure may include, but is not limited to, an expenditure by a local unit of government, tribal government, or private sector or nonprofit organization.

(d) All grant funds must be used for new activities or to enhance or increase the effectiveness of existing activities in the county. Grant funds must not be used for research or development of a product that would be patented, copyrighted, or a subject of trade secrets.

(e) Counties shall provide support to maintain effective municipal recycling where it is already established.

Sec. 93. Laws 2015, First Special Session chapter 4, article 4, section 136, as amended by Laws 2017, chapter 93, article 2, section 149, is amended to read:

Sec. 136. **WILD RICE WATER QUALITY STANDARDS.**

(a) Until the commissioner of the Pollution Control Agency amends rules refining the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, to consider all independent research and publicly funded research and to include criteria for identifying waters and a list of waters subject to the standard, implementation of the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, shall be limited to the following, unless the permittee requests additional conditions:

(1) when issuing, modifying, or renewing national pollutant discharge elimination system (NPDES) or state disposal system (SDS) permits, the agency shall endeavor to protect wild rice, and in doing so shall be limited by the following conditions:

(i) the agency shall not require permittees to expend money for design or implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

(ii) the agency may require sulfate minimization plans in permits; and

(2) the agency shall not list waters containing natural beds of wild rice as impaired for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313, until the rulemaking described in this paragraph takes effect.

(b) Upon the rule described in paragraph (a) taking effect, the agency may reopen permits issued or reissued after the effective date of this section as needed to include numeric permit limits based on the wild rice water quality standard.

~~(c) The commissioner shall complete the rulemaking described in paragraph (a) by January 15, 2019.~~

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

Sec. 94. Laws 2016, chapter 189, article 3, section 48, is amended to read:

Sec. 48. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

The commissioner of natural resources shall report to the chairs of the house of representatives and senate committees with jurisdiction over natural resources by January 15, ~~2019~~ 2020, regarding the feasibility of expanding permitting to service providers as described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in the state. The report must:

(1) include recommendations for state and local resources needed to implement the program;

(2) assess local government inspection roles under Minnesota Statutes, section 84D.105, subdivision 2, paragraph (g); and

(3) assess whether mechanisms to ensure that water-related equipment placed back into the same body of water from which it was removed can adequately protect other water bodies.

Sec. 95. Laws 2017, chapter 93, article 2, section 155, subdivision 5, is amended to read:

Subd. 5. **Sunset.** This section expires ~~two~~ six years from the day following final enactment.

Sec. 96. Laws 2017, chapter 93, article 2, section 163, is amended to read:

Sec. 163. **ACTION TO OBTAIN ACCESS PROHIBITED; CLEARWATER COUNTY.**

~~Before July 1, 2018,~~ The commissioner of natural resources must not initiate a civil action to obtain access to Island Lake FMHA Wildlife Management Area in Clearwater County.

Sec. 97. **APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of the city or township that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26 (a)(9)(i)(A), and other platted areas within that jurisdiction.

Sec. 98. RULEMAKING; DISPOSAL FACILITY CERTIFICATES.

(a) The commissioner of the Pollution Control Agency must amend Minnesota Rules, part 7048.1000, subpart 4, item D, to require six contact hours of required training to renew a type IV disposal facility certificate.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 99. RECREATIONAL TRAILS; ENVIRONMENTAL REVIEW; RULEMAKING.

(a) The Environmental Quality Board must amend Minnesota Rules, chapter 4410, to be consistent with this section, including amending Minnesota Rules, part 4410.4300, subpart 37, as follows:

(1) item A must be amended to read: "Constructing a trail at least 25 miles long on forested or other naturally vegetated land for a recreational use unless exempted by part 4410.4600, subpart 14, item D. In applying this item, if a proposed trail will contain segments of newly constructed trail and segments that will follow an existing trail but be designated for a new motorized use, an EAW must be prepared if the sum of the quotients obtained by dividing the length of the new construction by 25 miles and length of the existing but newly designated trail by 25 miles equals or exceeds one. Additions and designations under items C and D do not apply to this formula.";

(2) item B must be amended to read: "Designating at least 25 miles of an existing trail for a new motorized recreational use other than snowmobiling. In applying this item, if a proposed trail will contain segments of newly constructed trail and segments that will follow an existing trail but be designated for a new motorized use, an EAW must be prepared if the sum of the quotients obtained by dividing the length of the new construction by 25 miles and the length of the existing but newly designated trail by 25 miles equals or exceeds one. Additions and designations under items C and D do not apply to this formula.";

(3) a new item C must be adopted to read: "When adding a new motorized recreational use or seasonal motorized recreational use to an existing motorized recreational trail if the treadway width is not expanded as a result of the added use, a mandatory EAW is not required."; and

(4) a new item D must be adopted to read: "When designating an existing, legally constructed route for motorized recreational use, a mandatory EAW is not required."

(b) The board may use the good cause exemption rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 100. WETLAND REPLACEMENT; FRAMEWORKS FOR IN-LIEU FEE PROGRAM.

The Board of Water and Soil Resources, in cooperation with the United States Army Corps of Engineers, may complete the planning frameworks and other program application requirements necessary for federal approval of an in-lieu fee program, as authorized under Minnesota Statutes, section 103G.2242, in the Red River basin and the greater than 80 percent area. The planning frameworks must contain a prioritization strategy for selecting and implementing mitigation activities based on a watershed approach that includes consideration of historic resource loss within watersheds and the extent to which mitigation can address priority watershed needs. The board must consider the recommendations of the report "Siting of Wetland Mitigation in Northeast Minnesota," dated March 7, 2014, and implementation of Minnesota Statutes, section 103B.3355, paragraphs (e) and (f), in developing proposed planning frameworks for applicable watersheds. When completing the work and pursuing approval of an in-lieu fee program, the board must do so consistent with the applicable requirements, stakeholder and agency review

processes, and approval time frames in Code of Federal Regulations, title 33, section 332. The board must submit any completed planning frameworks to the chairs and ranking minority members of the house of representatives and the senate committees and divisions with jurisdiction over environment and natural resources upon receiving federal approval.

Sec. 101. **TEMPORARY ENFORCEMENT OF GROUNDWATER APPROPRIATION PERMIT REQUIREMENTS.**

(a) Until July 1, 2019, the commissioner of natural resources must not expend funds to suspend or revoke a water appropriation permit, issue an order requiring a violation to be corrected, assess monetary penalties, or otherwise take enforcement action against a water appropriation permit holder if the suspension, revocation, order, penalty, or other enforcement action is based solely on a violation of a permit requirement added to a groundwater appropriation permit within the north and east metro groundwater management area as a result of a court order issued in 2017.

(b) The commissioner of natural resources may continue to use all the authorities granted to the commissioner under Minnesota Statutes, section 103G.287, to manage groundwater resources within the north and east groundwater management area.

Sec. 102. **GROUNDWATER MANAGEMENT AREA PERMIT REQUIREMENTS.**

(a) Notwithstanding water appropriation permit requirements added by the commissioner of natural resources as a result of a court order issued in 2017, a public water supplier located in the seven-county metropolitan area within a designated groundwater management area:

(1) is not required to revise a water supply plan to include contingency plans to fully or partially convert its water supplies to surface water;

(2) may prepare, enact, and enforce commercial or residential irrigation bans or alternative measures that achieve similar water use reductions when notified by the commissioner of natural resources that lake levels have fallen below court-ordered levels; and

(3) is not required to use per capita residential water use as a measure for purposes of water use reduction goals, plans, and implementation and may submit water use plans and reports that use a measure other than per capita residential water use.

(b) This section expires July 1, 2019.

Sec. 103. **1837 CEDED TERRITORY FISHERIES TECHNICAL COMMITTEE.**

The commissioner of natural resources may invite at least two fish managers as designated by the commissioner to attend all meetings of the 1837 Ceded Territory Fisheries Technical Committee.

Sec. 104. **CARBON MONOXIDE EXPOSURE; FISH HOUSES AND ICE SHELTERS; REPORT.**

The commissioner of natural resources must work with fish house and ice shelter manufacturers and other interested parties to identify best practices to reduce fish house and ice shelter user exposure to carbon monoxide. The commissioner must increase outreach efforts relating to the dangers of carbon monoxide exposure in fish houses and report recommendations to the chairs of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy by January 15, 2019.

Sec. 105. **NONPOINT PRIORITY FUNDING PLAN; REPORT.**

The Board of Water and Soil Resources, in cooperation with representatives of state agencies, local governments, tribal governments, private and nonprofit organizations, and others must review the nonpoint priority funding plan under Minnesota Statutes, section 114D.50, subdivision 3a. By January 31, 2019, the board must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources that contains recommendations to improve the effectiveness of nonpoint priority funding plans to meet the requirements in Minnesota Statutes, section 114D.50, subdivision 3a, the purposes in Minnesota Statutes, section 114D.50, subdivision 3, and the watershed and groundwater restoration and protection goals of Minnesota Statutes, chapters 103B and 114D.

Sec. 106. **HILL-ANNEX MINE STATE PARK; MANAGEMENT AND OPERATION.**

(a) The commissioner of natural resources must operate the Hill-Annex Mine State Park for the purposes it was established through June 30, 2021. The commissioner must work with the group established under Laws 2017, chapter 93, article 2, section 156, to review park activities and the alternate operating model developed and identify options for sustainable and viable operation of the park site. The commissioner must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by January 15, 2021.

(b) The commissioner of natural resources must work with the city of Calumet, other neighboring cities and townships, and other local units of government to identify and coordinate volunteers to supplement the Department of Natural Resources' park operations to the extent allowable under state law and rules.

Sec. 107. **DEMOLITION DEBRIS LANDFILLS; PERMITTING; GROUNDWATER EVALUATION.**

(a) In issuing or reissuing a class I demolition land disposal facility permit, the Minnesota Pollution Control Agency must consider environmental benefits and impacts, social and economic factors, the feasibility and practicability of the permit conditions, and whether the burden of any resulting tax or fee is reasonable, feasible, or practicable. A permit issued under this section must be in accordance with Minnesota Rules, part 7035.2825, and the Pollution Control Agency's Demolition Landfill Guidance published August 2005. The Pollution Control Agency must not impose permit conditions on class 1 demolition land disposal facilities, including requirements for enhanced cover and hydrogeologic sampling, analysis, and reporting, that are not contained in current rules or the Demolition Landfill Guidance unless revised rules are adopted reflecting the restrictions on permits required by this paragraph.

(b) The Pollution Control Agency must use existing appropriations to contract with an independent laboratory to develop a sampling protocol and to collect, analyze, and evaluate groundwater quality data from demolition debris land disposal facilities under a monitoring program in accordance with the Pollution Control Agency's Demolition Landfill Guidance published August 2005. Data on groundwater quality must be evaluated in reference to and in accordance with the definition of pollutant under Minnesota Statutes, section 103H.005, subdivision 11, based on the Minnesota Department of Health's adopted health risk limits and health risk values. In evaluating pollutants, a laboratory must consider whether pollutant concentrations may originate from activities not associated with the permitted demolition debris land disposal facility. By November 1, 2018, the agency must submit a report of the evaluation to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environment and natural resources finance.

Sec. 108. **PUBLIC DRAINAGE DITCH BUFFER STRIP; PLANTING AND MAINTENANCE.**

With the consent of the property owner where the drainage ditch buffer will be located, a drainage authority, as defined in Minnesota Statutes, section 103E.005, subdivision 9, may plant and maintain 16-1/2-foot ditch buffer strips that meet the width and vegetation requirements of Minnesota Statutes, section 103E.021, before acquiring and compensating for the buffer strip land rights according to Minnesota Statutes, chapter 103E. Planting and maintenance costs may be paid in accordance with Minnesota Statutes, chapter 103E. This section expires June 30, 2019.

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

Sec. 109. **WILD RICE; LEGISLATIVE FINDINGS.**

(a) The legislature finds that naturally occurring wild rice is an ecologically and culturally important aquatic plant resource found in certain waters within the state, which serves as a food source for wildlife and humans. The legislature further finds that in recognition of the unique importance of this resource, the Pollution Control Agency, in conjunction with Minnesota Indian tribes, has identified and listed, in rule, select wild-rice waters for which the water quality and the aquatic habitat necessary to support the propagation and maintenance of wild rice must not be materially impaired or degraded. The legislature also finds that identifying and listing additional wild-rice waters based upon their exceptional wild-rice characteristics is an appropriate method of protecting naturally occurring wild rice.

(b) The legislature further finds that federal law vests broad authority in the state to define beneficial uses for waters for the state and grants the state the primary responsibility and right to plan the development and use of the state's water resources and to specify appropriate water uses to be achieved and protected. The legislature also finds that certain waters of the state are used to irrigate wild rice intentionally grown as an agricultural crop, which is an appropriate beneficial use to be achieved and protected and which is the only established beneficial use specifically pertaining to wild rice. The legislature also finds that Minnesota has a unique numeric water quality standard for sulfate in rule to protect this beneficial use to permit the use of waters for irrigation for the production of wild rice that is based on outdated information and ignores the current scientific understanding of the potential impacts of sulfate on wild rice.

(c) The legislature further finds that it is contrary to the public welfare to impose requirements or burdens on regulated parties in Minnesota on the basis of a water quality standard that ignores current science. The legislature also finds that the water quality standard for sulfate has not been enforced in Minnesota since it was adopted in 1973, that the Pollution Control Agency has not designated in rules any waters subject to the water quality standard for sulfate, and that initiating enforcement of the existing obsolete standard would impose prohibitively expensive burdens on regulated parties with potentially grave economic impacts on Minnesota communities and industry.

(d) In recognition of the existence in rule of a water quality standard for sulfate that is not supported by current scientific information, in recognition of the potentially grave consequences that would occur from enforcement of that obsolete standard, and recognizing that the administrative process to repeal the rule has proven to be inefficient and will not provide the regulatory certainty required in a timely manner in the absence of legislative action, the legislature finds that the most effective means to serve the welfare of the state is to enact sections 110 to 115 to eliminate the water quality standard for sulfate, leaving in place sufficient other provisions in law and rule for the protection of naturally occurring wild rice, including but not limited to the listing of additional select wild-rice waters.

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

Sec. 110. **WATER QUALITY STANDARD FOR SULFATE; RULEMAKING.**

The commissioner of the Pollution Control Agency may not adopt, modify, or proceed with any revisions to the rules pertaining to water quality standards for sulfate for wild-rice waters in Minnesota Rules, part 7050.0224, subpart 2, that were disapproved by the chief administrative law judge on January 11, 2018, without again going through the rulemaking procedures under Minnesota Statutes, sections 14.05 to 14.28, except Minnesota Statutes, section 14.101, does not apply.

EFFECTIVE DATE. This section is effective retroactively from January 11, 2018.

Sec. 111. **IDENTIFICATION AND LISTING OF WILD-RICE WATERS.**

The commissioner of the Pollution Control Agency may evaluate the waters of the state to determine if any additional waters containing naturally occurring wild rice have exceptional wild-rice characteristics. The commissioner may, by rule, identify and list these waters as [WR] waters where the water quality and the aquatic habitat necessary to support the propagation and maintenance of wild rice must not be materially impaired or degraded. Before identifying and listing a wild-rice water, the commissioner must establish, in a separate and prior rulemaking, criteria to be used in identifying and listing wild-rice waters. The criteria must include the following, each of which must be met before a water body can be identified and listed as a wild-rice water:

(1) the history of harvesting wild rice;

(2) minimum acreage; and

(3) minimum density of wild rice.

Sec. 112. **APPLICATION OF WATER QUALITY STANDARD FOR SULFATE FOR WILD-RICE WATERS.**

The commissioner of the Pollution Control Agency must not apply the water quality standard for sulfate for wild-rice waters nullified in this act when issuing, modifying, or renewing national pollutant discharge elimination system or state disposal system permits. The commissioner of the Pollution Control Agency must take all steps necessary to conform the agency's rules and practices to this act and to ensure that no regulated party is required to take any action or bear any burden arising from the nullified water quality standard for sulfate unless requested by the permittee.

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

Sec. 113. **APPLICATION OF EQUATION-BASED WATER QUALITY STANDARD FOR WILD-RICE WATERS.**

The commissioner of the Pollution Control Agency must not apply the proposed equation-based sulfate standard rejected by the chief administrative law judge on January 11, 2018, including as a numeric translator to the narrative sulfate standard for wild rice under Minnesota Rules, part 7050.0150, subpart 3, or 7050.0224, subpart 1, when issuing, modifying, or renewing national pollutant discharge elimination system or state disposal system permits.

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

Sec. 114. **APPLICATION OF WATER QUALITY STANDARDS; IRRIGATION.**

The commissioner of the Pollution Control Agency must not apply a water quality standard established to protect water quality for purposes of permitting the water's use for irrigation without significant damage or adverse effects upon crops or vegetation, including water used for the production of wild rice, unless the water is appropriated for irrigation use.

Sec. 115. **NULLIFICATION OF WATER QUALITY STANDARD FOR SULFATE IN WILD-RICE WATERS.**

(a) Notwithstanding Minnesota Rules, part 7050.0224, subpart 2, there is no numeric, nonnarrative, water quality standard for sulfates in class 4A waters in the state until the commissioner of the Pollution Control Agency adopts a standard in accordance with section 110.

(b) That portion of Minnesota Rules, part 7050.0224, subpart 2, that conflicts with paragraph (a) is nullified and does not have the force and effect of law.

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

Sec. 116. **WILD RICE REPORT.**

(a) The commissioner of natural resources must convene a work group consisting of state, tribal, and public experts familiar with the agronomy and hydrology that supports naturally occurring wild rice. The work group's purpose is to advise the commissioner in the preparation of a report on wild rice.

(b) The commissioner of natural resources must submit a report to the state's tribal governments and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources by January 15, 2019, that:

(1) provides recommendations on actions necessary to preserve and improve the health of existing natural wild rice beds;

(2) includes recommendations on monitoring the effectiveness of restoration and protection activities;

(3) identifies best management practices for natural wild rice protection and restoration and recommendations for expanding the use of effective best management practices; and

(4) identifies areas in which to implement the best management practices.

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

ARTICLE 5
JOBS AND ENERGY APPROPRIATIONS

Section 1. **APPROPRIATIONS**

The sums shown in the columns under "Appropriations" are added to appropriations in Laws 2017, chapter 94, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. Appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment. Reductions may be taken in either fiscal year.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. Total Appropriation

\$0 **\$20,320,000**

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>\$19,720,000</u>
<u>Renewable Development</u>	<u>-0-</u>	<u>\$600,000</u>

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

Subd. 2. Business and Community Development

0 **5,320,000**

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>\$4,720,000</u>
<u>Renewable Development</u>	<u>-0-</u>	<u>\$600,000</u>

(a) \$50,000 in fiscal year 2019 is for a grant to Advocating Change Together to address barriers to employment for people with disabilities and provide skills training. This appropriation is available until June 30, 2021.

(b) \$400,000 in fiscal year 2019 is for a grant to Project Build Minnesota for a statewide public awareness campaign to encourage middle school and high school students to consider careers in the construction industry, with a special emphasis on reaching individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry. Grant funds must be used to develop educational resources, including a Web site; perform outreach to students, parents, guidance counselors, and others about opportunities in the construction industry; and partner with educational institutions and nonprofits to offer technical training. This is a onetime appropriation.

(c) \$1,500,000 in fiscal year 2019 is for a grant to the city of Cambridge for costs associated with relocating and constructing a propane distribution facility and for costs associated with demolition, cleanup and restoration of the existing propane facility. Eligible costs include: land acquisition, site preparation and improvements, moving expenses, building construction, rail construction, rail switch construction, demolition, environmental remediation, engineering, and other necessary site improvements. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(d) \$590,000 in fiscal year 2019 is for grants to centers for independent living under Minnesota Statutes, section 268A.11. The grant money under this paragraph must be used to hire eight employees to provide services to veterans and to provide veterans with other targeted services. This is a onetime appropriation and is available until June 30, 2021.

(e) \$150,000 in fiscal year 2019 is for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This is a onetime appropriation.

(f) \$250,000 in fiscal year 2019 is for a grant to Logistic Specialties, Inc. to create a pilot workforce and development program in the east metropolitan area focused on government contract procurement and targeted to low- and moderate-income communities of color. Every six months, beginning on December 15, 2019, the commissioner of employment and economic development must submit a brief update on the progress of the pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. A final report on pilot outcomes must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development by February 15, 2020. This is a onetime appropriation and funds are available until June 30, 2020.

(g) \$500,000 in fiscal year 2019 is for job training grants under Minnesota Statutes, section 116L.42. This is a onetime appropriation.

(h) \$250,000 in fiscal year 2019 is for a grant to the Hallie Q. Brown Community Center, Inc., for youth intervention services through the community ambassadors and youth employment program. This is a onetime appropriation.

(i) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (k), \$600,000 in fiscal year 2019 is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, for a grant to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute. Of this amount, \$300,000 is to develop and demonstrate biomass conversion technology for higher value fuels and \$300,000 is to develop and demonstrate advanced biogas technologies for clean methane fuels. Both programs must focus on translation and deployment of technologies developed in partnerships between industry and the University of Minnesota. This is a onetime appropriation.

(j) \$230,000 in fiscal year 2019 is for a grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce. The grant is for economic development, redevelopment, and job creation programs and projects. This is a onetime appropriation and is available until June 30, 2021.

(k)(1) \$300,000 in fiscal year 2019 for a grant to the Minnesota Environmental Science and Economic Review Board (MESERB) to review water quality regulation and national pollutant discharge elimination system permits (NPDES). This grant is subject to Minnesota Statutes, section 16B.98. MESERB may select the water quality regulations and permits to be reviewed but must give preference to reviewing any draft NPDES permit that has new effluent limit requirements for a publicly owned wastewater treatment facility outside the seven county metropolitan area. Any permit review must analyze the technical accuracy of the permit and the impact on both business and residential rates, the water quality benefit of permit compliance, and the anticipated funding for the permittee from federal and state sources. This is a onetime appropriation and is available until June 30, 2021.

(2) Upon completion of the permit review, MESERB must provide a copy of the review to the permittee and the commissioner of the Pollution Control Agency. MESERB must also submit a report summarizing its findings in each permit review performed in the previous calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment, environmental policy and finance, and economic development.

(l) \$500,000 in fiscal year 2019 is for a grant to Comunidades Latinas Unidas en Servicio (CLUES) to acquire property and to construct, furnish, and equip a new education and technology institute connected to CLUES headquarters in St. Paul to provide education and community gathering space. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502. This appropriation is onetime and available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Subd. 3. Broadband Development

0

15,000,000

(a) \$15,000,000 in fiscal year 2019 is for transfer to the border-to-border broadband fund account in the special revenue fund established under Minnesota Statutes, section 116J.396 and may be used for purposes provided in Minnesota Statutes, section 116J.395. This appropriation is onetime and is available until spent. Of this appropriation, up to three percent is for costs

incurred by the commissioner to administer Minnesota Statutes, section 116J.395. Administrative costs may include the following activities related to measuring progress toward the state's broadband goals established in Minnesota Statutes, section 237.012:

(1) collecting broadband deployment data from Minnesota providers, verifying its accuracy through on-the-ground testing, and creating state and county maps available to the public showing the availability of broadband service at various upload and download speeds throughout Minnesota;

(2) analyzing the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conducting business and residential surveys that measure broadband adoption and use in the state.

Data provided by a broadband provider under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this subdivision are public data under Minnesota Statutes, section 13.03.

(b) Of the amount appropriated in paragraph (a), \$750,000 is for grants to satellite broadband providers under Minnesota Statutes, section 116J.395.

Sec. 3. **HOUSING FINANCE AGENCY**

\$0

\$1,880,000

(a) \$1,000,000 in fiscal year 2019 is for transfer to the housing development fund for the programs in Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8. The agency may allocate this appropriation as necessary to these two programs to facilitate the Homework Starts with Home program. This is a onetime appropriation.

(b) \$500,000 in fiscal year 2019 is for park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b. This is a onetime appropriation.

(c) \$380,000 in fiscal year 2019 is for grants to organizations to provide lead risk assessments by a lead inspector or a lead risk assessor licensed by the commissioner pursuant to Minnesota Statutes, section 144.9505, to test residential units for the presence of lead hazards. Grant programs receiving funding under this section must provide funding for lead risk assessments for properties built before 1978 to:

(1) landlords of residential buildings for testing on units where the tenant's income does not exceed 60 percent of area median income; or

(2) tenants with an income that does not exceed 60 percent of area median income.

The commissioner shall award grant funding to target grant resources to landlords and tenants where there are high concentrations of lead poisoning in children based on the information provided from the commissioner of health. Up to ten percent of the grant may be used to administer the grant and provide education and outreach about lead health hazards. This is a onetime appropriation.

Sec. 4. **DEPARTMENT OF COMMERCE**

\$0

\$7,100,000

This appropriation is from the renewable development fund.

(a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (k), \$3,000,000 in fiscal year 2019 is from the renewable development account in the special revenue fund under Minnesota Statutes, section 116C.779, subdivision 1, for the local government emerald ash borer removal grant program under Minnesota Statutes, section 216C.437. This appropriation is onetime and available until June 30, 2021.

(b)(1) \$1,000,000 in fiscal year 2019 is from the renewable development account in the special revenue fund under Minnesota Statutes, section 116C.779, subdivision 1, to fund grants for demonstration projects that assess the technical and economic effectiveness of deploying energy storage systems to restore electrical energy to critical health care facilities following electrical outages due to storms or other catastrophic events. This is a onetime appropriation.

(2) The commissioner of commerce shall endeavor to make grant awards under this section for projects at critical health care facilities located in all regions of the state.

(3) For the purposes of this paragraph, "energy storage system" means a commercially available technology capable of (i) absorbing and storing electrical energy, and (ii) dispatching sorted electrical energy for use at a later time.

(c) \$1,100,000 in fiscal year 2019 is from the renewable development account in the special revenue fund under Minnesota Statutes, section 116C.779, subdivision 1, for the residential biomass heating system grant program under Minnesota Statutes, section 216C.419. This is a onetime appropriation and available until June 30, 2020.

(d) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (k), \$2,000,000 in fiscal year 2019 is appropriated from the renewable development account in the

special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner for a grant to the public utility that owns the Prairie Island nuclear generation plant, for the following purposes:

(1) \$1,000,000 is to conduct a study to determine the most rapid, safe, and economical methods to remove spent nuclear fuel from the independent spent fuel storage installations at the Prairie Island and Monticello nuclear electric generating plants, including, but not limited to, an evaluation of alternative modes of transport, possible routes, and infrastructure needs; and

(2) \$1,000,000 is to support the preparation of applications by independent private parties seeking a license from the Nuclear Regulatory Commission to establish a consolidated interim storage facility that could store spent nuclear fuel currently stored at the independent spent fuel storage installations at the Monticello and Prairie Island nuclear electric generating plants.

By July 15, 2019, the public utility that owns the Prairie Island nuclear electric generating plant must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over electric utilities and to the commissioner describing the activities on which funds have been expended under this paragraph, the results or progress of any study or initiative, and future planned uses of the funds. The public utility must submit updated reports to the same persons each succeeding July 15 until all funds have been expended or unexpended funds have been returned to the account. Any funds not expended at the time of the final report must be returned to the account. This is a onetime appropriation.

Sec. 5. **PUBLIC FACILITIES AUTHORITY**

\$0

\$3,550,000

(a) \$750,000 in fiscal year 2019 is for a grant to the city of Deer River to predesign, design, engineer, and construct a stabilization pond and to predesign, design, construct, and install the replacement and expansion of storm sewer lines, sanitary sewer lines, and water lines in the city of Deer River. This appropriation is available when the commissioner of management and budget determines that resources sufficient to complete the project are committed to the project, as required in Minnesota Statutes, section 16A.502. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(b) \$600,000 in fiscal year 2019 is for a grant to the Alexandria Lake Area Sanitary District for lake management activities, including but not limited to alum treatment in Lake Agnes, carp removal in Lake Winona, and related management and reassessment measures that are intended to achieve and maintain

compliance with water quality standards for phosphorus and the total maximum daily load for Lake Winona. This is a onetime appropriation and is available until June 30, 2021.

(c) \$1,100,000 in fiscal year 2019 is for a grant to the city of Cold Spring to acquire land, predesign, design, engineer, construct, furnish, and equip water infrastructure, including drilling new wells, a water treatment plant, and piping for water distribution. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(d) \$1,100,000 in fiscal year 2019 is for a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

Sec. 6. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 2, is amended to read:

Subd. 2. Business and Community Development	\$46,074,000	\$ 40,935,000 <u>30,585,000</u>
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Appropriations by Fund

General	\$43,363,000	\$ 38,424,000 <u>\$28,074,000</u>
Remediation	\$700,000	\$700,000
Workforce Development	\$1,861,000	\$1,811,000
Special Revenue	\$150,000	-0-

(a) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$750,000 each year is for grants to the Neighborhood Development Center for small business programs:

- (1) training, lending, and business services;
- (2) model outreach and training in greater Minnesota; and
- (3) development of new business incubators.

This is a onetime appropriation.

(c) \$1,175,000 each year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(d) \$125,000 each year is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(e)(1) \$12,500,000 each year is in fiscal year 2018 and \$7,500,000 in fiscal year 2019 are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until spent. In fiscal year 2020, the base amount is \$12,500,000. For fiscal year 2021 and beyond, the base amount is \$9,500,000.

(2) Of the amount appropriated in fiscal year 2018, \$4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of \$200,000,000 and constructing a facility at least 700,000 square feet in size. Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The commissioner of employment and economic development shall forgive the loan after verification that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(3) Of the amount appropriated in fiscal year 2018, \$700,000 is for a loan to extend an effluent pipe that will deliver reclaimed water to an innovative waste-to-biofuel project investing a minimum of \$150,000,000 and constructing a facility that is designed to process approximately 400,000 tons of waste annually. Loan funds are available until June 30, 2021.

(4) Of the amount appropriated in fiscal year 2019, \$2,000,000 is for one or more grants to Florence Township in Goodhue County to predesign, design, engineer, construct, and install infrastructure for storm water protection, wells, roads, public safety, and power access in southeastern Minnesota, in partnership with a tribal government and a nonprofit organization, to enable future economic development and increase economic activity in southeastern Minnesota. The grant recipient must provide a

nonstate contribution in an amount at least equal to the grant. This portion of the appropriation is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(5) Of the amount appropriated in fiscal year 2019, \$500,000 is for a grant to Mille Lacs County to provide loans as described in Minnesota Statutes, section 116J.8731, for eligible projects located within one of the follow municipalities surrounding Lake Mille Lacs:

(i) in Crow Wing County, the city of Garrison, township of Garrison, or township of Roosevelt;

(ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of Malmo, or township of Lakeside; or

(iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio.

(6) Of the amount appropriated in fiscal year 2019, \$500,000 is for a grant to the city of Minnetonka for a high-risk, high-return jobs retention and creation initiative to be conducted by a local organization that produces lactic acid/lactate, to help grow and expand the bioeconomy in Minnesota. The grant under this clause is not subject to the limitations under Minnesota Statutes, section 116J.8731, subdivision 5, or the performance goals and contractual obligations under Minnesota Statutes, section 116J.8731, subdivision 7.

(7) Of the amount appropriated in fiscal year 2019, \$500,000 is for a loan to a paper mill in Duluth to support the operation and manufacture of packaging paper grades. The company that owns the paper mill must spend \$15,000,000 on expansion activities by December 31, 2019, in order to be eligible to receive funds under this appropriation. Appropriation funds may be used for the mill's equipment, materials, supplies, and other operating expenses. The commissioner of employment and economic development shall forgive a portion of the loan each year after verification that the mill has retained 195 full-time jobs over a period of five years and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(f) \$8,500,000 ~~each year is~~ in fiscal year 2018 and \$1,500,000 in fiscal year 2019 are for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. In fiscal year 2020 ~~and beyond~~, the base amount is \$8,000,000. In fiscal year 2021 and beyond, the base amount is \$5,000,000.

(g) \$1,647,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent. In fiscal year 2020 and beyond, the base amount is \$1,772,000.

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

(i) \$163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(j) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2021.

(k) \$139,000 each year is for a grant to the Rural Policy and Development Center under Minnesota Statutes, section 116J.421.

(l)(1) \$1,300,000 each year is in fiscal year 2018 and \$2,200,000 in fiscal year 2019 are for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until spent. If the appropriation for either year is insufficient, the appropriation for the other year is available. In fiscal year 2020 and beyond, the base amount is \$1,787,000. Funds available under this paragraph may be used for site preparation of property owned and to be used by private entities.

(2) Of the amounts appropriated, \$1,600,000 in fiscal year 2018 is for a grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required. Grant funds are available from July 1, 2017, to June 30, 2021.

(m) \$876,000 the first year and \$500,000 the second year are for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(n) \$875,000 each year is for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(o) \$250,000 in fiscal year 2018 is for a grant to the Minnesota Design Center at the University of Minnesota for the greater Minnesota community design pilot project.

(p) \$275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. CEDA shall report on the findings and recommendations of the study to the committees of the house of representatives and senate with jurisdiction over economic development and workforce issues by February 15, 2019. All results and information gathered from the study shall be made available for use by cities in southeast Minnesota by March 15, 2019. This appropriation is available until June 30, 2020.

(q) \$2,000,000 in fiscal year 2018 is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing health care access, and providing job creation and economic opportunities in one place for children and families living in the area. To the extent possible, Pillsbury United Communities shall employ individuals who reside within a five mile radius of the grocery store and wellness center. This appropriation is not available until at least an equal amount of money is committed from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(r) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(s) \$875,000 each year is for the host community economic development grant program established in Minnesota Statutes, section 116J.548.

(t) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(u) \$161,000 each year is from the workforce development fund for a grant to the Rural Policy and Development Center. This is a onetime appropriation.

(v) \$300,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. This is a onetime appropriation.

(w) \$50,000 in fiscal year 2018 is from the workforce development fund for a grant to Fighting Chance for behavioral intervention programs for at-risk youth.

(x) \$1,350,000 each year is from the workforce development fund for job training grants under Minnesota Statutes, section 116L.42.

(y)(1) \$519,000 in fiscal year 2018 is and \$750,000 in fiscal year 2019 are for grants to local communities to increase the supply of quality child care providers in order to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this paragraph must be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have documented a shortage of child care providers in the area. For fiscal year 2019, each grant recipient must target at least one-half of the recipient's grant funding to child care providers who have not previously received funding under this program. The base amount in fiscal year 2020 and beyond is \$0.

(2) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

(3) By January 1 of each year, starting in 2019, the commissioner must report to the standing committees of the legislature having jurisdiction over child care and economic development on the outcomes of the program to date.

(z) \$319,000 in fiscal year 2018 is from the general fund for a grant to the East Phillips Improvement Coalition to create the East Phillips Neighborhood Institute (EPNI) to expand culturally

tailored resources that address small business growth and create green jobs. The grant shall fund the collaborative work of Tamales y Bicicletas, Little Earth of the United Tribes, a nonprofit serving East Africans, and other coalition members towards developing EPNI as a community space to host activities including, but not limited to, creation and expansion of small businesses, culturally specific entrepreneurial activities, indoor urban farming, job training, education, and skills development for residents of this low-income, environmental justice designated neighborhood. Eligible uses for grant funds include, but are not limited to, planning and start-up costs, staff and consultant costs, building improvements, rent, supplies, utilities, vehicles, marketing, and program activities. The commissioner shall submit a report on grant activities and quantifiable outcomes to the committees of the house of representatives and the senate with jurisdiction over economic development by December 15, 2020. This appropriation is available until June 30, 2020.

(aa) \$150,000 the first year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to conduct the biomass facility closure economic impact study.

(bb)(1) \$300,000 in fiscal year 2018 is for a grant to East Side Enterprise Center (ESEC) to expand culturally tailored resources that address small business growth and job creation. This appropriation is available until June 30, 2020. The appropriation shall fund the work of African Economic Development Solutions, the Asian Economic Development Association, the Dayton's Bluff Community Council, and the Latino Economic Development Center in a collaborative approach to economic development that is effective with smaller, culturally diverse communities that seek to increase the productivity and success of new immigrant and minority populations living and working in the community. Programs shall provide minority business growth and capacity building that generate wealth and jobs creation for local residents and business owners on the East Side of St. Paul.

(2) In fiscal year 2019 ESEC shall use funds to share its integrated service model and evolving collaboration principles with civic and economic development leaders in greater Minnesota communities which have diverse populations similar to the East Side of St. Paul. ESEC shall submit a report of activities and program outcomes, including quantifiable measures of success annually to the house of representatives and senate committees with jurisdiction over economic development.

(cc) \$150,000 in fiscal year 2018 is for a grant to Mille Lacs County for the purpose of reimbursement grants to small resort businesses located in the city of Isle with less than \$350,000 in annual revenue, at least four rental units, which are open during both summer and winter months, and whose business was adversely impacted by a decline in walleye fishing on Lake Mille Lacs.

(dd)(1) \$250,000 in fiscal year 2018 is for a grant to the Small Business Development Center hosted at Minnesota State University, Mankato, for a collaborative initiative with the Regional Center for Entrepreneurial Facilitation. Funds available under this section must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. For the purposes of this section, "direct professional business assistance services" must include, but is not limited to, pre-venture assistance for individuals considering starting a business. This appropriation is not available until the commissioner determines that an equal amount is committed from nonstate sources. Any balance in the first year does not cancel and is available for expenditure in the second year.

(2) Grant recipients shall report to the commissioner by February 1 of each year and include information on the number of customers served in each county; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates in each county. By April 1 of each year, the commissioner shall report the information submitted by grant recipients to the chairs of the standing committees of the house of representatives and the senate having jurisdiction over economic development issues.

(ee) \$500,000 in fiscal year 2018 is for the central Minnesota opportunity grant program established under Minnesota Statutes, section 116J.9922. This appropriation is available until June 30, 2022.

(ff) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

Sec. 7. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. Workforce Development	\$31,498,000	\$30,231,000
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Appropriations by Fund

General	\$6,239,000	\$5,889,000
Workforce Development	\$25,259,000	\$24,342,000

(a) \$500,000 each year is for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. In fiscal year 2020 and beyond, the base amount is \$750,000.

(b) \$250,000 each year is for pilot programs in the workforce service areas to combine career and higher education advising.

(c) \$500,000 each year is for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(d) \$1,000,000 each year is for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

(1) increase construction industry exposure activities for middle school and high school youth, parents, and counselors to reach a more diverse demographic and broader statewide audience. This requirement includes, but is not limited to, an expansion of programs to provide experience in different crafts to youth and young adults throughout the state;

(2) increase the number of high schools in Minnesota offering construction classes during the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(e) \$1,539,000 each year from the general fund and \$4,604,000 each year from the workforce development fund are for the Pathways to Prosperity adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. When awarding grants under this paragraph, the commissioner of employment and economic development may give preference to any previous grantee with demonstrated success in job training and placement for hard-to-train individuals. In fiscal year 2020 and beyond, the general fund base amount for this program is \$4,039,000.

(f) \$750,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(g) \$500,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$750,000.

(h) \$500,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(i) \$250,000 each year is for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

- (1) student tutoring and testing support services;
- (2) training in information technology;
- (3) assistance in obtaining a GED;

(4) remedial training leading to enrollment in a postsecondary higher education institution;

(5) real-time work experience in information technology fields; and

(6) contextualized adult basic education.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

(j) \$100,000 each year is for the getting to work grant program. This is a onetime appropriation and is available until June 30, 2021.

(k) \$525,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(l) \$1,350,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota, having fewer than 250 employees worldwide. At least 300 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$2,500 per intern. The program must work toward increasing the participation of women or other underserved populations. This is a onetime appropriation.

(m) \$450,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(n) \$500,000 each year is from the workforce development fund for a grant to Resource, Inc. to provide low-income individuals career education and job skills training that are fully integrated with chemical and mental health services. This is a onetime appropriation.

(o) \$750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career

development. This project, which may have career guidance components including health and life skills, is designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(p) \$215,000 each year is from the workforce development fund for grants to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota, and Southern Minnesota Big Brothers, Big Sisters chapters. This is a onetime appropriation.

(q) \$250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(r) \$1,000,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(s) \$1,000,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(t) \$750,000 each year is from the workforce development fund for a grant to Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(u) \$600,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity building. This is a onetime appropriation.

(v) \$1,297,000 in the first year and \$800,000 in the second year are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, \$497,000 in fiscal year 2018 is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and funds are available until June 30, 2020.

(w) \$230,000 in fiscal year 2018 is from the workforce development fund for a grant to the Bois Forte Tribal Employment Rights Office (TERO) for an American Indian workforce development training pilot project. This is a onetime appropriation and is available until June 30, 2019. Funds appropriated the first year are available for use in the second year of the biennium.

(x) \$40,000 in fiscal year 2018 is from the workforce development fund for a grant to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to other funds previously appropriated to the board.

(y) \$250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including, but not limited to, hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation and is available until June 30, 2020.

(z) \$500,000 each year is from the workforce development fund for a grant to the Nonprofits Assistance Fund to provide capacity-building grants to small, culturally specific organizations that primarily serve historically underserved cultural communities. Grants may only be awarded to nonprofit organizations that have an annual organizational budget of less than \$500,000 and are

culturally specific organizations that primarily serve historically underserved cultural communities. Grant funds awarded must be used for:

(1) organizational infrastructure improvement, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creation or expansion of partnerships with existing organizations that have specialized expertise in order to increase the capacity of the grantee organization to improve services for the community. Of this amount, up to five percent may be used by the Nonprofits Assistance Fund for administration costs and providing technical assistance to potential grantees. This is a onetime appropriation.

(aa) \$4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(bb) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(cc) \$3,348,000 each year is from the workforce development fund for the "Youth at Work" youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(dd) \$500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs.

(ee) \$750,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand its contextualized GED and employment placement program. This is a onetime appropriation.

(ff) \$500,000 each year is from the workforce development fund for a grant to Goodwill-Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(gg) \$150,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(hh)(1) \$150,000 in fiscal year 2018 is from the workforce development fund for a grant to Anoka County to develop and implement a pilot program to increase competitive employment opportunities for transition-age youth ages 18 to 21.

(2) The competitive employment for transition-age youth pilot program shall include career guidance components, including health and life skills, to encourage, train, and assist transition-age youth in job-seeking skills, workplace orientation, and job site knowledge.

(3) In operating the pilot program, Anoka County shall collaborate with schools, disability providers, jobs and training organizations, vocational rehabilitation providers, and employers to build upon opportunities and services, to prepare transition-age youth for competitive employment, and to enhance employer connections that lead to employment for the individuals served.

(4) Grant funds may be used to create an on-the-job training incentive to encourage employers to hire and train qualifying individuals. A participating employer may receive up to 50 percent of the wages paid to the employee as a cost reimbursement for on-the-job training provided.

(ii) \$500,000 each year is from the workforce development fund for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(jj) In calendar year 2017, the public utility subject to Minnesota Statutes, section 116C.779, must withhold \$1,000,000 from the funds required to fulfill its financial commitments under Minnesota Statutes, section 116C.779, subdivision 1, and pay such amounts to the commissioner of employment and economic development for deposit in the Minnesota 21st century fund under Minnesota Statutes, section 116J.423.

(kk) \$350,000 in fiscal year 2018 is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are

no more than 12 months from the date of release. AccessAbility Incorporated shall annually report to the commissioner on how the money was spent and the results achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants.

Sec. 8. Laws 2017, chapter 94, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. Labor Standards and Apprenticeship	3,645,000	3,668,000 <u>3,868,000</u>
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Appropriations by Fund

General	1,776,000	1,790,000 <u>1,990,000</u>
Workforce Development	1,869,000	1,878,000

(a) ~~\$500,000 each year is from the general fund in fiscal year 2018 and \$700,000 in fiscal year 2019~~ are for wage theft prevention under the division of labor standards.

(b) \$100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(c) \$300,000 each year is from the workforce development fund for the PIPELINE program.

(d) \$200,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hardhats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

(e) \$1,029,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(f) \$150,000 each year is from the workforce development fund for prevailing wage enforcement.

Sec. 9. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

Subd. 5. General Support	6,239,000	6,539,000
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Appropriations by Fund

Workforce Development Fund	200,000	500,000
Workers' Compensation	6,039,000	6,039,000

(a) Except as provided in paragraphs (b) and (c), this appropriation is from the workers' compensation fund.

(b) \$200,000 in fiscal year 2018 is from the workforce development fund for the commissioner of labor and industry to convene and collaborate with stakeholders as provided under Minnesota Statutes, section 175.46, subdivision 3, and to develop youth skills training competencies for approved occupations. This is a onetime appropriation.

(c) \$500,000 in fiscal year 2019 is from the workforce development fund to administer the youth skills training program under Minnesota Statutes, section 175.46. The commissioner shall award up to five grants each year to local partnerships located throughout the state, not to exceed \$100,000 per local partnership grant. The commissioner may use a portion of this appropriation for administration of the grant program. The base amount for this program is ~~\$500,000~~ \$750,000 each year beginning in fiscal year 2020.

ARTICLE 6
ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2017 Supplement, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development ~~and associated public facility improvement~~, concurrent reclamation, ~~or for acquisition of~~ plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose ~~beginning with distributions in 2014. Effective for proposals for expenditures of money from the fund beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board.~~ If a proposed expenditure is not approved by the commissioner, after

consultation with the advisory board, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds ~~are available for release to another producer in proportion to the distribution provided and under the conditions of this section~~ may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be ~~divided between~~ distributed to the taconite environmental protection fund ~~created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts.~~ Two thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one third to the Douglas J. Johnson economic protection trust fund.

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

Sec. 2. Minnesota Statutes 2016, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per ton for distributions in 2002 and thereafter must be paid to the taconite economic development fund. No distribution shall be made under this paragraph in 2004 or any subsequent year in which total industry production falls below 30 million tons. Distribution shall only be made to a Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the due dates provided by an administrative agreement with the commissioner.

(b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed \$700,000 annually for all ~~companies~~ Minnesota taconite pellet producers. If the initial amount to be paid to the fund exceeds this amount, each ~~company's~~ Minnesota taconite pellet producer's payment shall be prorated so the total does not exceed \$700,000.

EFFECTIVE DATE. This section is effective retroactively from December 31, 2016.

Sec. 3. **TRANSFER 2018 DISTRIBUTION ONLY.**

For the 2018 distribution, the fund established under Minnesota Statutes, section 298.28, subdivision 7, shall receive ten cents per ton of any excess of the balance remaining after distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6.

EFFECTIVE DATE. This section is effective for the 2018 distribution, and the transfer must be made within ten days of the August 2018 payment.

Sec. 4. **DISLOCATED WORKER RAPID RESPONSE ACTIVITY.**

Notwithstanding anything to the contrary, of the money appropriated to the Job Skills Partnership Board for the purposes of Minnesota Statutes, section 116L.17, under Minnesota Statutes, section 116L.20, subdivision 2, at least \$650,000 in fiscal year 2019 must be used for rapid response activities under Minnesota Statutes, section 116L.17, subdivision 10, to address the substantial anticipated job losses at the Electrolux plant in St. Cloud. These services shall be provided by Career Solutions. Grant funds may be used for, but are not limited to, GED programs, English language courses, computer literacy efforts, and training in the manufacturing and construction trades. In addition, the commissioner of employment and economic development is directed to take all necessary steps, including application for any required federal waivers, to begin providing services to affected workers before December 31, 2018.

Sec. 5. **USE OF LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

Notwithstanding Minnesota Statutes, section 116J.8731, and any law to the contrary, a home rule charter or statutory city, county, or town may, before July 1, 2018, commit money received from the repayment of funds awarded under Minnesota Statutes, section 116J.8731, to a business revolving loan fund partially funded by the federal government. Once committed, funds may be used for any purpose allowed by the federal program.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2007.

Sec. 6. **REVISOR'S INSTRUCTION; MIF NAME CHANGE TO N-SODA.**

In Minnesota Statutes, the revisor of statutes shall change the term "Minnesota investment fund" to "North Star Opportunity and Development Account" wherever it is apparent from context that the term "Minnesota investment fund" refers to the program under Minnesota Statutes, section 116J.8731.

ARTICLE 7
ENERGY

Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (e) and (f) ~~and (g)~~, and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island and Monticello nuclear generating plant plants must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for \$20,000,000 each year the either plant is in operation, and \$7,500,000 each year the plant is not in operation, if ordered by the commission pursuant to paragraph (i).~~ (h), \$7,500,000 each year the Prairie Island plant is not in operation and \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or Monticello for any part of a year.

(d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i).~~ The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for any part of a year.

~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the renewable development account under ~~paragraphs paragraph~~ paragraph (c) and ~~(d)~~ the amount necessary to pay its obligations under paragraphs (e), (f) and ~~(g)~~, (k), and (n), and sections 116C.7792 and 216C.41, for that calendar year.

~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and ~~(e)~~ (d).

~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs (e) and (f) and ~~(g)~~ is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(i) The public utility shall file annually with the commission a petition to recover all funds required to be transferred or withheld under paragraphs (c) to (f) for the next year through a rider mechanism. The commission shall approve a reasonable cost recovery schedule for all such funds.

(j) On or before January 15 of each year, the public utility shall file a petition with the commission setting forth the amounts withheld by the public utility the prior year under paragraph (d) and the amount actually paid the prior year for obligations identified in paragraph (d). If the amount actually paid is less than the amount withheld, the public utility shall deduct the surplus from the amount withheld for the current year under paragraph (d). If the amount actually paid is more than the amount withheld, the public utility shall add the deficiency amount to the amount withheld for the current year under paragraph (d). Any surplus remaining in the account after all programs identified in paragraph (d) are terminated must be returned to the customers of the public utility.

~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

~~(k)~~ (m) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Members of the advisory group shall be chosen by the public utility. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(n) The cost of acquiring the services of the independent third-party expert described in paragraph (m) and any other reasonable costs incurred to administer the advisory group and its actions as required by this section shall be paid from funds withheld by the public utility under paragraph (d).

~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the ~~legislature~~ commission. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph ~~(m)~~ (p).

~~(n)~~ (p) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account under paragraph (k) for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie Island Nuclear Electric Generating Plant must submit to the commissioner of management and budget an estimate of the amount the public utility will deposit into the account the following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations made from the fund during the most recent legislative sessions.

~~(q)~~ (t) By February 1 June 30, 2018, and each February 1 June 30 thereafter, the commissioner of management and budget shall estimate the balance in the account as of the following January 31, taking into account the balance in the account as of June 30 and the information provided under paragraph (r). By July 15, 2018, and each July 15 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated to be available in the account as of January 31, the advisory group must, by July 30, 2018, and each July 30 thereafter, issue a request for proposals to initiate a grant cycle for the purposes of paragraph (k).

~~(r)~~ (u) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public Web site designated by the commissioner of commerce.

~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

~~(u)~~ (x) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

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

Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.

The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of ~~20~~ 40 kilowatts direct current per premises. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts. The program shall be operated for eight consecutive calendar years commencing in 2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth year from funds withheld from transfer to the renewable development account under section 116C.779, subdivision 1, ~~paragraphs (b) and (e)~~ paragraph (d), and placed in a separate account for the purpose of the solar production incentive program operated by the utility and not for any other program or purpose. Any unspent amount allocated in the fifth year is available until December 31 of the sixth year. Any unspent amount remaining at the end of an allocation year must be transferred to the renewable development account or returned to customers. The solar system must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system. The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

EFFECTIVE DATE. This section is effective June 1, 2018.

Sec. 3. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

Subdivision 1. **Program established.** The Prairie Island Net Zero Project is established with the goal of the Prairie Island Indian Community developing an energy system that results in net zero emissions.

Subd. 2. **Grant.** The commissioner of employment and economic development shall enter into a grant contract with the Prairie Island Indian Community to provide \$20,000,000 on July 1, 2018, and \$5,000,000 each year thereafter for four years to stimulate research, development, and implementation of renewable energy projects benefitting the Prairie Island Indian Community or its members.

Subd. 3. **Plan; report.** The Prairie Island Indian Community shall file a plan with the commissioner of employment and economic development no later than July 1, 2019, describing the Prairie Island Net Zero Project elements and implementation strategy. The Prairie Island Indian Community shall file a report on July 1, 2020, and each July 1 thereafter through 2023, describing the progress made in implementing the project and the use of funds expended.

Subd. 4. **Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph (k), \$20,000,000 is appropriated in fiscal year 2019 and \$5,000,000 is appropriated each year in fiscal years 2020, 2021, 2022, and 2023, from the renewable development account under section 116C.779, subdivision 1, to the commissioner of employment and economic development for a grant to the Prairie Island Indian Community for the purposes of this section. Any funds remaining at the end of a fiscal year do not cancel to the renewable development account but remain available until spent. This subdivision expires upon the last transfer of funds to the commissioner.

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

Sec. 4. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to read:

Subd. 10. **Offices.** The Public Utilities Commission's offices must be located in Virginia, Minnesota.

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

Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to read:

Subd. 13a. **Pension rate base.** The commission must allow a public utility to include in the rate base and recover from ratepayers the costs incurred to contribute to employee pensions, including (1) accumulated contributions in excess of net periodic benefit costs, and (2) contributions necessary to comply with the federal Pension Protection Act of 2006 and other applicable federal and state pension funding requirements. A public utility is authorized to track for future recovery any unrecoverable return of pension rate base costs and investments at the return on investment level established in the public utility's last general rate case that have been incurred during the period between general rate cases.

Sec. 6. Minnesota Statutes 2017 Supplement, section 216B.164, subdivision 5, is amended to read:

Subd. 5. **Dispute; resolution.** (a) In the event of ~~disputes~~ a dispute between a qualifying facility and a public utility ~~and a qualifying facility~~ or a cooperative electric association that has not elected to resolve disputes under subdivision 11, either party may request a determination of the issue by the commission. In any such determination, the burden of proof ~~shall be~~ is on the public utility or cooperative electric association. The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of the public utility or cooperative electric association only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

(b) Notwithstanding subdivisions 9 and 11, a qualifying facility over 20 megawatts may, until December 31, 2022, request that the commission resolve a dispute with any utility, including a cooperative electric association or municipal utility, under paragraph (a).

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

Sec. 7. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and 2b, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

(d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

(f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scam mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

(g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file a report with the commission reporting its progress in achieving the solar energy standard established under this subdivision.

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

Sec. 8. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

Subdivision 1. **Qualifying facilities.** An existing large electric generating power plant, as defined in section 216B.2421, subdivision 2, clause (1), employing nuclear technology to generate electricity qualifies for designation as a carbon reduction facility as provided in this section.

Subd. 2. **Proposal submission.** (a) A public utility may submit a proposal to the commission for designation of a qualifying facility as a carbon reduction facility under this section. The proposal must be filed within a public utility's new resource plan filing no earlier than February 1, 2019. The proposal shall include:

(1) a showing that the facility meets the requirements of subdivision 1;

(2) a proposed statement of the total expected costs, including, but not limited to, capital investments and operation and maintenance costs associated with the operation of the facility. The total expected costs shall cover a period not to exceed the planning period of the public utility's new resource plan;

(3) details about all costs currently included in rates, current operating costs if different than those currently included in rates, and an evaluation of the utility's forecasted costs prepared by an independent evaluator; and

(4) an analysis of how the proposed capital investments and operation and maintenance costs would impact rates if that impact is different than any described in the utility's most recently filed resource plan.

(b) If the information submitted in the original proposal changes because it was unknown and not capable of being known at the time of the original proposal, a utility may at any time file additional proposals for the same facility.

(c) The proposal may ask the commission to establish a sliding scale rate-of-return mechanism for the capital investments to provide an additional incentive for the utility to complete the project at or under the proposed costs.

Subd. 3. **Proposal approval.** (a) The commission shall approve, reject, or modify the proposed designation of the facility and the total expected costs submitted by the public utility. The commission shall make a final determination on the proposed designation concurrent with its order in the resource plan, or sooner, should the commission determine that it is in the public interest.

(b) When conducting the review in paragraph (a), the commission shall allow intervention by the Department of Commerce, the Office of the Attorney General, ratepayer advocates, the Prairie Island and Monticello communities, and other interested parties. The public utility shall pay the costs of any nuclear expert retained by the Department of Commerce.

(c) To the extent the commission modifies the proposal, the utility may choose whether to accept the modifications. If the utility does not accept the modifications, the commission shall deem the proposal withdrawn.

(d) With respect to any carbon reduction facility, the approval shall constitute a finding of prudence for the total expected costs contained in the proposal, meaning that the utility shall be entitled to recover, through a subsequent rate case, any actual costs not in excess of the total expected costs provided in its proposal for designation as a carbon reduction facility.

(e) Upon approval of a proposed designation of a facility and the total expected costs submitted by the utility, the utility shall provide biennial updates to the commission regarding its progress with respect to adhering to the approved costs. The commission may issue orders it deems necessary to ensure that the carbon reduction facility remains cost-effective for customers and financially viable for the utility.

Sec. 9. **[216C.419] RESIDENTIAL BIOMASS HEATING SYSTEM GRANT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, the following definitions have the meanings given.

(a) "Homeowner" means the owner of a residential homestead, as defined in section 273.124, subdivision 1, paragraph (a), or the owner of an agricultural homestead, as defined in section 273.13, subdivision 23, paragraph (a).

(b) "Residential biomass heating system" means:

(1) a pellet stove or wood heater, as defined in Code of Federal Regulations, title 40, section 60.531; or

(2) a residential forced-air furnace or residential hydronic heater, as defined in Code of Federal Regulations, title 40, section 60.5473.

Subd. 2. **Establishment.** A grant program is established under the Department of Commerce to award grants to homeowners to fund the purchase and installation of a residential biomass heating system.

Subd. 3. **Eligible expenditures.** (a) Grants awarded to a homeowner under this section may be used to pay up to the lesser of 33 percent of the cost to purchase and install a residential biomass heating system in the homeowner's residence, or \$5,000.

(b) A grant must not be awarded under this section to a homeowner for a residential biomass heating system that is not certified by the federal Environmental Protection Agency as meeting the 2015 New Source Performance Standards for air emissions for these heating systems, contained in Code of Federal Regulations, title 40, part 60, subparts AAA and QQQQ, as applicable.

Subd. 4. **Application process.** A homeowner must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner must develop administrative procedures governing the application and grant award process, and must award grants on a first-come, first-served basis.

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

Sec. 10. **[216C.437] LOCAL GOVERNMENT EMERALD ASH BORER REMOVAL GRANT PROGRAM.**

Subdivision 1. **Establishment.** The Department of Commerce must establish a program to:

(1) assist eligible local units of government collect and dispose of the wood waste created when ash trees are removed from public land due to either (i) emerald ash borer infestation, or (ii) an emerald ash borer management program;

(2) award grants to process the wood waste into usable biomass fuel, properly transport the biomass fuel to an eligible district heating and cooling system cogeneration facility, and use the biomass fuel to generate electricity and thermal energy; and

(3) reduce the biomass fuel costs passed through by an eligible heating and cooling system cogeneration facility to the public utility that owns the Prairie Island nuclear generating plant.

Subd. 2. **Eligibility.** In order to be eligible for the program under subdivision 1, an applicant must be a district heating and cooling system cogeneration facility that:

(1) is located in the city of St. Paul;

(2) operates as a nonprofit entity;

(3) accepts wood waste from a local unit of government that is:

(i) located within the service area of the public utility that is subject to section 116C.779;

(ii) located in a county or portion of a county that has been designated by the commissioner of agriculture as quarantined with respect to the transportation of woody materials from ash trees due to demonstrated emerald ash borer infestation; and

(iii) responsible for the removal of diseased ash trees from public lands within its jurisdiction; and

(4) uses biomass fuel to generate electricity and thermal energy.

Subd. 3. **Eligible expenditures.** (a) Grants may be awarded under this section to an eligible recipient under subdivision 2 to:

(1) process into acceptable biomass fuel woody materials containing ash trees that have been removed due to disease or implementation of an emerald ash borer management program; or

(2) transport processed biomass fuel, woody materials infested by emerald ash borer, and woody material removed under an emerald ash borer management program to a storage location or to the district heating and cooling system cogeneration facility in downtown St. Paul.

(b) Grant funds may be used to pay reasonable costs incurred by the Department of Agriculture to administer this section.

(c) All funds awarded under paragraph (a) must reduce on a dollar-for-dollar basis the charges billed by an eligible heating and cooling system cogeneration facility to the public utility that owns the Prairie Island Nuclear Electric Generating Plant under the power purchase agreement in effect on January 1, 2018. A heating and cooling system cogeneration facility receiving a grant under this section must submit a monthly statement showing the reduction in charges resulting from the requirement of this paragraph to the public utility that owns the Prairie Island Nuclear Electric Generating Plant.

Subd. 4. **Expiration.** This section expires the day after the power purchase agreement in effect on January 1, 2018, between an eligible heating and cooling system cogeneration facility and the public utility that owns the Prairie Island Nuclear Electric Generating Plant expires. This section does not extend or renew a power purchase agreement referenced in this subdivision.

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

Sec. 11. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

Subd. 9. **Timing.** The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any application filed with the commission on or after that date.

Sec. 12. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

Subd. 7. **Timing.** The commission shall make a final decision on an application within 60 days after completion of the public hearing. A final decision on the request for a site permit or route permit under this section shall be made within six months after the commission's determination that an application is complete. The commission may extend this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any application filed with the commission on or after that date.

Sec. 13. Laws 2017, chapter 94, article 10, section 28, is amended to read:

Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR THERMAL REBATES.**

(a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner of a solar thermal system whose application was approved by the commissioner of commerce after the effective date of this act.

(b) Unspent money remaining in the account established under Minnesota Statutes 2014, section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable development account established under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

Sec. 14. Laws 2017, chapter 94, article 10, section 29, is amended to read:

Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF UNEXPENDED GRANT FUNDS.**

(a) No later than 30 days after the effective date of this section, the utility subject to Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person who received a grant funded from the renewable development account ~~previously~~ established under that subdivision:

- (1) after January 1, 2012; and
- (2) before January 1, 2012, if the funded project remains incomplete as of the effective date of this section.

The notice must contain the provisions of this section and instructions directing grant recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~ renewable development account.

(b) A recipient of a grant from the renewable development account ~~previously~~ established under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after receiving the notice required under paragraph (a), transfer any grant funds that remain unexpended as of the effective date of this section to the ~~clean energy advancement fund~~ renewable development account if, by that effective date, all of the following conditions are met:

- (1) the grant was awarded more than five years before the effective date of this section;
- (2) the grant recipient has failed to obtain control of the site on which the project is to be constructed;
- (3) the grant recipient has failed to secure all necessary permits or approvals from any unit of government with respect to the project; and
- (4) construction of the project has not begun.

(c) A recipient of a grant from the renewable development account ~~previously~~ established under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds that remain unexpended five years after the grant funds are received by the grant recipient if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary of the receipt of the grant funds.

(d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable development account under this section is eligible to apply for funding from the ~~clean energy advancement fund~~ renewable development account.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2016, section 216B.2423, is repealed.

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

ARTICLE 8 HOUSING

Section 1. [14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.

Subdivision 1. Definition. As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. Impact on housing; agency determination. (a) An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit, and whether the proposed rule meets the state regulatory policy objectives described in section 14.002. In calculating the cost of implementing a proposed rule, the agency may consider the impact of other related proposed rules on the overall cost of residential construction. If applicable, the agency may include offsetting savings that may be achieved through implementation of related proposed rules in its calculation under this subdivision.

(b) The agency must make the determination required by paragraph (a) before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. Upon request of a party affected by the proposed rule, the administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. Notice to legislature; legislative review. If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair and ranking minority members of the policy committees of the legislature with jurisdiction over the subject matter of the proposed rule within ten days of the determination. The agency shall not adopt the proposed rule until after the adjournment of the next annual session of the legislature convened on or after the date that notice required in this subdivision is given to the chairs and ranking minority members.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to administrative rules proposed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 299D.085, is amended by adding a subdivision to read:

Subd. 3a. Trailer use. A vehicle or a combination of vehicles may tow a trailer during the movement of an overdimensional load if:

(1) the party involved is a building mover licensed by the commissioner of transportation under section 221.81;

(2) the building being moved is not a temporary structure;

(3) the overdimensional load is a manufactured home, as defined under section 327.31; or

(4) the overdimensional load is a modular home, as defined under section 297A.668, subdivision 8, paragraph (b).

Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092, an initial or renewed residential contractor, residential remodeler, or residential roofer license is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

(b) All initial and renewal licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made.

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

Sec. 4. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision to read:

Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed construction that has been substantially manufactured or constructed, in whole or in part, at an off-site location, with the final assembly occurring on site alone or with other units and attached to a foundation designed to the State Building Code and occupied as a single-family dwelling. Modular home construction must comply with applicable standards adopted in Minnesota Rules, chapter 1360 or 1361.

Sec. 5. **[327.335] PLACEMENT OF MODULAR HOMES.**

Notwithstanding any other law or ordinance to the contrary, a modular home may be placed in a manufactured home park as defined in section 327.14, subdivision 3. A modular home placed in a manufactured home park is a manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and duties, under those chapters apply. A modular home may not be placed in a manufactured home park without prior written approval of the park owner. Nothing in this section shall be construed to inhibit the application of zoning, subdivision, architectural, or esthetic requirements under chapters 394 and 462 that otherwise apply to manufactured homes or manufactured home parks. A modular home placed in a manufactured home park under this section shall be assessed and taxed as a manufactured home.

Sec. 6. Minnesota Statutes 2016, section 327B.041, is amended to read:

327B.041 MANUFACTURED HOME INSTALLERS.

(a) Manufactured home installers are subject to all of the fees in section 326B.092 and the requirements of sections 326B.802 to 326B.885, except for the following:

(1) manufactured home installers are not subject to the continuing education requirements of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education requirements established in rules adopted under section 327B.10;

(2) the examination requirement of section 326B.83, subdivision 3, for manufactured home installers shall be satisfied by successful completion of a written examination administered and developed specifically for the examination of manufactured home installers. The examination must be administered and developed by the commissioner. The commissioner and the state building official shall seek advice on the grading, monitoring, and updating of examinations from the Minnesota Manufactured Housing Association;

(3) a local government unit may not place a surcharge on a license fee, and may not charge a separate fee to installers;

(4) a dealer or distributor who does not install or repair manufactured homes is exempt from licensure under sections 326B.802 to 326B.885;

(5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply; and

(6) manufactured home installers are not subject to the contractor recovery fund in section 326B.89.

(b) The commissioner may waive all or part of the requirements for licensure as a manufactured home installer for any individual who holds an unexpired license or certificate issued by any other state or other United States jurisdiction if the licensing requirements of that jurisdiction meet or exceed the corresponding licensing requirements of the department and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the purposes of calculating fees under section 326B.092, licensure as a manufactured home installer is a business license.~~

Sec. 7. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

Subd. 4. **Public hearing; relocation compensation; neutral third party.** The governing body of the affected municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the park owner. At the time of, and in the notice for, the public hearing, displaced residents must be informed that they may be eligible for payments from the Minnesota manufactured home relocation trust fund under section 462A.35 as compensation for reasonable relocation costs under subdivision 13, paragraphs (a) and (e).

The governing body of the municipality may also require that other parties, including the municipality, but excluding the park owner or its purchaser, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

At the public hearing, the municipality shall appoint a qualified neutral third party, to be agreed upon by both the manufactured home park owner and manufactured home owners, whose hourly cost must be reasonable and paid from the Minnesota manufactured home relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with decision-making authority to resolve any questions or disputes regarding any contributions or disbursements to and from the Minnesota manufactured home relocation trust fund by either the manufactured home park owner or the manufactured home owners. If the parties cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine who shall act as the neutral third party.

The qualified neutral third party shall be familiar with manufactured housing and the requirements of this section. The neutral third party shall keep an overall receipts and cost summary together with a detailed accounting, for each manufactured lot, of the payments received by the manufactured home park owner, and expenses approved and payments disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well as a record of all services and hours it provided and at what hourly rate it charged to the Minnesota manufactured home trust fund. This detailed accounting shall be provided to the manufactured home park owner, the municipality, and the Minnesota Housing Finance Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph (h), not later than 30 days after the expiration of the nine-month notice provided in the closure statement.

Sec. 8. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within one year of the execution of the agreement. The park owner shall provide a resident of each manufactured home with a 45-day written notice of the purchaser's intent to close the park or convert it to another use. The notice must state that the park owner will provide information on the cash price and the terms and conditions of the purchaser's offer to residents requesting the information. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins. During the notice period required in this subdivision, the owners of at least 51 percent of the manufactured homes in the park or a nonprofit organization which has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them in the acquisition of the park shall have the right to meet the cash price and execute an agreement to purchase the park for the purposes of keeping the park as a manufactured housing community, provided that the owners or nonprofit organization will covenant and warrant to the park owner in the agreement that they will continue to operate the park for not less than six years from the date of closing. The park owner must accept the offer if it meets the cash price and the same terms and conditions set forth in the purchaser's offer except that the seller is not obligated to provide owner financing. For purposes of this section, cash price means the cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1, paragraph (d).

Sec. 9. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the commissioner of management and budget for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of management and budget shall assess each manufactured home park owner by mail the total amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November 15 of that year. ~~The commissioner of management and budget shall deposit any payments in the Minnesota relocation trust fund. On or before July 15 of park owner by August 30 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year, the commissioner of management and budget shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, and a sample form for the park owners to collect information on which park residents have been accounted for. If assessed under this paragraph, the park owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and, for park residents who have not paid the \$15 assessment to the park owner by October 15, deduct from the assessment accordingly. The commissioner of management and budget shall deposit any payments in the Minnesota manufactured home relocation trust fund.~~

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Sec. 10. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a ~~25-mile~~ 50-mile radius of the park that is being closed, up to a maximum of ~~\$7,000~~ \$9,000 for a single-section and \$12,500 for a multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).

(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

- (1) a copy of the closure statement under subdivision 1;
 - (2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;
 - (3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;
 - (4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;
 - (5) a statement from the manufactured park owner that the lot rental is current and that the annual \$15 ~~payments~~ payment to the Minnesota manufactured home relocation trust fund ~~have~~ has been paid when due; and
 - (6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.
- (d) The neutral third party shall promptly process all payments within 14 days. If the neutral third party has acted reasonably and does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the neutral third party, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the neutral third party to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).
- (e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. If the appraised market value cannot be determined, the tax market value, averaged over a period of five years, can be used as a substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a single-section and \$14,500 for a multisection manufactured home. The minimum amount that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the commissioner of management and budget in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the neutral third party, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the neutral third party, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) The Minnesota Housing Finance Agency must make a determination of the amount of payment a manufactured home owner would have been entitled to under a local ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.35, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this paragraph is intended to increase the liability of the park owner.

(g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant.

(h) (1) By October 15, 2018, the Minnesota Housing Finance Agency shall post on its Web site and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee on the Minnesota manufactured home relocation trust fund, including the account balance, payments to claimants, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous calendar year, and any itemized administrative charges or expenses deducted from the trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

(2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its Web site and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee by ~~January~~ October 15 of each year on the Minnesota manufactured home relocation trust fund, including the aggregate account balance, the aggregate assessment payments received, summary information regarding each closed park including the total payments to claimants and payments received from each closed park, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous ~~calendar~~ fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any itemized administrative charges or expenses deducted from the trust fund balance, all of which should be reconciled to the previous year's trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

Sec. 11. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision to read:

Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health or, if applicable, local units of government that have entered into a delegation of authority agreement with the Department of Health as provided in section 145A.07 shall provide, by March 31 of each year, a list of names and addresses of the manufactured home parks licensed in the previous year, and for each manufactured home park, the current licensed owner, the owner's address, the number of licensed manufactured home lots, and other data as they may request for the Department of Management and Budget to invoice each licensed manufactured home park in Minnesota.

Sec. 12. Minnesota Statutes 2016, section 462A.222, subdivision 3, is amended to read:

Subd. 3. **Allocation procedure.** (a) Projects will be awarded tax credits in two competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the project satisfies the requirements of the allocating agency's qualified allocation plan. For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds for the project, or the issuer of the bonds for the project is located outside the jurisdiction of a city or county that has received reserved tax credits, the applicable allocation plan is the agency's qualified allocation plan. Notwithstanding this paragraph, any projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, for which the Minnesota Housing Finance Agency is the issuer of the bonds for the project, or the issuer of the bonds for the project is located outside the jurisdiction of a city or county that has received reserved tax credits, and such project meets the requirements of both section 474A.047 and section 42 of the Internal Revenue Code, such projects shall be deemed for all purposes to have satisfied all the requirements of the Minnesota Housing Finance Agency's qualified allocation plan and all other related guidance and requirements and the agency shall timely issue the necessary determination letters under section 42(m) of the Internal Revenue Code of 1986, as amended, or Form 8609. The Minnesota Housing Finance Agency's qualified allocation plan is required to contain the provisions of this subdivision.

(d) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) in the metropolitan area:

(i) new construction or substantial rehabilitation of projects in which, for the term of the extended use period, at least 75 percent of the total tax credit units are single-room occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30 percent of the median income;

(ii) new construction or substantial rehabilitation family housing projects that are not restricted to persons who are 55 years of age or older and in which, for the term of the extended use period, at least 75 percent of the tax credit units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms; or

(iii) substantial rehabilitation projects in neighborhoods targeted by the city for revitalization;

(2) outside the metropolitan area, projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application;

(3) projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period, a percentage of the units are set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with permanent physical disabilities that substantially limit one or more major life activities, if at least 50 percent of the units in the project are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of tax credits is necessary to prevent conversion to market rate use or to remedy physical deterioration of the project which would result in loss of existing federal subsidies; or

(5) projects financed by the Farmers Home Administration, or its successor agency, which meet statewide distribution goals.

(e) Before the date for applications for the final round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

(g) If an allocating agency determines, at any time after the initial commitment or allocation for a specific project, that a project is no longer eligible for all or a portion of the low-income housing tax credits committed or allocated to the project, the credits must be transferred to the agency to be reallocated pursuant to the procedures established in paragraphs (e) to (g); provided that if the tax credits for which the project is no longer eligible are from the current year's annual ceiling and the allocating agency maintains a waiting list, the allocating agency may continue to commit or allocate the credits until not later than the date of applications for the final round, at which time any uncommitted credits must be transferred to the agency.

Sec. 13. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located.

Sec. 14. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 1b. **AMI.** "AMI" means the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 12a. **LIHTC.** "LIHTC" means low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended.

Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 21a. **Preservation project.** "Preservation project" means any residential rental project, regardless of whether or not such project is restricted to persons of a certain age or older, that receives federal project-based rental subsidies. In addition, to qualify as a preservation project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential rental project" means a residential rental project that does not otherwise qualify as a preservation project, is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units, and in which:

(1) all the residential units of the project:

(i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;

(ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(iii) are subject to rent and income restrictions for a period of not less than 30 years; or

(2)(i) is located within a county or metropolitan area that has a current median area gross income that is less than the statewide area median income for Minnesota;

(ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(iii) all of the units of the project are subject to the applicable rent and income restrictions for a period of not less than 30 years.

In addition, to qualify as a 30 percent AMI residential project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 31. 50 percent AMI residential rental project. "50 percent AMI residential rental project," means a residential rental project that does not qualify as a preservation project or 30 percent AMI residential rental project, is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units, and in which all the residential units of the project:

(1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;

(2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(3) are subject to rent and income restrictions for a period of not less than 30 years.

In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 32. 100 percent LIHTC project. "100 percent LIHTC project" means a residential rental project that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units and does not otherwise qualify as a preservation project, 30 percent AMI residential rental project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent LIHTC project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 20. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 33. 20 percent LIHTC project. "20 percent LIHTC project" means a residential rental project that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential units and does not otherwise qualify as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 21. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar year after December 31, 2001, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) \$74,530,000 to the small issue pool;
- (2) \$122,060,000 to the housing pool, ~~of which 31 percent of the adjusted allocation is reserved until the last Monday in July for single family housing programs;~~
- (3) \$12,750,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

EFFECTIVE DATE. This section is effective the day following final enactment and expires January 1, 2021.

Sec. 22. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on or after July ~~15~~ 1 shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

Sec. 23. Minnesota Statutes 2016, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) An issuer may only use the proceeds from residential rental bonds if the proposed project meets the following requirements:

(1) the proposed residential rental project meets the requirements of section 142(d) of the Internal Revenue Code regarding the incomes of the occupants of the housing; and

(2) the maximum rent for at least 20 percent of the units in the proposed residential rental project do not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the federal Department of Housing and Urban Development. The rental rates of units in a residential rental project for which project-based federal assistance payments are made are deemed to be within the rent limitations of this clause.

(b) The proceeds from residential rental bonds may be used for a project for which project-based federal rental assistance payments are made only if: the owner of the project enters into a binding agreement with the issuer under which the owner is obligated to extend any existing low-income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof.

~~(1) the owner of the project enters into a binding agreement with the Minnesota Housing Finance Agency under which the owner is obligated to extend any existing low income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof; and~~

~~(2) the Minnesota Housing Finance Agency certifies that project reserves will be maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

~~(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem (2), effective May 1, 1997; or~~

~~(ii) the level of project reserves available prior to the bond issue, provided that additional money is available to accomplish repairs and replacements needed at the time of bond issue.~~

Sec. 24. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the rent-restricted units in the project and the income levels of the residents of the project occupying income-restricted units: and in which the developer will agree to maintain the project as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, or 20 percent LIHTC project, as applicable and as described in its application. Such rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates for the rent-restricted units are within the limitations under subdivision 1. The issuer may request individual certification of the income of residents of the income-restricted units. The commissioner may request from the issuer a copy of the annual certification prepared by the developer. The commissioner may require the issuer to request individual certification of all residents of the income-restricted units.

Sec. 25. Minnesota Statutes 2016, section 474A.061, is amended to read:

474A.061 MANUFACTURING, HOUSING, AND PUBLIC FACILITIES POOLS.

Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a) For any requested allocations from the small issue pool and the public facilities pool, an issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in ~~July~~ June, or in the amount of two percent of the requested allocation on or after the last Monday in ~~July, June, and~~ June, and (5) a public purpose scoring worksheet for manufacturing project and enterprise zone facility project applications, ~~and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to persons who are 55 years of age or older.~~ The issuer must pay the application deposit by a check or wire transfer made payable to the Department of Management and Budget. The Minnesota Housing Finance Agency, the Minnesota Rural Finance Authority, and the Minnesota Office of Higher Education may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool under this subdivision~~ unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. ~~An entitlement issuer may not apply for an allocation from the housing pool unless it either has permanently issued bonds equal to any amount of bonding authority carried forward from a previous year or has returned for reallocation any unused bonding authority carried forward from a previous year.~~ For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.~~

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Subd. 1a. **Allocation application; housing pool.** (a) For any requested allocations from the housing pool, an issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) an application deposit in the amount of two percent of the requested allocation, (4) a sworn statement from the applicant identifying the project as either a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project, and (5) a certification from the applicant or its accountant stating whether the requested allocation exceeds the aggregate bond limitation. The issuer must pay the application deposit by a check made payable to the Department of Management and Budget or wire transfer. The Minnesota Housing Finance Agency may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool unless it either has permanently issued bonds equal to any amount of bonding authority carried forward from a previous year or has returned for reallocation any unused bonding authority carried forward from a previous year. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota Housing Finance Agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on the city's behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January and continuing on each Monday through ~~July~~ June 15, the commissioner shall allocate available bonding authority from the housing pool to applications received on or before the Monday of the preceding week for residential rental projects that meet the eligibility criteria under section 474A.047. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority: ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects. Prior to May 15, no allocation shall be made to a project restricted to persons who are 55 years of age or older.~~

(1) preservation projects;

(2) 30 percent AMI residential rental projects;

(3) 50 percent AMI residential rental projects;

(4) 100 percent LIHTC projects;

(5) 20 percent LIHTC projects;

(6) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 starting in calendar year 2021, single family housing programs; and

(7) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation.

If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all such projects in any one allocation period, available bonding authority shall be randomly awarded by lot. If a residential rental project is selected by lot, but the remaining allocation is insufficient to receive the full amount of its requested allocation, the remaining bonding authority shall be reserved by the commissioner, or by the Minnesota Housing Finance Agency if such authority is carried forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and if the project applies in the future to the housing pool or unified pool for additional allocation of bonds, the project shall be fully funded up to the remaining amount of its original application request for bonding authority before any new project applying in the same allocation period that has an equal priority shall receive bonding authority. Within 180 days of receiving an allocation under this paragraph, an issuer must either begin issuing obligations or submit an additional application deposit equal to one percent of the allocation amount; if an additional deposit is submitted, the issuer must begin issuing obligations within 18 months of receiving an allocation. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within 120 days of the allocation the relevant time period in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 15. 1. If an issuer that receives an allocation under this paragraph issues obligations within the relevant time period in this paragraph, the commissioner shall refund 50 percent of any application deposit previously paid within 30 days of the issuance of the obligations and the remaining 50 percent of the application deposit will be refunded (i) within 30 days after the date on which the Internal Revenue Service Forms 8609 are issued with respect to projects generating low-income housing tax credits, or (ii) within 90 days after the issuer provides a certification and any other reasonable documentation requested by the commissioner evidencing that construction of the project has been completed.

(b) After January 1, and through January 15, The Minnesota Housing Finance Agency may accept applications, according to the schedule in paragraph (c), from cities for single-family housing programs which meet program requirements as follows:

- (1) the housing program must meet a locally identified housing need and be economically viable;
- (2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size AMI;
- (3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and
- (4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota Housing Finance Agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph ~~(d)~~ (e). The agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

(c) The Minnesota Housing Finance Agency may accept applications under paragraph (b) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 and through January 15 starting in calendar year 2021.

~~(c)~~ Any amounts remaining in the housing pool after July 15 are available for single-family housing programs for cities that applied in January and received an allocation under this section in the same calendar year. (d) For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs ~~(d)~~ (e) and ~~(f)~~ (g). Allocations will be made loan by loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing Finance Agency issues bonds.

Any city that received an allocation pursuant to paragraph ~~(f)~~ (g) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after ~~July 15~~ June 1 shall notify the Minnesota Housing Finance Agency by ~~July 15~~ June 1. The Minnesota Housing Finance Agency shall notify each city making a request of the amount of its allocation within three business days after ~~July 15~~ June 1. The city must comply with paragraph ~~(f)~~ (g).

For purposes of ~~paragraphs (a) to (h)~~ this subdivision, "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

~~(d)~~ (e) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.

Total allocations from the housing pool for single-family housing programs may not exceed 31 percent of the adjusted allocation to the housing pool ~~until after July 15~~.

~~(e)~~ (f) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after ~~the second Tuesday in January and through the last Monday in July~~ June 1. After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota Housing Finance Agency to be returned to the participating cities. The Minnesota Housing Finance Agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph ~~(d)~~ (e).

~~(f)~~ (g) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota Housing Finance Agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph ~~(d)~~ (e) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than the last Monday in July June. No city may receive an allocation

from the housing pool for mortgage bonds which has not first applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota Housing Finance Agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

~~(g)~~ (h) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

~~(h)~~ (i) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to July ~~15~~ 1, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner shall allocate available bonding authority from the small issue pool to applications received on or before the Monday of the preceding week for manufacturing projects and enterprise zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~ June, the commissioner shall reserve \$5,000,000 of the available bonding authority from the small issue pool for applications for agricultural development bond loan projects of the Minnesota Rural Finance Authority.

Beginning in calendar year 2002, on the second Tuesday in January through the last Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding authority in the small issue pool for applications for student loan bonds of or on behalf of the Minnesota Office of Higher Education. The total amount of allocations for student loan bonds from the small issue pool may not exceed \$10,000,000 per year.

The commissioner shall reserve \$10,000,000 until the day after the last Monday in February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until the day after the last Monday in June in the small issue pool for enterprise zone facility projects and manufacturing projects. The amount of allocation provided to an issuer for a specific enterprise zone facility project or manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045.

If there are two or more applications for manufacturing and enterprise zone facility projects from the small issue pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045, with those projects receiving the greatest number of points receiving allocation first. If two or more applications receive an equal number of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the available bonding authority from the public facilities pool for applications for public facilities projects to be financed by the Western Lake Superior Sanitary District. Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner shall allocate available bonding authority from the public facilities pool to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient available bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities pool.** (a) For any requested allocation from the small issue pool or the public facilities pool, if an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 120-day period since allocation has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota Housing Finance Agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving allocation.

(c) No refund shall be available for allocations returned 120 or more days after receiving the allocation or beyond the last Monday in November.

Subd. 4a. **Return of allocation; deposit refund for housing pool.** (a) For any requested allocations from the housing pool, if an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within the time period provided under section 474A.061, subdivision 2a, paragraph (a), or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has expired prior to the last Monday in June, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has expired on or after the last Monday in June, the amount of the allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota Housing Finance Agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this subdivision within 180 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 45 days of receiving allocation;

(2) one-fourth of the allocation deposit for the amount of bonding authority returned between 46 and 90 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 91 and 180 days of receiving allocation.

(c) No refund shall be available for allocations returned 180 or more days after receiving the allocation or beyond the last Monday in November.

Sec. 26. Minnesota Statutes 2016, section 474A.062, is amended to read:

474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION ~~120-DAY~~ ISSUANCE EXEMPTION.

The Minnesota Office of Higher Education is exempt from ~~the 120-day issuance requirements~~ any time limitation on issuance of bonds set forth in this chapter and may carry forward allocations for student loan bonds, subject to carryforward notice requirements of section 474A.131, subdivision 2.

Sec. 27. Minnesota Statutes 2016, section 474A.091, is amended to read:

474A.091 ALLOCATION OF UNIFIED POOL.

Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any bonding authority remaining unallocated from the small issue pool, the housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an allocation for residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by:

(1) a preliminary resolution;

(2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code;

~~(3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing and whether the project is restricted to persons who are 55 years of age or older.~~

(4) a sworn statement from the applicant identifying the project as either a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project; and

(5) a certification from the applicant or its accountant stating whether the requested allocation exceeds the aggregate bond limitation. Applications for projects requesting bonds in excess of the aggregate bond limitation may not apply or be allocated bonding authority until after September 1 each year.

The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for ~~public facility bonds, residential rental project bonds, or mortgage bonds~~ under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(b) Within 180 days of receiving an allocation under this subdivision, an issuer must either begin issuing obligations or submit an additional application deposit equal to one percent of the allocation amount; if an additional deposit is submitted, the issuer must begin issuing obligations within 18 months of receiving an allocation. If an issuer that receives an allocation under this subdivision does not issue obligations equal to all or a portion of the allocation received within the 180-day time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the unified pool. If an issuer that receives an allocation under this subdivision issues obligations within the 180-day time period provided in this paragraph, the commissioner shall refund 50 percent of any application deposit previously paid within 30 days of the issuance of the obligations and the remaining 50 percent of such application deposit will be refunded (1) within 30 days after the date on which Internal Revenue Service Forms 8609 are issued with respect to projects generating low-income housing tax credits, or (2) within 90 days after the issuer provides a certification and any other reasonable documentation requested by the commissioner evidencing that construction of the project has been completed.

(c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds under this section prior to the first Monday in October, but may be awarded allocations for mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota Housing Finance Agency, ~~the Minnesota Office of Higher Education, and the Minnesota Rural Finance Authority~~ may apply for and receive an allocation under this section without submitting an application deposit.

Subd. 2a. **Application for all other types of qualified bonds.** Issuers may apply for an allocation for all types of qualified bonds other than residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds under this section prior to the first Monday in October, but may be awarded allocations for mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota Rural Finance Authority may apply for and receive an allocation under this section without submitting an application deposit.

Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in ~~August~~ July through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:

- (1) applications for residential rental project bonds;
- (2) applications for small issue bonds for manufacturing projects; and
- (3) applications for small issue bonds for agricultural development bond loan projects.

(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for student loan bonds issued by or on behalf of the Minnesota Office of Higher Education;
- (2) applications for mortgage bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for small issue bonds for manufacturing projects;
- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) preservation projects;~~ (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; (6) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation; and (7) other residential rental projects for which the amount of bonds requested in their respective applications exceeds the aggregate bond limitation and which apply on or after September 1 of a calendar year. If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all such projects in any one allocation period, available bonding authority shall be randomly awarded by lot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation under the random award, the remaining bonding authority not allocated to the project shall be reserved by the commissioner, or by the Minnesota Housing Finance Agency if the authority is carried forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and if the project applies in the future to the housing pool or unified pool for additional allocation of bonds, the project shall be fully funded up to the remaining amount of its original application request for bonding authority before any new project applying in the same allocation period that has an equal priority shall receive bonding authority.

(g) From the first Monday in ~~August~~ July through the last Monday in ~~November~~ August, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent such amounts are available within the unified pool.

(h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

(1) \$10,000,000 for any one city; or

(2) \$20,000,000 for any number of cities in any one county.

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$25,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Subd. 3a. **Mortgage bonds.** (a) Bonding authority remaining in the unified pool on October 1 is available for single-family housing programs for cities that applied in ~~January~~ June and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota Housing Finance Agency shall receive an allocation for mortgage bonds pursuant to this section, minus any amounts for a city or consortium that intends to issue bonds on its own behalf under paragraph (c).

(b) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. Allocations shall be awarded by the commissioner each Monday commencing on the first Monday in October through the last Monday in November for applications received by 4:30 p.m. on the Monday of the week preceding an allocation.

For cities who choose to have the agency issue bonds on their behalf, allocations will be made loan by loan, on a first-come, first-served basis among the cities. The agency shall submit an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested allocation to the commissioner when requesting an allocation from the unified pool. After awarding an allocation and receiving a notice of issuance for mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposit to the Minnesota Housing Finance Agency.

For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

(c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a, paragraph (f), in the current year that wishes to receive an additional allocation from the unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall notify the Minnesota Housing Finance Agency by the third Monday in September. The total amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the unified pool, multiplied by the ratio of the population of each city that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year, as determined by the most recent estimate of the city's population released by the state demographer's office to the total of the population of all the cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement is located within a county that has also chosen to issue bonds on its own behalf or through a joint powers agreement, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

The Minnesota Housing Finance Agency shall notify each city choosing to issue bonds on its own behalf or pursuant to a joint powers agreement of the amount of its allocation by October 15. Upon determining the amount of the allocation of each choosing to issue bonds on its own behalf or through a joint powers agreement, the agency shall forward a list specifying the amounts allotted to each city.

A city that chooses to issue bonds on its own behalf or through a joint powers agreement may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds on their own behalf shall be awarded by the commissioner on the first Monday after October 15 through the last Monday in November. No city may receive an allocation from the commissioner after the last Monday in November. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this subdivision.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota Housing Finance Agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(d) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the unified pool.

(e) An allocation awarded to the agency for mortgage bonds under this section may be carried forward by the agency subject to notice requirements under section 474A.131.

Subd. 4. **Remaining bonding authority.** All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota Housing Finance Agency.

Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within ~~420~~ the applicable number of days of after the allocation required in this chapter or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or ~~the 120-day~~ such period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department on or after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota Housing Finance Agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation for all types of bonds other than residential rental project bonds received under this section within 120 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving the allocation.

~~(c)~~ No refund of the application deposit shall be available for allocations returned on or after the last Monday in November.

(c) An issuer that returns for reallocation all or a portion of an allocation for residential rental project bonds received under this section within the earlier of 180 days of the allocation or the end of the year shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 45 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 46 and 90 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 91 and 180 days of receiving the allocation.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in November.

Subd. 6. **Final allocation; carryforward.** Notwithstanding the notice requirements of section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota Housing Finance Agency on the last business day in December shall be carried forward into the next calendar year by the commissioner for the Minnesota Housing Finance Agency. Any authority carried forward shall be allocated to utilize such authority that is closest to expiring first, and in all events, Minnesota Housing Finance Agency shall allocate its bonding authority to utilize such authority carried forward prior to any current year's allocation.

Sec. 28. Minnesota Statutes 2016, section 474A.131, is amended to read:

474A.131 NOTICE OF ISSUE AND NOTICE OF CARRYFORWARD.

Subdivision 1. **Notice of issue.** Each issuer ~~that issues bonds~~ with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

- (1) the date of issuance of the bonds;
- (2) the title of the issue;
- (3) the principal amount of the bonds;
- (4) the type of qualified bonds under federal tax law;
- (5) the dollar amount of the bonds issued that were subject to the annual volume cap; and
- (6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carryforward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before 4:30 p.m. on the last business day in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if ~~a two percent~~ the applicable application deposit was made, less any penalty amount.

Subd. 1a. **Certificate of notice.** If an allocation received under this chapter is used for mortgage credit certificates, a certificate notice must be submitted to the department on forms provided by the department stating the date of the filing of the election not to issue bonds as provided under section 25, paragraph (c), of the Internal Revenue Code and the amount of allocation authority to be used under the program.

A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any mortgage credit certificate program for which a certificate notice is not provided to the department within five days of the date of the filing of the election not to issue bonds or before the last Monday in December, whichever occurs first. Within 30 days after receipt of a certificate notice the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority to be used for the mortgage credit certificate program, less any penalty amount.

Subd. 1b. **Deadline for issuance of qualified bonds.** (a) If an issuer fails to notify the department before 4:30 p.m. on the last business day in December of issuance of obligations pursuant to an allocation received for any qualified bond project or issuance of an entitlement allocation other than those involving residential rental bonds, the allocation is canceled and the bonding authority is allocated to the Minnesota Housing Finance Agency for carryforward by the commissioner under section 474A.091, subdivision 6.

(b) With respect to (1) an allocation received for a residential rental project for which such obligations have not been issued before 4:30 p.m. on the last business day in December and the time period for issuance of such obligations provided under section 474A.061, subdivision 2a, or section 474A.091, subdivision 2, as applicable has not expired, or (2) bonding authority reserved for a project for up to 24 months under section 474A.061, subdivision 2a, or section 474A.091, subdivision 3, paragraph (f), as of 4:30 p.m. on the last business day of December, such bonding authority shall be allocated to the Minnesota Housing Finance Agency for carryforward by the commissioner under section 474A.091, subdivision 6; provided, however, that such allocation shall remain reserved by the Minnesota Housing Finance Agency for the residential rental project described in the original application and the Minnesota Housing Finance Agency will have the fiduciary duty to issue such bonds as intended by the originally intended issuer. In addition, any obligations issued by the Minnesota Housing Finance Agency for a residential rental project that is subject to this subdivision shall not be subject to the debt management policies of the Minnesota Housing Finance Agency, as adopted and amended from time to time. The Minnesota Housing Finance Agency shall not charge any issuer fees for an issuance under this subdivision and all issuer fees shall be paid to the original applicant for the bonds. Notwithstanding this paragraph, the Minnesota Housing Finance Agency may be reimbursed for its reasonable costs to issue the bonds.

Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received under this chapter, it must notify the department in writing before 4:30 p.m. on the last business day in December. This notice requirement does not apply to the Minnesota Housing Finance Agency for the carryforward of unallocated unified pool balances or for the carryforward of allocations of residential rental project bonds pursuant to subdivision 1b.

Subd. 3. **Irrevocable allocation.** The department may not revoke an allocation received under this chapter after receiving a notice of issue or certificate notice from the issuer.

Subd. 4. **Allocation plan.** By January 15 of each year, the commissioner of the Minnesota Housing Finance Agency shall annually prepare a tax-exempt bond allocation plan that identifies the amount of tax-exempt bonds allocated to the Minnesota Housing Finance Agency during the previous calendar year, identifies the amount of carryforward bonds and the respective issuers pursuant to subdivision 1b, and for all other bond carryforward, whether or not the Minnesota Housing Finance Agency intends to carryforward such bonds not otherwise allocated in the previous year as qualified residential rental bonds or qualified mortgage bonds or mortgage credit certificates consistent with the requirements of Internal Revenue Service Form 8328, identifies the carryforward balance of any tax-exempt bonds allocated to the Minnesota Housing Finance Agency including those bonds carried forward as qualified residential rental bonds and qualified mortgage bonds or mortgage credit certificates. Prior to January 15 of each year, the Minnesota Housing Finance Agency must post on its official Web site the tax-exempt bond allocation plan and invite public comment until February 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue Service Form 8328 until the public comment period had closed on February 1 unless otherwise required by federal law.

Sec. 29. Minnesota Statutes 2016, section 474A.14, is amended to read:

474A.14 NOTICE OF AVAILABLE AUTHORITY.

The department shall provide at its official Web site a written notice of the amount of bonding authority in the housing, small issue, and public facilities pools as soon after January 1 as possible. The department shall provide at its official Web site a written notice of the amount of bonding authority available for allocation in the unified pool as soon after ~~August~~ July 1 as possible.

Sec. 30. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter 189, article 7, section 8, and Laws 2017, chapter 94, article 6, section 17, is amended to read:

Sec. 14. ASSIGNED RISK TRANSFER.

(a) By June 30, 2015, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1). This is a onetime transfer.

(b) By June 30, 2015, and each year thereafter, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year, to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (f). The total amount authorized for all transfers under this paragraph must not exceed \$24,100,000. This paragraph expires the day following the transfer in which the total amount transferred under this paragraph to the Minnesota minerals 21st century fund equals \$24,100,000.

(c) By June 30, 2015, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a transfer occurs under this paragraph, the amount transferred is appropriated from the general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section 15. Both the transfer and appropriation under this paragraph are onetime.

(d) By June 30, 2016, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a transfer occurs under this paragraph, the amount transferred is appropriated from the general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section 15. Both the transfer and appropriation under this paragraph are onetime.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of management and budget shall transfer to the general fund, any unencumbered or unexpended balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or the date the commissioner of commerce determines that an excess surplus in the assigned risk plan does not exist, whichever occurs earlier.

(f) By June 30, ~~2017~~ 2018, and each year thereafter, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed ~~\$2,000,000~~ \$3,000,000 each year, to the ~~rural policy and development center fund under Minnesota Statutes, section 116J.4221~~ Minnesota manufactured home relocation trust fund established in Minnesota Statutes, section 462A.35, subdivision 1. This transfer occurs prior to any transfer under paragraph (b) or under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1). The total amount authorized for all transfers under this paragraph must not exceed ~~\$2,000,000~~ \$3,000,000. This paragraph expires the day following the transfer in which the total amount transferred under this paragraph to the ~~rural policy and development center fund~~ Minnesota manufactured home relocation trust fund equals ~~\$2,000,000~~ \$3,000,000.

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

Sec. 31. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND.**

(a) Until June 30, 2020, the Minnesota Housing Finance Agency is authorized to advance up to \$400,000 from available resources to the Minnesota manufactured home relocation trust fund established under Minnesota Statutes, section 462A.35, if the account balance in the Minnesota manufactured home relocation trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

(b) The Minnesota Housing Finance Agency shall be reimbursed from the Minnesota manufactured home relocation trust fund for any money advanced by the agency under paragraph (a) to the fund.

Sec. 32. **REPEALER.**

Minnesota Statutes 2016, section 471.9996, subdivision 2, is repealed.

Sec. 33. **EFFECTIVE DATE.**

Except as otherwise noted, sections 12 to 29 are effective the day following final enactment.

ARTICLE 9
LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2016, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.

(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(3) "Employee receiving gratuities" means an employee who customarily and regularly receives more than \$30 per month in gratuities.

(b) Except as otherwise provided in sections 177.21 to 177.35:

(1) every large employer must pay each employee wages at a rate of at least:

(i) \$8.00 per hour beginning August 1, 2014;

(ii) \$9.00 per hour beginning August 1, 2015;

(iii) \$9.50 per hour beginning August 1, 2016; and

(iv) the rate established under paragraph (f) beginning January 1, 2018; and

(2) every small employer must pay each employee at a rate of at least:

- (i) \$6.50 per hour beginning August 1, 2014;
- (ii) \$7.25 per hour beginning August 1, 2015;
- (iii) \$7.75 per hour beginning August 1, 2016; and
- (iv) the rate established under paragraph (f) beginning January 1, 2018.

(c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment, an employer may pay an employee under the age of 20 years a wage of at least:

- (1) \$6.50 per hour beginning August 1, 2014;
- (2) \$7.25 per hour beginning August 1, 2015;
- (3) \$7.75 per hour beginning August 1, 2016; and
- (4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15, subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer that includes the provision by the employer of a food or lodging benefit, if the employee is working under authority of a summer work travel exchange visitor program (J) nonimmigrant visa, a wage of at least:

- (1) \$7.25 per hour beginning August 1, 2014;
- (2) \$7.50 per hour beginning August 1, 2015;
- (3) \$7.75 per hour beginning August 1, 2016; and
- (4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(e) Notwithstanding paragraph (b), a large employer must pay an employee under the age of 18 at a rate of at least:

- (1) \$6.50 per hour beginning August 1, 2014;
- (2) \$7.25 per hour beginning August 1, 2015;
- (3) \$7.75 per hour beginning August 1, 2016; and
- (4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(f) No later than August 31 of each year, beginning in 2017, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the implicit price deflator, national data for personal consumption expenditures as determined by the United States Department of Commerce, Bureau of Economic Analysis during the 12-month period immediately preceding that August or, if that data is unavailable, during the most recent 12-month period for which data is available. The minimum wage rates in paragraphs (b), (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded to the nearest cent; or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum wage rate shall not be reduced under this paragraph. The new minimum wage rates determined under this paragraph take effect on the next January 1.

(g)(1) No later than September 30 of each year, beginning in 2017, the commissioner may issue an order that an increase calculated under paragraph (f) not take effect. The commissioner may issue the order only if the commissioner, after consultation with the commissioner of management and budget, finds that leading economic indicators, including but not limited to projections of gross domestic product calculated by the United States Department of Commerce, Bureau of Economic Analysis; the Consumer Confidence Index issued by the Conference Board; and seasonally adjusted Minnesota unemployment rates, indicate the potential for a substantial downturn in the state's economy. Prior to issuing an order, the commissioner shall also calculate and consider the ratio of the rate of the calculated change in the minimum wage rate to the rate of change in state median income over the same time period used to calculate the change in wage rate. Prior to issuing the order, the commissioner shall hold a public hearing, notice of which must be published in the State Register, on the department's Web site, in newspapers of general circulation, and by other means likely to inform interested persons of the hearing, at least ten days prior to the hearing. The commissioner must allow interested persons to submit written comments to the commissioner before the public hearing and for 20 days after the public hearing.

(2) The commissioner may in a year subsequent to issuing an order under clause (1), make a supplemental increase in the minimum wage rate in addition to the increase for a year calculated under paragraph (f). The supplemental increase may be in an amount up to the full amount of the increase not put into effect because of the order. If the supplemental increase is not the full amount, the commissioner may make a supplemental increase of the difference, or any part of a difference, in a subsequent year until the full amount of the increase ordered not to take effect has been included in a supplemental increase. In making a determination to award a supplemental increase under this clause, the commissioner shall use the same considerations and use the same process as for an order under clause (1). A supplemental wage increase is not subject to and shall not be considered in determining whether a wage rate increase exceeds the limits for annual wage rate increases allowed under paragraph (f).

(h) Notwithstanding paragraph (b), every large employer must pay an employee receiving gratuities a wage of at least:

(1) \$9.65 per hour if the employee earns sufficient gratuities during the workweek so that the sum of \$9.65 per hour and gratuities received averages at least the amount established for large employers under paragraph (j); or

(2) the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that the sum of \$9.65 per hour and gratuities received averages at least the amount established for large employers under paragraph (j).

(i) Notwithstanding paragraph (b), every small employer must pay an employee receiving gratuities a wage of at least:

(1) \$7.87 per hour if the employee earns sufficient gratuities during the workweek so that the sum of \$7.87 per hour and gratuities received averages at least the amount established for small employers under paragraph (j); or

(2) the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that the sum of \$7.87 per hour and gratuities received averages at least the amount established for small employers under paragraph (j).

(j)(1) For large employers, the average hourly wage and gratuity amount begins at \$14 and increases annually by the lesser of:

(i) two percent, rounded to the nearest cent; or

(ii) the percentage calculated by the commissioner under paragraph (f), rounded to the nearest cent.

(2) For small employers, the average hourly wage and gratuity amount begins at \$12 and increases annually by the lesser of:

(i) two percent, rounded to the nearest cent; or

(ii) the percentage calculated by the commissioner under paragraph (f), rounded to the nearest cent.

An average hourly wage and gratuity amount shall not be reduced under this paragraph. The adjusted average hourly wage and salary amounts determined under this paragraph take effect on the next January 1.

Sec. 2. Minnesota Statutes 2016, section 182.666, subdivision 1, is amended to read:

Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly violates the requirements of section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, may be assessed a fine not to exceed ~~\$70,000~~ \$126,750 for each violation. The minimum fine for a willful violation is ~~\$5,000~~ \$9,055.

Sec. 3. Minnesota Statutes 2016, section 182.666, subdivision 2, is amended to read:

Subd. 2. **Serious violations.** Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed ~~\$7,000~~ \$12,675 for each violation. If a serious violation under section 182.653, subdivision 2, causes or contributes to the death of an employee, the employer shall be assessed a fine of up to \$25,000 for each violation.

Sec. 4. Minnesota Statutes 2016, section 182.666, subdivision 3, is amended to read:

Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically determined not to be of a serious nature as provided in section 182.651, subdivision 12, may be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

Sec. 5. Minnesota Statutes 2016, section 182.666, subdivision 4, is amended to read:

Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation for which a citation has been issued under section 182.66 within the period permitted for its correction, which period shall not begin to run until the date of the final order of the commissioner in the case of any review proceedings under this chapter initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a fine of not more than ~~\$7,000~~ \$12,675 for each day during which the failure or violation continues.

Sec. 6. Minnesota Statutes 2016, section 182.666, subdivision 5, is amended to read:

Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements, as prescribed under this chapter, except those prescribed under section 182.661, subdivision 3a, shall be assessed a fine of up to \$7,000 \$12,675 for each violation.

Sec. 7. Minnesota Statutes 2016, section 182.666, is amended by adding a subdivision to read:

Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning in 2018, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the implicit price deflator, national data for personal consumption expenditures as determined by the United States Department of Commerce, Bureau of Economic Analysis during the 12-month period immediately preceding that August or, if that data is unavailable, during the most recent 12-month period for which data is available. The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under section 182.653, subdivision 2, that causes or contributes to the death of an employee, are increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest dollar amount evenly divisible by ten.

(b) The fines increased under paragraph (a) shall not be increased to an amount greater than the corresponding federal penalties for the specified violations promulgated in United States Code, title 29, section 666, subsections (a)-(d), (i), as amended through November 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

(c) A fine must not be reduced under this subdivision. A fine increased under this subdivision takes effect on the next January 1.

Sec. 8. Minnesota Statutes 2016, section 326B.805, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** Except as provided in subdivision 6, no persons required to be licensed by subdivision 1 may act or hold themselves out as a residential building contractor, residential remodeler, residential roofer, or manufactured home installer for compensation without a license issued by the commissioner. Unlicensed residential building contractor, residential remodeler, or residential roofer activity is a gross misdemeanor.

Sec. 9. **REPEALER.**

Minnesota Statutes 2016, section 177.24, subdivision 2, is repealed.

ARTICLE 10 LAKE WINONA MANAGEMENT

Section 1. **LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE PLANNING.**

(a) To facilitate implementation of the Lake Winona total maximum daily load, the Alexandria Lake Area Sanitary District may fund or perform lake management activities in Lake Winona and in Lake Agnes. Lake management activities may include but are not limited to carp removal and alum treatment. If the district agrees to fund or perform lake management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution Control Agency shall do one of the following unless the district chooses another path to compliance that conforms to state and federal law, such as facility construction:

(1) approve an offset of the phosphorous loading proportional to the reduction achievable through lake management activities in Lake Winona and Lake Agnes creditable to the Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend the district's NPDES permit MN004738 to include the offset. The approved offset may be related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district can achieve compliance with phosphorus effluent limits through wastewater optimization techniques without performing capital upgrades to the wastewater treatment facility. The lake management activities contemplated under paragraph (a) need not be completed before the commissioner approves the offset and related discharge limits or issues the permit, but the permit may include a schedule of compliance outlining the required lake management activities and requiring that lake management activities in Lake Winona and Lake Agnes begin immediately upon permit issuance. The approved offset and related permit language must be consistent with Clean Water Act requirements and Minnesota Statutes, section 115.03, subdivision 10; or

(2) amend the district's NPDES permit MN004738 in a manner consistent with state and federal law to include an integrated and adaptive lake management plan and to extend the final compliance deadline for the final phosphorus concentration effluent limit related to the site specific standard for Lake Winona contained in the district's permit until such time that carp removal in Lake Winona can be completed and the lake can be reassessed. The permit may include a schedule of compliance outlining the required lake management activities and requiring that lake management activities in Lake Winona and Lake Agnes begin immediately upon permit issuance.

(b) If the district agrees to fund or perform the lake management activities identified in paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The district's responsibility for lake management activities in Lake Winona and Lake Agnes terminates upon completion of the lake management activities identified in the schedule of compliance contemplated under paragraph (a).

EFFECTIVE DATE. This section is effective the day after the governing body of the Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 11 LOCAL GOVERNMENT

Section 1. Minnesota Statutes 2016, section 465.73, is amended to read:

465.73 LOAN FROM, SECURED BY U.S. AGRICULTURE DEPARTMENT AGENCY.

For purposes of constructing, repairing, or acquiring city halls, town halls, fire halls or fire or rescue equipment, or libraries or child care facilities if otherwise authorized by law, a statutory city, home rule charter city, county, or town may borrow not to exceed ~~\$450,000~~ \$750,000 from (i) funds granted to a rural electric cooperative organized under chapter 308A by the United States Department of Agriculture Rural Business-Cooperative Service or (ii) directly from or in the form of funds guaranteed by the Rural Housing Service or other agency of the United States Department of Agriculture by a note secured by a mortgage or other security agreement on the property purchased with the borrowed funds. The city, county, or town may pledge its full faith and credit and assign or pledge the revenues, if any, from the facilities or equipment so financed together with any other properly available funds to secure the loan. The obligation of the note is not to be included when computing the net debt of the city, county, or town, nor is the approval of the voters required for the issuance of the note.

ARTICLE 12
TELECOMMUNICATIONS

Section 1. Minnesota Statutes 2016, section 116J.394, is amended to read:

116J.394 DEFINITIONS.

- (a) For the purposes of sections 116J.394 to 116J.398, the following terms have the meanings given them.
- (b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).
- (c) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services for end users.
- (d) "Commissioner" means the commissioner of employment and economic development.
- (e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.
- (f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.
- (g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.
- (h) "Satellite broadband equipment" means a satellite dish or modem installed at a broadband user's location in order to receive broadband service from a satellite broadband provider.
- (i) "Satellite broadband provider" means an entity that provides broadband service by means of wireless signals transmitted between communication stations orbiting the earth and satellite broadband equipment installed at a broadband user's location.
- (j) "Satellite dish" means a parabolic aerial installed on a building exterior that receives signals from and transmits signals to a satellite broadband provider's satellite communication station orbiting the earth.
- (k) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.
- (l) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service, as defined in section 116J.39.

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

Sec. 2. Minnesota Statutes 2016, section 116J.395, subdivision 2, is amended to read:

Subd. 2. **Eligible expenditures.** (a) Grants may be awarded under this section to fund the acquisition and installation of:

(1) middle-mile and last-mile infrastructure that support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload; and

(2) satellite broadband equipment installed on the premises of a broadband user located in an unserved area that can support broadband speeds of at least 25 megabits per second download and three megabits per second upload.

(b) Grants may be awarded under this section to fund monthly satellite broadband service charges for a period of 12 months for a subscriber whose satellite broadband equipment has been partially funded by a grant under paragraph (a), clause (2).

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

Sec. 3. Minnesota Statutes 2016, section 116J.395, subdivision 5, is amended to read:

Subd. 5. **Application contents.** An applicant for a grant under this section shall provide the following information on the application:

- (1) the location of the project;
- (2) the kind and amount of broadband infrastructure or satellite broadband equipment to be purchased for the project;
- (3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;
- (4) the number of households passed that will have access to broadband service as a result of the project, or whose broadband service will be upgraded as a result of the project;
- (5) significant community institutions that will benefit from the proposed project;
- (6) evidence of community support for the project;
- (7) the total cost of the project;
- (8) sources of funding or in-kind contributions for the project that will supplement any grant award;
- (9) evidence that no later than six weeks before submission of the application the applicant contacted, in writing, all entities providing broadband service in the proposed project area to ask for each broadband service provider's plan to upgrade broadband service in the project area to speeds that meet or exceed the state's broadband speed goals in section 237.012, subdivision 1, within the time frame specified in the proposed grant activities;
- (10) the broadband service providers' written responses to the inquiry made under clause (9); and
- (11) any additional information requested by the commissioner.

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

Sec. 4. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than:

- (1) 50 percent of the total cost of a project- under subdivision 2, paragraph (a), clause (1);
- (2) 50 percent of the total cost of satellite broadband equipment installed at user locations, up to \$300; or

(3) \$600 in monthly satellite broadband subscription charges.

(b) Grants awarded to a single project under this section must not exceed \$5,000,000.

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

ARTICLE 13
STATE GOVERNMENT APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter 4, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>
.....	<u>314,000</u>

Sec. 2. **LEGISLATURE**

These amounts are from the general fund for the Legislative Coordinating Commission, as follows:

(1) \$120,000 is for the transfer of responsibilities related to the Pew-MacArthur Results First framework. The base for this appropriation is \$177,000 in fiscal year 2020 and \$185,000 in fiscal year 2021;

(2) \$104,000 is for digital preservation of legislative records by the Legislative Reference Library. This is a onetime appropriation; and

(3) \$90,000 is for rent payments for the Office of the Revisor of Statutes. This is a onetime appropriation.

Sec. 3. **STATE AUDITOR**

<u>\$.....</u>	<u>\$(269,094)</u>
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This is a general reduction to office operations. In addition to the requirements of section 16, the auditor may not reduce operations or services related to public pensions.

Sec. 4. **ATTORNEY GENERAL**

<u>\$.....</u>	<u>\$(1,000,000)</u>
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This is a general reduction to office operations, subject to the requirements of section 16.

Sec. 5. **SECRETARY OF STATE****\$.....****\$1,754,000**Of these amounts:

(1) \$220,000 is appropriated from the political party accounts established in the special revenue fund under Minnesota Statutes, section 10A.30, subdivision 2, for deposit in the Help America Vote Act Account established under Minnesota Statutes, section 5.30. This amount is for purposes that constitute the state match necessary to receive \$6,595,610 in federal funds for cybersecurity under the Omnibus Appropriations Act of 2018, Public Law 115-1410, and section 101 of the Help America Vote Act of 2002 under Public Law 107-252. This is a onetime appropriation; and

(2) \$1,534,000 is appropriated from the Help America Vote Act account established under Minnesota Statutes, section 5.30, for the purposes of modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law. This is a onetime appropriation and is available until June 30, 2020.

Sec. 6. **ADMINISTRATIVE HEARINGS****\$.....****\$525,000**

These amounts are from the general fund for the information policy analysis unit established in Minnesota Statutes, section 13.071.

Sec. 7. **ADMINISTRATION****\$.....****\$(1,243,000)**These amounts include reductions as follows:

(1) the Office of Continuous Improvement is reduced by \$418,000;

(2) the State Historic Preservation Office is reduced by \$300,000 in fiscal year 2019. The base for this appropriation in fiscal years 2020 and 2021 is reduced by \$200,000 each year; and

(3) the Data Practices Office is reduced by \$525,000.

Sec. 8. **MINNESOTA MANAGEMENT AND BUDGET****\$129,094****\$4,090,000**

(a) \$4,000,000 is from the amounts transferred to the general fund from the stadium reserve account under section 18, to establish an office to investigate allegations of harassment, misconduct, and discrimination, as provided in Minnesota Statutes, section 43A.385. Of these amounts:

(1) \$2,591,000 is to establish the office, to review and investigate claims, and to maintain, analyze, and report data as required by Minnesota Statutes, section 43A.385, subdivisions 1 and 2;

(2) \$255,000 is a onetime appropriation to administer and evaluate an employee community survey as required by Minnesota Statutes, section 43A.385, subdivision 3;

(3) \$26,000 is to study, develop, and maintain a complaint hotline, as provided by Minnesota Statutes, section 43A.385, subdivision 4;

(4) \$316,000 is a onetime appropriation to establish an audit process to review policies, procedures, and outcomes enterprise-wide, as provided by Minnesota Statutes, section 43A.385, subdivision 5; and

(5) \$812,000 is to provide training on harassment, misconduct, and discrimination policy, as provided by Minnesota Statutes, section 43A.385, subdivision 6.

No later than February 15, 2019, the commissioner of management and budget must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance on the reduced human resources workload and other cost savings realized by individual agencies due to the consolidation of these activities in a single office.

The base for this appropriation is \$3,429,000 in fiscal year 2020 and thereafter.

(b) \$140,000 is from the general fund for grants to reimburse the documented litigation costs incurred by counties in defending the constitutionality of Minnesota Statutes, section 6.481, as enacted in Laws 2015, chapter 77, article 2, section 3, in *Otto v. Wright County, et. al.* (A16-1634). The grants must be apportioned as follows:

(1) up to \$70,000 is for a grant to Wright County; and

(2) up to \$70,000 is for a grant to Becker County.

This is a onetime appropriation. The commissioner must provide each grant upon certification of the final litigation costs incurred by the affected county, provided that the total grant must not exceed the amounts specified in this paragraph.

(c) Notwithstanding any provision of law to the contrary, \$129,094 in fiscal year 2018 is from the general fund for a payment to the city of Austin, for both its 2016 fire state aid payment under Minnesota Statutes, section 69.021, subdivision 7, and its 2016 supplemental state aid payment under Minnesota Statutes, section 423A.022, upon certification by the city that the sum of the fire state aid and the supplemental state aid that the city transmitted to the Austin Parttime Firefighters Relief Association in calendar year

2015 to fund the volunteers firefighters' service pensions met or exceeded the amount required under the bylaws of that association. Of these amounts:

(1) \$103,892 is for the fire state aid; and

(2) \$25,202 is for the supplemental state aid.

This is a onetime appropriation. The payment required by this paragraph must be provided no later than June 30, 2018.

(d) The department's fiscal year 2019 appropriation includes a reduction of \$50,000 resulting from the transfer of the Pew-MacArthur Results First framework responsibilities to the legislature. The department's base for fiscal years 2020 and 2021 is reduced by \$122,000 each year to reflect this transfer.

(e) No later than December 31, 2018, the commissioner must credit at least \$500,000 to the general fund based on savings realized through implementation of the employee gainsharing program required by Minnesota Statutes, section 16A.90. If a credit of at least this amount has not been made to the general fund as of that date, the appropriation provided in this subdivision for fiscal year 2019 is reduced in an amount equal to the difference between the amount actually credited to the general fund and the total credit required by this paragraph.

Sec. 9. **REVENUE**

\$.....

\$(3,880,000)

(a) These amounts include a general reduction to agency operations, subject to the requirements of section 16, of \$3,895,000.

(b) \$15,000 is from the general fund for preparing and submitting a supplemental 2018 tax incidence report meeting the requirements of Minnesota Statutes, section 270C.13, subdivision 1, as amended in article 14, section 60. This is a onetime appropriation. The supplemental report must be completed and submitted no later than January 2, 2019.

Sec. 10. **HUMAN RIGHTS**

\$.....

\$(1,409,000)

These amounts may not be used to reduce the operations or services of the department's regional office in St. Cloud.

Sec. 11. **MINNESOTA HISTORICAL SOCIETY**

\$.....

\$1,000,000

These amounts are from the general fund, for digital preservation and access, including planning and implementation of a program to preserve and make available resources related to Minnesota history. This is a onetime appropriation.

Sec. 12. **MINNESOTA HUMANITIES CENTER****\$.....****\$710,000**

(a) \$210,000 is from the general fund for the Healthy Eating, Here at Home program under Minnesota Statutes, section 138.912. This is a onetime appropriation. No more than three percent of the appropriation may be used for the nonprofit administration of this program.

(b) \$250,000 is from the general fund for a grant to Everybody Wins!-Minnesota, a Minnesota 501(c)(3) corporation, to operate a reading program for Minnesota children. This is a onetime appropriation.

(c) \$250,000 is from the general fund for a grant to the Minnesota Council on Economic Education to provide staff development to teachers for the implementation of the state graduation standards in learning areas relating to economic education. This is a onetime appropriation and does not cancel, but is available until expended. The commissioner of education, in consultation with the council, shall develop expected results of staff development, eligibility criteria for participants, an evaluation procedure, and guidelines for direct and in-kind contributions by the council.

Sec. 13. **BOARD OF COSMETOLOGIST EXAMINERS****\$.....****\$(518,000)**

This is a general reduction to board operations, subject to the requirements of section 16.

Sec. 14. **VETERANS AFFAIRS****\$.....****\$26,000,000**

(a) \$26,000,000 in fiscal year 2019 is from the amounts transferred to the general fund from the stadium reserve account under section 18, for the following:

(1) \$10,000,000 is to design, construct, furnish, and equip a veterans home in Preston;

(2) \$6,000,000 is to design, construct, furnish, and equip a veterans home in Montevideo; and

(3) \$10,000,000 is to design, construct, furnish, and equip a veterans home in Bemidji.

(b) These veterans homes are subject to the requirements of The People's Veterans Homes Act, as provided in article 14, section 84. This is a onetime appropriation, and is available until June 30, 2021. The appropriations are not available until the commissioner of management and budget, in consultation with the commissioner of veterans affairs, determines that amounts sufficient to complete the projects are committed from nonstate sources.

Sec. 15. Laws 2017, chapter 2, article 1, section 7, as amended by Laws 2017, First Special Session chapter 6, article 5, section 9, is amended to read:

Sec. 7. **APPROPRIATIONS.**

(a) \$311,788,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of management and budget for premium assistance under section 2. This appropriation is onetime and is available through August 31, 2018.

(b) \$157,000 in fiscal year 2017 is appropriated from the general fund to the legislative auditor for purposes of section 3. This appropriation is onetime.

(c) \$75,391,000 is canceled from the appropriation in paragraph (a) to the budget reserve account under Minnesota Statutes, section 16A.152, subdivision 1a.

~~(e)~~ (d) Any remaining unexpended amount from the appropriation in paragraph (a) after June 30, 2018, shall be transferred no later than August 31, 2018, from the general fund to the budget reserve account under Minnesota Statutes, section 16A.152, subdivision 1a.

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

Sec. 16. **REDUCED APPROPRIATIONS; PRESERVATION OF PROGRAMS AND SERVICES.**

To the extent that appropriations provided by this article reflect reductions in amounts appropriated under Laws 2017, First Special Session chapter 4, and the purpose for the reduction is not otherwise specified, the affected constitutional office, agency, or board must allocate the reduction across all program activities, prioritizing reductions to central administration and general operations. Unless otherwise specified, reductions must not be made to programs or services that are provided directly to members of the public.

Sec. 17. **EXECUTIVE AGENCY APPROPRIATIONS; MNLARS TARGETED REDUCTIONS.**

(a) By October 31, 2018, the commissioner of management and budget must, with the approval of the governor and after consulting the Legislative Advisory Commission, reduce general fund appropriations for executive agency operating expenditures by \$9,650,000 for the biennium ending June 30, 2019. This is a onetime reduction. In making reductions, the commissioner must prioritize reductions to any increased central operating or administrative expenses within an agency that resulted from the enactment of operating adjustments for that agency for the biennium ending June 30, 2019, compared to appropriations enacted for the agency for the biennium ending June 30, 2017. The commissioner must not reduce appropriations for client-facing health care, corrections, public safety, mental health programs, or other services that are provided directly to members of the public.

(b) By June 30, 2018, the commissioner of management and budget must transfer \$7,500,000 from the general fund to the driver services operating account in the special revenue fund, or its successor fund, and \$2,150,000 to the vehicle services operating account in the special revenue fund, or its successor fund.

(c) For purposes of this subdivision, "executive agency" has the meaning given in Minnesota Statutes, section 16A.011, subdivision 12, and includes constitutional officers.

Sec. 18. **MINNESOTA SPORTS FACILITIES AUTHORITY; STADIUM RESERVE TRANSFER.**

\$30,817,000 must be transferred to the unrestricted general fund from the general reserve account established by the commissioner of management and budget under Minnesota Statutes, section 297E.021, no later than June 30, 2019. This is a onetime transfer.

Sec. 19. **MN.IT PRIORITIZATION OF CYBERSECURITY.**

The state chief information officer must prioritize the enhancement of cybersecurity across state government when expending any appropriations or fund transfers provided to the Office of MN.IT Services, including but not limited to those provided by Laws 2017, First Special Session chapter 4, article 1, section 10, and amounts credited to the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21.

Sec. 20. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 14
STATE GOVERNMENT OPERATIONS

Section 1. Minnesota Statutes 2016, section 1.26, subdivision 1, is amended to read:

Subdivision 1. ~~Political subdivision defined~~ **Definitions.** As used in this section:

(1) "declared emergency" has the meaning given in section 12.03, subdivision 1e; and

(2) "political subdivision" includes counties, home rule charter and statutory cities, towns, townships, school districts, authorities, and other public corporations and entities whether organized and existing under charter or general law.

Sec. 2. Minnesota Statutes 2016, section 1.26, subdivision 2, is amended to read:

Subd. 2. **State government.** When, due to ~~an emergency resulting from the effects of enemy attack, or the anticipated effects of a threatened enemy attack~~ a declared emergency, it becomes imprudent, inexpedient, or impossible to conduct the affairs of state government in the city of St. Paul, Ramsey County, Minnesota, the governor shall, as often as the exigencies of the situation require, by proclamation, declare an emergency temporary location, or locations, for the seat of government at a place, or places, in or out of the state as the governor deems advisable under the circumstances, and shall take action and issue orders as necessary for an orderly transition of the affairs of state government to the emergency temporary location, or locations. To the extent practical, the governor's orders must be consistent with the state comprehensive emergency operations plan required by section 12.21, subdivision 3. The emergency temporary location, or locations, shall remain the seat of government until the legislature by law establishes a new location, or locations, or until the emergency is declared to be ended by the governor and the seat of government is returned to its normal location.

Sec. 3. **[2.92] DISTRICTING PRINCIPLES.**

Subdivision 1. **Applicability.** The principles in this section apply to legislative and congressional districts.

Subd. 2. **Nesting.** A representative district may not be divided in the formation of a senate district.

Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal in population. The population of a legislative district must not deviate from the ideal by more than 0.5 percent, plus or minus.

(b) Congressional districts must be as nearly equal in population as practicable.

Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient contiguous territory. To the extent consistent with the other principles in this section, districts should be compact. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district. Point contiguity is not sufficient.

Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series, beginning with house district 1A in the northwest corner of the state and proceeding across the state from west to east, north to south, but bypassing the 11-county metropolitan area until the southeast corner has been reached; then to the 11-county metropolitan area. In a county that includes more than one whole senate district, the districts must be numbered consecutively.

(b) Congressional district numbers must begin with district one in the southeast corner of the state and end with district eight in the northeast corner of the state.

Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting strength is contrary to the laws of the United States and the state of Minnesota. These principles must not be construed to supersede any provision of the Voting Rights Act of 1965, as amended.

(b) A redistricting plan must not have the intent or effect of dispersing or concentrating minority population in a manner that prevents minority communities from electing their candidates of choice.

Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly divided unless required to meet equal population requirements or to form districts composed of convenient, contiguous territory.

(b) A county, city, or town is not unduly divided in the formation of a legislative or congressional district if:

(1) the division occurs because a portion of a city or town is noncontiguous with another portion of the same city or town; or

(2) despite the division, the known population of any affected county, city, or town remains wholly located within a single district.

Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to preserve identifiable communities of interest where that can be done in compliance with the principles under this section.

(b) For purposes of this subdivision, "communities of interest" means recognizable areas with similarities of interests including but not limited to racial, ethnic, geographic, social, or cultural interests.

Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in maps, tables, and legal descriptions of the districts must be those used by the Geographic Information Systems Office of the Legislative Coordinating Commission. The population counts shall be the block population counts provided to the state under Public Law 94-171 after each decennial census, subject to correction of any errors acknowledged by the United States Census Bureau.

(b) Nothing in this subdivision prohibits the use of additional data, as determined by the legislature.

Subd. 10. Consideration of plans. A redistricting plan must not be considered for adoption by the senate or house of representatives until a block equivalency file showing the district to which each census block has been assigned, in a form prescribed by the director of the Geographic Information Systems Office, has been filed with the director.

Subd. 11. Priority of principles. Where it is not possible to fully comply with the principles contained in subdivisions 2 to 8, a redistricting plan must give priority to those principles in the order in which they are listed, except to the extent that doing so would violate federal or state law.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any plan for districts enacted or established for use on or after that date.

Sec. 4. Minnesota Statutes 2016, section 3.303, is amended by adding a subdivision to read:

Subd. 12. Emergency operations and continuity of the legislative branch. The commission must adopt and regularly review an emergency operations and continuity of government plan for the legislative branch, as required by section 12.401.

Sec. 5. Minnesota Statutes 2016, section 3.8841, subdivision 9, is amended to read:

Subd. 9. Powers; duties; Metropolitan Council appointments oversight. The commission must monitor appointments to the Metropolitan Council and may make recommendations on appointments ~~to the nominating committee under section 473.123, subdivision 3, or~~ to the governor before the governor makes the appointments. The commission may also make recommendations to the senate before appointments are presented to the senate for its advice and consent.

Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended to read:

Subdivision 1. Establishment; duties. The Legislative Budget Office is established ~~under control of the Legislative Coordinating Commission~~ to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, without regard to political factors.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended to read:

Subdivision 1. Establishment; duties. The Legislative Budget Office is established under control of the Legislative Coordinating Commission to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, and to evaluate the effectiveness of state and county programs authorized by the legislature using the return on taxpayer investment methodology established by the Pew-MacArthur Results First framework. The duties of the office must be conducted without regard to political factors.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 1a. **Oversight commission.** (a) The Legislative Budget Office Oversight Commission is established. The commission consists of:

(1) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(2) two members of the senate appointed by the senate minority leader;

(3) two members of the house of representatives appointed by the speaker of the house; and

(4) two members of the house of representatives appointed by the minority leader.

The director of the Legislative Budget Office is the executive secretary of the commission. The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio, nonvoting members of the commission.

(b) Members serve at the pleasure of the appointing authority, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

(c) The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives. The commission shall meet at the call of the chair. The members shall serve without compensation but may be reimbursed for their reasonable expenses consistent with the rules of the legislature governing expense reimbursement.

(d) The commission shall review the work of the Legislative Budget Office and make recommendations, as the commission determines necessary, to improve the office's ability to fulfill its duties, and shall perform other functions as directed by this section.

EFFECTIVE DATE; FIRST MEETING. This section is effective the day following final enactment. Appointments to the oversight commission must be made no later than June 15, 2018. The chair of the Legislative Coordinating Commission must designate one appointee to convene the commission's first meeting. The designated appointee must convene the first meeting no later than July 1, 2018.

Sec. 9. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended to read:

Subd. 2. **Staff.** The ~~Legislative Coordinating Commission~~ Legislative Budget Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The director may hire staff necessary to do the work of the office. The director serves in the unclassified service for a term of six years and may not be removed during a term except for cause after a public hearing. The director of the office is a public official for purposes of sections 10A.07 to 10A.09.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 10. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 3. **Standards and guidelines.** The Legislative Budget Office must adopt uniform standards, guidelines, and procedures governing the timely preparation of fiscal notes as required by this section and section 3.98. The standards, guidelines, and procedures are not effective until they are approved by the oversight commission. Upon approval, the standards and guidelines must be published in the State Register and on the office's Web site.

EFFECTIVE DATE. This section is effective January 8, 2019, provided that the uniform procedures to be used may be developed and adopted by the oversight commission prior to the effective date of this section.

Sec. 11. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 4. **Access to data.** (a) Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply any data that, in the director's judgment, is relevant to legislation that is the subject of a fiscal note prepared by the department or agency.

(b) To the extent that data supplied to the Legislative Budget Office are classified as not public under chapter 13 or other applicable law, the Legislative Budget Office must maintain and administer the data in the same manner as required of a government entity subject to that classification. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. A violation of this paragraph by the director or other staff of the Legislative Budget Office is subject to the penalties and remedies provided in sections 13.08 and 13.09, and any other applicable law governing the unauthorized use or acquisition of not public data.

(c) Upon approval by the Legislative Budget Office, a completed fiscal note must be delivered to the legislative committee chair who made the request, and to the chief author of the legislation to which it relates. Within 24 hours of approval, a completed fiscal note must be posted on the office's public Web site, unless data maintained by a government entity related to the fiscal note are classified as not public under section 13.64, subdivision 3.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, shall ~~cooperate, in consultation~~ and consistent with the standards, guidelines, and procedures adopted under section 3.8853, prepare a fiscal note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance.

(b) ~~Upon request of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply all information necessary for the Legislative Budget Office to prepare an accurate and timely fiscal note.~~

(c) ~~The Legislative Budget Office may adopt standards and guidelines governing timing of responses to requests for information and governing access to data, consistent with laws governing access to data. Agencies must comply with these standards and guidelines and the Legislative Budget Office must publish them on the office's Web site.~~

~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees, and commissions supervised or appointed by the state Supreme Court or the state court administrator.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 13. **[4.074] PAYMENTS FROM EXECUTIVE AGENCIES.**

The Office of the Governor may not receive payments to the governor's office account in the special revenue fund of more than \$750,000, in total, each fiscal year from other executive agencies under section 15.53 to support costs, not including the residence groundskeeper, incurred by the office.

Sec. 14. **[5.42] DISPLAY OF BUSINESS ADDRESS ON WEB SITE.**

(a) A business entity may request in writing that all addresses submitted by the business entity to the secretary of state be omitted from display on the secretary of state's Web site. A business entity may only request that all addresses be omitted from display if the entity certifies that:

(1) there is only one shareholder, member, manager, or owner of the business entity;

(2) the shareholder, manager, member, or owner is a natural person; and

(3) at least one of the addresses provided is the residential address of the sole shareholder, manager, member, or owner.

The secretary of state shall post a notice that this option is available and a link to the form needed to make a request on the secretary's Web site. The secretary of state shall also attach a copy of the request form to all business filing forms provided in a paper format that require a business entity to submit an address.

(b) This section does not change the classification of data under chapter 13 and addresses shall be made available to the public in response to requests made by telephone, mail, electronic mail, and facsimile transmission.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to business entity filings filed with the secretary of state on or after that date.

Sec. 15. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended to read:

Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the standards and be in a form meeting recognized industry auditing standards. The state auditor may require additional information from the CPA firm if the state auditor determines that is in the public interest, but the state auditor must accept the audit unless the state auditor determines the audit or its form does not meet recognized industry auditing standards. The state auditor may make additional examinations as the auditor determines to be in the public interest.

(b) When the state auditor requires additional information from the CPA firm or makes additional examinations that the state auditor determines to be in the public interest, the state auditor must afford counties and CPA firms an opportunity to respond to potential findings, conclusions, or questions, as follows:

(1) at least 30 days before beginning a review for work performed by a certified public accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA firm that the state auditor will be conducting a review and must identify the type and scope of review the state auditor will perform;

(2) throughout the state auditor's review, the auditor shall allow the county and the CPA firm at least 30 days to respond to any request by the auditor for documents or other information;

(3) the state auditor must provide the CPA firm with a draft report of the state auditor's findings at least 30 days before issuing a final report;

(4) at least 20 days before issuing a final report, the state auditor must hold a formal exit conference with the CPA firm to discuss the findings in the state auditor's draft report;

(5) the state auditor shall make changes to the draft report that are warranted as a result of information provided by the CPA firm during the state auditor's review; and

(6) the state auditor's final report must include any written responses provided by the CPA firm.

Sec. 16. Minnesota Statutes 2016, section 8.065, is amended to read:

8.065 PRIVATE ATTORNEY CONTRACTS.

Subdivision 1. Contracts for legal services in excess of \$1,000,000. The attorney general may not enter into a contract for legal services in which the fees and expenses paid by the state exceed, or can reasonably be expected to exceed, \$1,000,000 unless the attorney general first submits the proposed contract to the Legislative Advisory Commission, and waits at least 20 days to receive a possible recommendation from the commission.

Subd. 2. Contingent fee contracts. (a) Except as provided in paragraph (b), the attorney general may not contract for legal services on a contingent fee basis.

(b) Paragraph (a) does not apply to contracts for legal services on behalf of the Department of Human Services for Medicaid third-party liability or false claims recoveries. Contracts for these services may not exceed two years, but may be extended by amendment, if necessary to continue representation in an active case referred during the original two-year contract term. These contracts are subject to the competitive proposal requirements for professional and technical services contracts provided in section 16C.08. No later than January 15 of each year, the attorney general and the commissioner of human services must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance that includes a copy of the contract for legal services, and details on:

(1) the number of claims for recovery filed by attorneys providing services on a contingent fee basis;

(2) the number of recovery claims that were successful, including the amounts recovered in each successful claim; and

(3) the total amount of attorney fees due or paid following each successful claim.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts entered into on or after that date. Subdivision 2, paragraph (b), applies to legal services for claims filed on or after August 1, 2018.

Sec. 17. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or Supreme Court justice;
- (27) county commissioner;
- (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- (29) member of the Destination Medical Center Corporation established in section 469.41.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 18. Minnesota Statutes 2016, section 10A.02, subdivision 7, is amended to read:

Subd. 7. **Political activity.** All members and employees of the board are subject to any provisions of law regulating political activity by state employees. In addition, no member or employee of the board may be a candidate for, or holder of, (1) a national, state, congressional district, legislative district, county, or precinct office in a political party, or (2) an elected public office for which party designation is required by statute. For purposes of this subdivision, "employee of the board" includes any board employee and any employee of the Office of MN.IT Services assigned to provide information technology services to the board.

Sec. 19. Minnesota Statutes 2016, section 12.09, subdivision 2, is amended to read:

Subd. 2. **State emergency plan.** The division shall develop and maintain a comprehensive state emergency operations plan and emergency management program in accord with section 12.21, subdivision 3, ~~clause (2) paragraph (b)~~, and ensure that other state emergency plans that may be developed are coordinated and consistent with the comprehensive state emergency operations plan. The director of the division must provide assistance to the legislative branch, the judicial branch, and the executive council in developing the plans required by sections 12.401, 12.402, and 12.403.

Sec. 20. Minnesota Statutes 2016, section 12.21, subdivision 3, is amended to read:

Subd. 3. **Specific authority.** (a) In performing duties under this chapter and to effect its policy and purpose, the governor may:

(1) make, amend, and rescind the necessary orders and rules to carry out the provisions of this chapter and section 216C.15 within the limits of the authority conferred by this section, with due consideration of the plans of the federal government and without complying with sections 14.001 to 14.69, but no order or rule has the effect of law except as provided by section 12.32;

~~(2) ensure that a comprehensive emergency operations plan and emergency management program for this state are developed and maintained, and are integrated into and coordinated with the emergency plans of the federal government and of other states to the fullest possible extent;~~

~~(3)~~ (2) in accordance with the emergency operations plan and the emergency management program of this state, procure supplies, equipment, and facilities; institute training programs and public information programs; and take all other preparatory steps, including the partial or full activation of emergency management organizations in advance of actual disaster to ensure the furnishing of adequately trained and equipped forces of emergency management personnel in time of need;

~~(4)~~ (3) make studies and surveys of the industries, resources, and facilities in this state as may be necessary to ascertain the capabilities of the state for emergency management and to plan for the most efficient emergency use of those industries, resources, and facilities;

~~(5)~~ (4) on behalf of this state, enter into mutual aid arrangements or cooperative agreements with other states, tribal authorities, and Canadian provinces, and coordinate mutual aid plans between political subdivisions of this state;

~~(6)~~ (5) delegate administrative authority vested in the governor under this chapter, except the power to make rules, and provide for the subdelegation of that authority;

~~(7)~~ (6) cooperate with the president and the heads of the armed forces, the Emergency Management Agency of the United States and other appropriate federal officers and agencies, and with the officers and agencies of other states in matters pertaining to the emergency management of the state and nation, including the direction or control of:

(i) emergency preparedness drills and exercises;

(ii) warnings and signals for drills or actual emergencies and the mechanical devices to be used in connection with them;

(iii) shutting off water mains, gas mains, electric power connections and the suspension of all other utility services;

(iv) the conduct of persons in the state, including entrance or exit from any stricken or threatened public place, occupancy of facilities, and the movement and cessation of movement of pedestrians, vehicular traffic, and all forms of private and public transportation during, prior, and subsequent to drills or actual emergencies;

(v) public meetings or gatherings; and

(vi) the evacuation, reception, and sheltering of persons;

~~(8)~~ (7) contribute to a political subdivision, within the limits of the appropriation for that purpose, not more than 25 percent of the cost of acquiring organizational equipment that meets standards established by the governor;

~~(9)~~ (8) formulate and execute, with the approval of the Executive Council, plans and rules for the control of traffic in order to provide for the rapid and safe movement over public highways and streets of troops, vehicles of a military nature, and materials for national defense and war or for use in any war industry, for the conservation of critical materials, or for emergency management purposes; and coordinate the activities of the departments or agencies of the state and its political subdivisions concerned directly or indirectly with public highways and streets, in a manner that will best effectuate those plans;

~~(10)~~ (9) alter or adjust by executive order, without complying with sections 14.01 to 14.69, the working hours, workdays and work week of, and annual and sick leave provisions and payroll laws regarding all state employees in the executive branch as the governor deems necessary to minimize the impact of the disaster or emergency, conforming the alterations or adjustments to existing state laws, rules, and collective bargaining agreements to the extent practicable;

~~(11)~~ (10) authorize the commissioner of education to alter school schedules, curtail school activities, or order schools closed as defined in section 120A.05, subdivisions 9, 11, 13, and 17, and including charter schools under chapter 124E, and elementary schools enrolling prekindergarten pupils in district programs; and

~~(12)~~ (11) transfer the direction, personnel, or functions of state agencies to perform or facilitate response and recovery programs.

(b) In performing duties under this chapter and to effect its policy and purpose, the governor must direct the Division of Emergency Management to adopt and maintain a comprehensive emergency operations plan and emergency management program for this state that is integrated into and coordinated with the emergency plans of the federal government and other states to the fullest possible extent. The comprehensive emergency operations plan must incorporate plans for the secure, continued operation of state government in the event of a disaster or emergency, including those adopted under sections 12.401, 12.402, and 12.403.

Sec. 21. **[12.401] EMERGENCY OPERATIONS AND CONTINUITY PLAN; LEGISLATIVE BRANCH.**

Subdivision 1. **Adoption of plan required.** (a) The Legislative Coordinating Commission must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of the house of representatives, senate, and joint legislative offices in the event of a disaster, emergency, or declared emergency. In developing the plan, the commission must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The commission must also consult with the governor or the governor's designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure the plan's compatibility with those adopted for the judicial branch under section 12.402 and the executive council under section 12.403, to the extent practical.

(b) At a minimum, the commission's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency on the ability of the legislature to perform its constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the legislature could conduct operations in the event of a disaster or declared emergency that makes the State Capitol unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected members and personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport all members, designated personnel, and necessary equipment and records to an alternate location and begin legislative operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of the legislature's operations and access to its proceedings in-person or by electronic, broadcast, or other means as the circumstances of the emergency allow;

(5) additional procedures, as necessary, to implement the requirements of subdivisions 2 and 3;

(6) procedures for the orderly return of legislative operations to the State Capitol, as soon as circumstances allow; and

(7) policy decisions that address any other procedures or protocols recommended for inclusion by the state director of emergency management.

(c) The plan must be adopted and maintained by the Legislative Coordinating Commission no later than January 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be reviewed by the full commission and designated legislative staff no later than January 30 of each odd-numbered year. A meeting of the commission may be closed to the public for any of these purposes.

(d) Copies of the plan must be filed with the governor, the secretary of state, the state director of emergency management, and at each of the alternate locations designated in the plan. Unless otherwise directed by the Legislative Coordinating Commission, the copies of the plan must be securely maintained and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement the plan's requirements. To the extent data regarding the plan is held by a government entity, as defined in section 13.02, subdivision 7a, the data are security information under section 13.37.

Subd. 2. Implementation of plan. (a) The governor or the chair of the Legislative Coordinating Commission may order that the legislature's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, the legislature must be directed to a location designated in the plan, or if those designated locations are unsafe or inaccessible, to any other location within or outside of the state which the governor or chair deems safe and accessible. If implementation of the plan is ordered by the chair of the Legislative Coordinating Commission, the chair must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A legislative session convened at an alternate location must be reconvened at the State Capitol as soon as practical after the capitol is secured and restored to accessibility.

Subd. 3. Special session at an alternate location; legislative procedure. (a) In the event of a declared emergency, if the legislature is not in session, the governor shall convene a special session when required by section 12.31, subdivisions 1 and 2.

(b) If the governor fails to convene a special session after declaring a national security emergency, the chair of the Legislative Coordinating Commission shall order implementation of the legislature's emergency operations and continuity of government plan, and the legislature shall convene at the State Capitol, or alternate location designated by the plan, on the first Tuesday after the first Monday more than 30 days after the national security emergency was declared.

(c) At a special session convened at an alternate location due to a disaster, emergency, or declared emergency, the quorum requirement for the legislature is a majority of the members of each house who convene for the session. If the affirmative vote of a specified proportion of members of the legislature would otherwise be required to approve a bill, resolution, or for any other action, the same proportion of the members of each house convening at the session is sufficient. At the time the special session convenes, the legislature shall adopt temporary joint rules as necessary to ensure the orderly conduct of legislative business in the alternate location, including compliance with the requirements of the Minnesota Constitution and the rules of parliamentary practice.

Sec. 22. **[12.402] EMERGENCY OPERATIONS AND CONTINUITY PLAN; JUDICIAL BRANCH.**

Subdivision 1. Adoption of plan required. (a) The Supreme Court must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of the judicial branch in the event of a disaster, emergency, or declared emergency. In developing the plan, the court must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The court must also consult the governor or the governor's designee, and the chair of the Legislative Coordinating Commission, or the chair's designee, to ensure the plan's compatibility with those adopted for the executive council and legislative branch under sections 12.401 and 12.403, to the extent practical.

(b) At a minimum, the Supreme Court's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency, on the ability of the judicial branch to perform its constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the Supreme Court, Court of Appeals, and central administrative functions of the judicial branch could operate in the event of a disaster or declared emergency that make its regular location unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport affected justices, judges, designated personnel, and necessary equipment and records to an alternate location and begin judicial operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of the judicial branch's operations and access to its proceedings and records in-person or by electronic, broadcast, or other means as the rules of the court require and the circumstances of the emergency allow;

(5) plans to ensure the rights and protections guaranteed by the federal and state constitutions to criminal defendants, petitioners, and civil litigants are preserved;

(6) procedures for the orderly return of judicial branch operations to their regular location, as soon as circumstances allow; and

(7) policy decisions that address any other procedures or protocols recommended for inclusion by the state director of emergency management.

(c) The plan must be adopted and maintained by the Supreme Court no later than January 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be reviewed by the justices and judges of the Supreme Court and Court of Appeals, and designated staff, no later than January 30 of each odd-numbered year.

(d) Copies of the plan must be filed with the governor, the secretary of state, the state director of emergency management, and at each of the alternate locations designated in the plan. Unless otherwise directed by the court, the copies of the plan must be securely maintained and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement the plan's requirements. To the extent data regarding the plan is held by a government entity, as defined in section 13.02, subdivision 7a, the data are security information under section 13.37.

Subd. 2. Implementation of plan. (a) The governor or the chief justice may order that the judiciary's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, the affected personnel must be directed to a location designated in the plan, or if those designated locations are unsafe or inaccessible, to any other location within or outside of the state which the governor or chief justice deems safe and accessible. If implementation of the plan is ordered by the chief justice, the chief justice must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A court convened at an alternate location must be reconvened at its regular location as soon as practical after the location is secured and restored to accessibility.

Sec. 23. **[12.403] EMERGENCY OPERATIONS AND CONTINUITY PLAN; CONSTITUTIONAL OFFICERS.**

Subdivision 1. Adoption of plan required. (a) The executive council must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of each constitutional office in the event of a disaster, emergency, or declared emergency. In developing the plan, the council must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The council must also consult the chair of the Legislative Coordinating Commission or the chair's designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure the plan's compatibility with those adopted for the legislative branch and judicial branch under sections 12.401 and 12.402, to the extent practical.

(b) At a minimum, the council's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency, on the ability of the state constitutional officers to perform their constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the constitutional officers could conduct operations in the event of a disaster, emergency, or declared emergency that make their regular locations unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected constitutional officers and personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport all constitutional officers, designated personnel, and necessary equipment and records to an alternate location and begin operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of each constitutional officer's operations and access to the officers and records in person or by electronic, broadcast, or other means as the circumstances of the emergency allow;

(5) procedures for the orderly return of operations to the State Capitol, as soon as circumstances allow; and

(6) policy decisions that address any other procedures or protocols recommended for inclusion by the state director of emergency management.

(c) The plan must be adopted no later than January 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be reviewed by the executive council and designated staff no later than January 30 of each odd-numbered year. A meeting of the council may be closed to the public for any of these purposes.

(d) Copies of the plan must be filed with each constitutional officer, the state director of emergency management, and at each of the alternate locations designated in the plan. Unless otherwise directed by the executive council, the copies of the plan are security data under section 13.37, must be securely maintained, and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement its requirements.

Subd. 2. Implementation of plan. (a) The governor or any constitutional officer, with respect to that officer's constitutional office, may order that the executive council's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, affected personnel must be directed to a location designated in the plan, or if those designated locations are unsafe or

inaccessible, to any other location within or outside of the state which the governor or constitutional officer deems safe and accessible. If implementation of the plan is ordered by a constitutional officer other than the governor, the officer must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A constitutional officer's primary office must be returned to its regular location as soon as practical after that location is secured and restored to accessibility.

Sec. 24. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to read:

Subd. 1a. **Chief administrative law judge.** "Chief administrative law judge" means the chief administrative law judge of the state Office of Administrative Hearings.

Sec. 25. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to read:

Subd. 8b. **Information policy analysis unit.** "Information policy analysis unit" means the work unit within the Office of Administrative Hearings established under section 13.071.

Sec. 26. **[13.071] INFORMATION POLICY ANALYSIS UNIT; DATA PRACTICES COORDINATOR.**

Subdivision 1. **Information policy analysis unit established.** An information policy analysis unit is established as a work unit within the Office of Administrative Hearings.

Subd. 2. **Data practices coordinator.** (a) The chief administrative law judge shall appoint a data practices coordinator in the unclassified service who shall oversee the operations of the information policy analysis unit.

(b) The coordinator must be knowledgeable about the Minnesota Government Data Practices Act, the Minnesota Open Meeting Law, and federal laws and regulations regarding data privacy. The coordinator must have experience in dealing with both private enterprise and governmental entities, interpreting laws and regulations, record keeping, report writing, public speaking, and management.

Subd. 3. **Duties.** The information policy analysis unit shall:

(1) informally advise and serve as a technical resource for government entities on questions related to public access to government data, rights of subjects of data, classification of data, or applicable duties under chapter 13D;

(2) informally advise persons regarding their rights under this chapter or chapter 13D;

(3) administer training on chapter 13D and the public information policy training program under section 13.073;

(4) issue advisory opinions pursuant to section 13.072;

(5) operate in a manner that effectively screens the work of the information policy analysis unit from any administrative law judges assigned to a contested case pursuant to section 13.085; and

(6) perform other duties as directed by the chief administrative law judge.

Subd. 4. **Effect of informal advice.** Informal advice or trainings offered by the information policy analysis unit is not binding on a government entity or members of a body subject to chapter 13D, does not constitute legal advice or an advisory opinion under section 13.072, and has no effect on liability, fines, or fee awards arising from a violation of this chapter or chapter 13D. This section does not preclude a person from, in addition to or instead of requesting advice from the information policy analysis unit, seeking an advisory opinion under section 13.072, or bringing any other action under this chapter or other law.

Subd. 5. **Data submitted to information policy analysis unit.** A government entity may submit not public data to the information policy analysis unit for the purpose of requesting advice. Government data submitted to the information policy analysis unit by a government entity or copies of government data submitted by other persons have the same classification as the data have when held by the government entity.

Sec. 27. Minnesota Statutes 2016, section 13.072, is amended to read:

13.072 ADVISORY OPINIONS BY THE COMMISSIONER INFORMATION POLICY ANALYSIS UNIT.

Subdivision 1. **Advisory opinion; when required.** (a) Upon request of a government entity, the ~~commissioner~~ may information policy analysis unit shall give a written advisory opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the ~~commissioner~~ may information policy analysis unit shall give a written advisory opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the ~~commissioner~~ may information policy analysis unit shall give a written advisory opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the ~~commissioner~~ may information policy analysis unit shall give a written advisory opinion on compliance with chapter 13D. ~~A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.~~

(c) ~~If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. If this notice is not given, the commissioner~~ The information policy analysis unit shall issue an advisory opinion within 20 days of receipt of the request.

(d) For good cause and upon written notice to the person requesting the advisory opinion, the ~~commissioner~~ chief administrative law judge may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The ~~commissioner~~ information policy analysis unit or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an advisory opinion issued by the ~~commissioner~~ information policy analysis unit under this section.

(g) A decision of the Office of Administrative Hearings issued under section 13.085 shall take precedence over an advisory opinion issued by the information policy analysis unit under this section.

Subd. 2. **Effect.** (a) Advisory opinions issued by the ~~commissioner~~ information policy analysis unit under this section are not binding on the government entity or members of a body subject to chapter 13D whose data or performance of duties is the subject of the advisory opinion, but an advisory opinion described in subdivision 1, paragraph (a), must be given deference by a court or other tribunal in a proceeding involving the data. The

~~commissioner information policy analysis unit~~ shall arrange for public dissemination of advisory opinions issued under this section, and shall indicate when the principles stated in an advisory opinion are not intended to provide guidance to all similarly situated persons or government entities. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written advisory opinion. A government entity, members of a body subject to chapter 13D, or person that acts in conformity with a written advisory opinion of the ~~commissioner information policy analysis unit~~ issued to the government entity, members, or person or to another party is not liable for compensatory or exemplary damages or awards of attorneys fees in actions for violations arising under section 13.08 or 13.085, or for a penalty under section 13.09 or for fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on an advisory opinion.

(b) The information policy analysis unit shall publish and maintain all previously issued written opinions of the commissioner of administration in the same manner as advisory opinions issued by the information policy analysis unit. A previously issued written opinion by the commissioner of administration has the same effect as an advisory opinion issued by the information policy analysis unit.

Subd. 4. **Data submitted to ~~commissioner information policy analysis unit~~.** A government entity may submit not public data to the ~~commissioner information policy analysis unit~~ for the purpose of requesting or responding to a person's request for an advisory opinion. Government data submitted to the ~~commissioner information policy analysis unit~~ by a government entity or copies of government data submitted by other persons have the same classification as the data have when held by the government entity. If the nature of the advisory opinion is such that the release of the advisory opinion would reveal not public data, the ~~commissioner information policy analysis unit~~ may issue an advisory opinion using pseudonyms for individuals. Data maintained by the ~~commissioner information policy analysis unit~~, in the record of an advisory opinion issued using pseudonyms that would reveal the identities of individuals protected by the use of the pseudonyms, are private data on individuals.

Sec. 28. Minnesota Statutes 2016, section 13.08, subdivision 4, is amended to read:

Subd. 4. **Action to compel compliance.** (a) Actions to compel compliance may be brought either under this subdivision or section 13.085. For actions under this subdivision, in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to \$1,000 against the government entity. This penalty is payable to the state general fund and is in addition to damages under subdivision 1. The matter shall be heard as soon as possible. In an action involving a request for government data under section 13.03 or 13.04, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public. If the court issues an order to compel compliance under this subdivision, the court shall forward a copy of the order to the ~~commissioner of administration~~ chief administrative law judge.

(b) In determining whether to assess a civil penalty under this subdivision, the court or other tribunal shall consider whether the government entity has substantially complied with general data practices under this chapter, including but not limited to, whether the government entity has:

- (1) designated a responsible authority under section 13.02, subdivision 16;
- (2) designated a data practices compliance official under section 13.05, subdivision 13;

(3) prepared the data inventory that names the responsible authority and describes the records and data on individuals that are maintained by the government entity under section 13.025, subdivision 1;

(4) developed public access procedures under section 13.03, subdivision 2; procedures to guarantee the rights of data subjects under section 13.025, subdivision 3; and procedures to ensure that data on individuals are accurate and complete and to safeguard the data's security under section 13.05, subdivision 5;

(5) acted in conformity with an advisory opinion issued under section 13.072 that was sought by a government entity or another person;

(6) acted in conformity with a decision of the Office of Administrative Hearings issued under section 13.085; or

~~(6)~~ (7) provided ongoing training to government entity personnel who respond to requests under this chapter.

(c) The court shall award reasonable attorney fees to a prevailing plaintiff who has brought an action under this subdivision if the government entity that is the defendant in the action was also the subject of ~~a written an advisory~~ an advisory opinion issued under section 13.072 or a decision of the Office of Administrative Hearings issued under section 13.085 and the court finds that the opinion or decision is directly related to the cause of action being litigated and that the government entity did not act in conformity with the opinion or decision.

Sec. 29. Minnesota Statutes 2016, section 13.085, subdivision 2, is amended to read:

Subd. 2. **Complaints.** (a) A complaint alleging a violation of this chapter or chapter 13D for which an order to compel compliance is requested may be filed with the office. An action to compel compliance does not include procedures pursuant to section 13.04, subdivision 4 or 4a.

(b) The complaint must be filed with the office within two years after the occurrence of the act or failure to act that is the subject of the complaint, except that if the act or failure to act involves concealment or misrepresentation by the government entity that could not be discovered during that period, the complaint may be filed with the office within one year after the concealment or misrepresentation is discovered.

(c) The complaint must be made in writing, submitted under oath, and detail the factual basis for the claim that a violation of law has occurred. The office may prescribe a standard form for the complaint. The complaint must be accompanied by a filing fee of ~~\$1,000~~ \$250 or a bond to guarantee the payment of this fee.

(d) Upon receipt of a filed complaint, the office must immediately notify the respondent and, if known, the applicable responsible authority for the government entity, if the responsible authority is not otherwise named as the respondent. The office must provide the respondent with a copy of the complaint by the most expeditious means available. Notice to a responsible authority must be delivered by certified mail. The office must also notify, to the extent practicable, any individual or entity that is the subject of all or part of the data in dispute.

~~(e) The office must notify the commissioner of administration of an action filed under this section. Proceedings under this section must be dismissed without prejudice as untimely and the complainant's filing fee must be refunded if a request for an advisory opinion from the commissioner was accepted on the matter under section 13.072 before the complaint was filed, and the complainant's filing fee must be refunded advisory opinion has not yet been issued.~~

(f) The respondent must file a response to the complaint within 15 business days of receipt of the notice. For good cause shown, the office may extend the time for filing a response.

Sec. 30. Minnesota Statutes 2016, section 13.085, subdivision 3, is amended to read:

Subd. 3. **Probable cause review.** (a) In conformity with the Minnesota Code of Judicial Conduct, the chief administrative law judge must assign an administrative law judge to review each complaint. The chief administrative law judge must ensure that any assigned administrative law judge is screened from any involvement with any informal advice provided under section 13.071 or with an advisory opinion issued under section 13.072 that involves the parties to the complaint. Within 20 business days after a response is filed, or the respondent's time to file the response, including any extension, has expired, the administrative law judge must make a preliminary determination for its disposition as follows:

(1) if the administrative law judge determines that the complaint and any timely response of the respondent agency do not present sufficient facts to believe that a violation of this chapter has occurred, the complaint must be dismissed; or

(2) if the administrative law judge determines that the complaint and any timely response of the respondent agency do present sufficient facts to believe that a violation of this chapter has occurred, the judge must schedule a hearing as provided in subdivision 4.

(b) The office must notify all parties of the determination made under paragraph (a). The notice must provide as follows:

(1) if the complaint is scheduled for a hearing, the notice must identify the time and place of the hearing and inform all parties that they may submit evidence, affidavits, documentation, and argument for consideration by the administrative law judge; or

(2) if the complaint is dismissed for failure to present sufficient facts to believe that a violation of this chapter has occurred, the notice must inform the parties of the right of the complainant to seek reconsideration of the decision on the record by the chief administrative law judge, as provided in paragraph (c).

(c) A petition for reconsideration may be filed no later than five business days after a complaint is dismissed for failure to present sufficient facts to believe that a violation of this chapter has occurred. The chief administrative law judge must review the petition and make a final ruling within ten business days after its receipt. If the chief administrative law judge determines that the assigned administrative law judge made a clear material error, the chief administrative law judge must schedule the matter for a hearing as provided in subdivision 4.

Sec. 31. Minnesota Statutes 2016, section 13.085, subdivision 4, is amended to read:

Subd. 4. **Hearing; procedure.** (a) A hearing on a complaint must be held within 30 business days after the parties are notified that a hearing will be held. An oral hearing to resolve questions of law may be waived upon consent of all parties and the ~~presiding assigned~~ administrative law judge. For good cause shown, the judge may delay the date of a hearing by no more than ten business days. The judge may continue a hearing to enable the parties to submit additional evidence or testimony.

(b) The administrative law judge must consider any evidence and argument submitted until the hearing record is closed, including affidavits and documentation.

(c) All hearings, and any records relating to the hearing, must be open to the public, except that the judge may inspect in camera any government data in dispute. If the hearing record contains information that is not public data, the judge may conduct a closed hearing to consider the information, issue necessary protective orders, and seal all or part of the hearing record, as provided in section 14.60, subdivision 2. If a party contends, and the judge concludes, that not public data could be improperly disclosed while that party is presenting its arguments, the judge shall close

any portion of the hearing as necessary to prevent the disclosure. A hearing may be conducted by conference telephone call or interactive audio/video system, at the discretion of the ~~presiding~~ assigned judge, and upon consent of all parties.

Sec. 32. Minnesota Statutes 2016, section 13.085, subdivision 5, is amended to read:

Subd. 5. **Disposition.** (a) Following a hearing, the judge must determine whether the violation alleged in the complaint occurred and must make at least one of the following dispositions. The judge may:

- (1) dismiss the complaint;
- (2) find that an act or failure to act constituted a violation of this chapter;
- (3) impose a civil penalty against the respondent of up to \$300;
- (4) issue an order compelling the respondent to comply with a provision of law that has been violated, and may establish a deadline for production of data, if necessary; and

(5) refer the complaint to the appropriate prosecuting authority for consideration of criminal charges.

(b) In determining whether to assess a civil penalty, the office shall consider the factors described in section 13.08, subdivision 4.

(c) The judge must render a decision on a complaint within ten business days after the hearing record closes. ~~The chief administrative law judge shall provide for public dissemination of orders issued under this section. If the judge determines that a government entity has violated a provision of law and issues an order to compel compliance, the office shall forward a copy of the order to the commissioner of administration.~~ Any order issued pursuant to this section is enforceable through the district court for the district in which the respondent is located.

(d) A party aggrieved by a final decision on a complaint filed under this section is entitled to judicial review as provided in sections 14.63 to 14.69. Proceedings on a complaint are not a contested case within the meaning of chapter 14 and are not otherwise governed by chapter 14.

~~(e) A decision of the office under this section is not controlling in any subsequent action brought in district court alleging the same violation and seeking damages.~~

~~(f)~~ (e) A government entity or person that releases not public data pursuant to an order under this section is immune from civil and criminal liability for that release. A government entity or person that acts in conformity with an order issued under this section to the government entity or to any other person is not liable for compensatory or exemplary damage or awards of attorney fees for acting in conformity with that order in actions under this section or section 13.08, or for a penalty under section 13.09.

Sec. 33. Minnesota Statutes 2016, section 13.085, subdivision 6, is amended to read:

Subd. 6. **Costs; attorney fees.** (a) A rebuttable presumption shall exist that a complainant who substantially prevails on the merits in an action brought under this section is entitled to an award of reasonable attorney fees, not to exceed \$5,000. An award of attorney fees may be denied if the judge determines that the violation is merely technical or that there is a genuine uncertainty about the meaning of the governing law.

(b) Reasonable attorney fees, not to exceed \$5,000, must be awarded to a substantially prevailing complainant if the government entity that is the respondent in the action was also the subject of ~~a written~~ an advisory opinion issued under section 13.072 or a prior decision of the Office of Administrative Hearings issued under this section and the administrative law judge finds that the opinion or decision is directly related to the matter in dispute and that the government entity did not act in conformity with the opinion or decision.

(c) The office shall refund the filing fee of a substantially prevailing complainant in full, less \$50, and the office's costs in conducting the matter shall be billed to the respondent, not to exceed \$1,000.

(d) A complainant that does not substantially prevail on the merits shall be entitled to a refund of the filing fee, less any costs incurred by the office in conducting the matter.

(e) If the administrative law judge determines that a complaint is frivolous, or brought for purposes of harassment, the judge must order that the complainant pay the respondent's reasonable attorney fees, not to exceed \$5,000. The complainant shall not be entitled to a refund of the filing fee.

(f) The court shall award the complainant costs and attorney fees incurred in bringing an action in district court to enforce an order of the Office of Administrative Hearings under this section.

Sec. 34. Minnesota Statutes 2016, section 13.085, is amended by adding a subdivision to read:

Subd. 8. Publication and authority of decisions. (a) The chief administrative law judge shall provide for public dissemination of the office's decisions issued under this section. Public dissemination must include the publication and maintenance of all decisions in a user-friendly, searchable database conspicuously located on the office's Web site. Not public data contained in a decision must be redacted prior to public dissemination.

(b) Unless the decision states otherwise, a decision of the office issued under this section has precedential effect on future complaints under this section and shall, where appropriate, be used to provide guidance to similarly situated persons or government entities.

(c) A government entity, member of a body subject to chapter 13D, or person that acts in conformity with a decision of the office made under this section is not liable for compensatory or exemplary damages or awards of attorney fees in actions for violations arising under this section or section 13.08, or for a penalty under section 13.09 or for fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on a decision of the office made under this section.

Sec. 35. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to read:

Subd. 4. Fiscal note data must be shared with Legislative Budget Office. A government entity must provide any data, regardless of its classification, to the director of the Legislative Budget Office for review, upon the director's request and consistent with section 3.8853, subdivision 4. The data must be supplied according to any standards, guidelines, or procedures adopted under section 3.8853, subdivision 3, including any standards or procedures governing timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not require the Legislative Budget Office to pay a cost for supplying data requested under this subdivision.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 36. Minnesota Statutes 2016, section 13.685, is amended to read:

13.685 MUNICIPAL UTILITY CUSTOMER DATA.

Data on customers of municipal electric utilities are private data on individuals or nonpublic data, but may be released to:

- (1) a law enforcement agency that requests access to the data in connection with an investigation;
- (2) a school for purposes of compiling pupil census data;
- (3) the Metropolitan Council for use in studies or analyses required by law;
- (4) a public child support authority for purposes of establishing or enforcing child support; or

(5) a person where use of the data directly advances the general welfare, health, or safety of the public; the ~~commissioner of administration~~ information policy analysis unit may issue advisory opinions construing this clause pursuant to section 13.072.

Sec. 37. Minnesota Statutes 2016, section 13D.06, subdivision 4, is amended to read:

Subd. 4. **Costs; attorney fees; requirements; limits.** (a) In addition to other remedies, the court may award reasonable costs, disbursements, and reasonable attorney fees of up to \$13,000 to any party in an action under this chapter.

(b) The court may award costs and attorney fees to a defendant only if the court finds that the action under this chapter was frivolous and without merit.

(c) A public body may pay any costs, disbursements, or attorney fees incurred by or awarded against any of its members in an action under this chapter.

(d) No monetary penalties or attorney fees may be awarded against a member of a public body unless the court finds that there was an intent to violate this chapter.

(e) The court shall award reasonable attorney fees to a prevailing plaintiff who has brought an action under this section if the public body that is the defendant in the action was also the subject of a prior ~~written~~ advisory opinion issued under section 13.072 or a prior decision of the Office of Administrative Hearings issued under section 13.085, and the court finds that the opinion or decision is directly related to the cause of action being litigated and that the public body did not act in conformity with the opinion or decision. The court shall give deference to the opinion or decision in a proceeding brought under this section.

Sec. 38. Minnesota Statutes 2017 Supplement, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's Web site. This subdivision applies to the following positions:

Executive director of Gambling Control Board;

Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for Mental Health and Developmental Disabilities;
~~Chair, Metropolitan Council;~~
School trust lands director;
Executive director of pari-mutuel racing; and
Commissioner, Public Utilities Commission.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 39. Minnesota Statutes 2016, section 16A.013, is amended by adding a subdivision to read:

Subd. 1a. **Opportunity to make gifts via Web site.** The commissioner of management and budget must maintain a secure Web site which permits any person to make a gift of money electronically for any purpose authorized by subdivision 1. Gifts made using the Web site are subject to all other requirements of this section, sections 16A.014 to 16A.016, and any other applicable law governing the receipt of gifts by the state and the purposes for which a gift may be used. The Web site must include historical data on the total amount of gifts received using the site, itemized by month.

Sec. 40. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature. Parts one and two, the budget message and detailed operating budget, must be submitted by the fourth Tuesday in January in each odd-numbered year. However, in a year following the election of a governor who had not been governor the previous year, parts one and two must be submitted by the third Tuesday in February. Part three, the detailed recommendations as to capital expenditure, must be submitted as follows: agency capital budget requests by July 15 of each odd-numbered year, and governor's recommendations by January 15 of each even-numbered year. ~~Detailed recommendations as to information technology expenditure must be submitted as part of the detailed operating budget. Information technology recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums. Information technology recommendations must specify purposes of the funding such as infrastructure, hardware, software, or training.~~

Sec. 41. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to read:

Subd. 6a. **Information technology and cyber security.** (a) Detailed recommendations as to information and telecommunications technology systems and services expenditures must be submitted as part of the detailed operating budget. These recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums, and must specify purposes of the funding, such as infrastructure, hardware, software, or training. The detailed operating budget must also separately recommend expenditures for the maintenance and enhancement of cyber security for the state's information and telecommunications technology systems and services.

(b) The commissioner of management and budget, in consultation with the state chief information officer, shall establish budget guidelines for the recommendations required by this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount to be budgeted each fiscal year for maintenance and enhancement of cyber security must be at least 3.5 percent of a department's or agency's total operating budget for information and telecommunications technology systems and services in that year.

(c) As used in this subdivision:

(1) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph (d); and

(2) "information and telecommunications technology systems and services" has the meaning given in section 16E.03, subdivision 1, paragraph (a).

Sec. 42. Minnesota Statutes 2017 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$1,596,522,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount; ~~and~~

~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been transferred into the fund.~~

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been made.~~

Sec. 43. Minnesota Statutes 2016, section 16D.09, is amended to read:

16D.09 UNCOLLECTIBLE DEBTS.

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) The determination of the uncollectibility of a debt must be reported by the state agency along with the basis for that decision as part of its quarterly reports to the commissioner of management and budget. If a state agency's quarterly report includes an uncollectible debt that exceeds \$10,000, a copy of the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the same time the report is delivered to the commissioner of management and budget. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 44. Minnesota Statutes 2016, section 16E.016, is amended to read:

16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, and development of the following information technology systems and services to state agencies:

- (1) state data centers;
- (2) mainframes including system software;
- (3) servers including system software;
- (4) desktops including system software;
- (5) laptop computers including system software;
- (6) a data network including system software;
- (7) database, electronic mail, office systems, reporting, and other standard software tools;
- (8) business application software and related technical support services;
- (9) help desk for the components listed in clauses (1) to (8);
- (10) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (8);
- (11) regular upgrades and replacement for the components listed in clauses (1) to (8); and
- (12) network-connected output devices.

(b) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Office of MN.IT Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the office to perform work exclusively for another state agency.

(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Office of MN.IT Services.

~~(d) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.~~

(d) Effective upon certification by the chief information officer that the information technology systems and services provided under this section meet all professional and technical standards necessary for the entity to perform its functions, including functions necessary to meet any fiduciary or other duties of care, the following are state agencies for purposes of this section: the Campaign Finance and Public Disclosure Board, the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the State Board of Investment.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 45. Minnesota Statutes 2016, section 16E.03, subdivision 4, is amended to read:

Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, and flexibility of the proposed data processing device or system, its relationship to other state or local data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options. The evaluation procedure must also include a process for consultation with affected local units of government, if implementation of the proposed project requires the participation of both a state agency and a local government.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to the evaluation procedure for information and telecommunications technology projects reviewed by the state chief information officer on or after January 1, 2019.

Sec. 46. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

Subd. 7. **Cyber security systems.** In consultation with the attorney general and appropriate agency heads, the chief information officer shall develop cyber security policies, guidelines, and standards, and shall install and administer state data security systems on the state's computer facilities consistent with these policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy. Unless otherwise expressly provided by law, at least 3.5 percent of each department's or agency's expenditures in a fiscal year for information and telecommunications technology systems and services must be directed to the maintenance and enhancement of cyber security.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to expenditures in fiscal years beginning on or after that date.

Sec. 47. Minnesota Statutes 2016, section 16E.03, is amended by adding a subdivision to read:

Subd. 11. Systems impacting local government. An information and telecommunications technology project that includes the participation of both a state agency and a local unit of government may not be approved for full release or deployment until the project has been field tested by at least one local unit of government, and the results of the field test successfully demonstrate the integrity, security, and quality of the technology, and that the

functionality and usability of the overall project meet the expectations described in the project's proposal. Standards for field testing that meet the requirements of this subdivision must be incorporated into the project's development plan before it may be approved by the chief information officer under subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to information and telecommunications technology projects approved by the state chief information officer on or after that date.

Sec. 48. **[43A.035] USE OF AGENCY SAVINGS FROM VACANT POSITIONS.**

(a) To the extent that an executive branch agency accrues savings in personnel costs resulting from the departure of an agency employee or the maintenance of a vacant position, those savings may only be used to support a new employee in that position at an equal or lesser rate of compensation, and for an equal or lesser full-time equivalent work status. Savings accrued from departed personnel or maintenance of a vacant position may not be transferred or reallocated to another program or activity within the executive branch agency, or used to increase the number of full-time equivalent employees at the agency, unless expressly authorized by law.

(b) For purposes of this section, an "executive branch agency" does not include the Minnesota State Colleges and Universities or statewide pension plans.

Sec. 49. **[43A.385] HARASSMENT, MISCONDUCT, AND DISCRIMINATION; INDEPENDENT OFFICE ESTABLISHED.**

Subdivision 1. **Office established; purpose.** An independent, centralized office to receive and investigate complaints of harassment, misconduct, and discrimination, including sexual harassment, in executive branch state agencies is established. The office shall be led by a director, appointed by the commissioner of management and budget, who serves in the unclassified service. The purpose of the office is to apply consistent practices in the investigation of these complaints across agencies and reinforce a culture that encourages the reporting of such complaints by increasing confidence in the process and the fairness of the outcome.

Subd. 2. **Office duties.** (a) In addition to the requirements of subdivisions 3 to 7, the office must:

(1) collect, maintain, and analyze data related to complaints of harassment, misconduct, and discrimination across state government and must provide public, de-identified summary reports on the data;

(2) provide an opportunity for state employees, and members of the public who interact with state employees, to report a complaint, provided that the office's complaint procedures must be in addition to existing opportunities for reporting available through other means;

(3) review complaints filed, and provide related investigation services, to all state agencies;

(4) in the event the office determines that a complaint is substantiated, determine an appropriate corrective action in response, in consultation with the agency employing the person found to have engaged in improper conduct;

(5) track the outcomes of disciplinary or other corrective action, and advise agencies as needed to ensure consistency in these actions; and

(6) employ trained staff to provide resources and information to all parties to a complaint.

(b) State agencies must provide applicable data to the office as required by this section, and must otherwise assist the office in fulfilling its responsibilities, as requested by the director.

Subd. 3. **State employee community survey.** The office must administer an employee community survey to gain feedback on the workplace in state agencies. Results of the survey must be used to review the effectiveness of existing agency leadership efforts, and the application of existing policies and procedures within each agency. The survey must be intended to solicit feedback from employees on:

(1) whether they feel safe in their workplaces;

(2) whether they are knowledgeable about the process for reporting complaints of harassment, misconduct, or discrimination;

(3) their level of satisfaction with reporting a complaint, if applicable; and

(4) suggestions for ways their employing agency can provide additional support to employees who have made a complaint.

Subd. 4. **Complaint hotline.** The office may enter a contract for the development and maintenance of a hotline that may be used by state employees to report a complaint of harassment, misconduct, or discrimination.

Subd. 5. **Audits.** The office must conduct audits, to ensure state agencies have effective and consistent policies and procedures to prevent and correct harassment, misconduct, and discrimination. The audits must include an evaluation of outcomes related to complaints of harassment based on a status protected under chapter 363A. The office must provide technical guidance and otherwise assist agencies in making corrections in response to an audit's findings, and in ensuring consistency in the handling of complaints.

Subd. 6. **Training.** The office must provide a centralized, consistent, regular training program for all state agencies designed to increase the knowledge of state employees in the state's harassment, misconduct, and discrimination prevention policies, procedures, and resources, and to create a culture of prevention and support for victims. The content of the program must include bystander training, retaliation prevention training, and respect in the workplace training. Customized training programs must be offered for: (1) general state employees; (2) supervisors and managers; and (3) agency affirmative action and human resources employees.

Subd. 7. **Annual legislative report required.** No later than January 15, 2019, and annually thereafter, the office must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and state government operations on the work of the office. The report must include detail on disciplinary and other corrective actions taken by state agencies in response to a substantiated complaint. The report must not identify a party to a complaint, unless the identity is public under applicable law.

Subd. 8. **Transfer of responsibilities to office.** To the extent that a responsibility described in subdivisions 1 to 7 conflicts with or duplicates the responsibilities of an existing office or department within a state agency, those responsibilities are transferred to the centralized office established by this section, consistent with the requirements of section 15.039. The commissioner of administration may, with the approval of the governor, issue reorganization orders under section 16B.37 as necessary to complete the transfer of duties required by this subdivision.

Sec. 50. Minnesota Statutes 2016, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, or nail technician practitioner, ~~or eyelash technician practitioner~~, and who has a manager license and provides any services under that license, as defined in subdivision 3.

Sec. 51. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) \$195 initial practitioner, manager, or instructor license, divided as follows:

(i) \$155 for each initial license; and

(ii) \$40 for each initial license application fee;

(2) \$115 renewal of practitioner license, divided as follows:

(i) \$100 for each renewal license; and

(ii) \$15 for each renewal application fee;

(3) \$145 renewal of manager or instructor license, divided as follows:

(i) \$130 for each renewal license; and

(ii) \$15 for each renewal application fee;

(4) \$350 initial salon license, divided as follows:

(i) \$250 for each initial license; and

(ii) \$100 for each initial license application fee;

(5) \$225 renewal of salon license, divided as follows:

(i) \$175 for each renewal; and

(ii) \$50 for each renewal application fee;

(6) \$4,000 initial school license, divided as follows:

(i) \$3,000 for each initial license; and

(ii) \$1,000 for each initial license application fee; and

(7) \$2,500 renewal of school license, divided as follows:

(i) \$2,000 for each renewal; and

(ii) \$500 for each renewal application fee.

(c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, \$150;

- (2) manager and owner with expired practitioner found on inspection, \$150 each;
 - (3) expired practitioner or instructor found on inspection, \$200;
 - (4) expired salon found on inspection, \$500;
 - (5) expired school found on inspection, \$1,000;
 - (6) failure to display current license, \$100;
 - (7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, \$500;
 - (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, \$500;
 - (9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, \$500;
 - (10) owner and manager allowing an operator to work as an independent contractor, \$200;
 - (11) operator working as an independent contractor, \$100;
 - (12) refusal or failure to cooperate with an inspection, \$500;
 - (13) practitioner late renewal fee, \$45; and
 - (14) salon or school late renewal fee, \$50.
- (d) Administrative fees are as follows:
- (1) homebound service permit, \$50 three-year fee;
 - (2) name change, \$20;
 - (3) certification of licensure, \$30 each;
 - (4) duplicate license, \$20;
 - (5) special event permit, \$75 per year;
 - ~~(6) registration of hair braiders, \$20 per year;~~
 - ~~(7) (6) \$100 for each temporary military license for a cosmetologist, nail technician, esthetician, or advanced practice esthetician one-year fee;~~
 - ~~(8) (7) expedited initial individual license, \$150;~~
 - ~~(9) (8) expedited initial salon license, \$300;~~
 - ~~(10) (9) instructor continuing education provider approval, \$150 each year; and~~
 - ~~(11) (10) practitioner continuing education provider approval, \$150 each year.~~

Sec. 52. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision to read:

Subd. 5. Hair braiders exempt. The practice of hair braiding is exempt from the requirements of this chapter.

Sec. 53. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. Each salon must be licensed as a cosmetology salon, a nail salon, esthetician salon, or advanced practice esthetician salon, ~~or eyelash extension salon.~~ A salon may hold more than one type of salon license.

Sec. 54. Minnesota Statutes 2016, section 155A.29, subdivision 6, is amended to read:

Subd. 6. **Exemption.** The facility in which a person provides threading or eyelash extension services and no other services requiring licensure by this chapter is exempt from the requirement for a salon license under this section.

Sec. 55. Minnesota Statutes 2016, section 240.01, is amended by adding a subdivision to read:

Subd. 18a. Racing or gaming-related vendor. "Racing or gaming-related vendor" means any person or entity that manufactures, sells, provides, distributes, repairs, or maintains equipment or supplies used at a Class A facility or provides services to a Class A facility or Class B license holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.

Sec. 56. Minnesota Statutes 2016, section 240.02, subdivision 6, is amended to read:

Subd. 6. **Annual report.** The commission shall on February 15 of each odd-numbered year submit a report to the governor and legislature on its activities, organizational structure, receipts and disbursements, and recommendations for changes in the laws relating to racing and pari-mutuel betting.

Sec. 57. Minnesota Statutes 2016, section 240.08, subdivision 5, is amended to read:

Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false statement made in a license application.

The commission may suspend a class C license for up to one year for a violation of law, order or rule.

The commission may delegate to its designated agents the authority to impose suspensions of class C licenses, and the revocation or suspension of a class C license may be appealed to the commission according to its rules.

(b) ~~A license revocation or suspension~~ If the commission revokes or suspends a license for more than 90 180 days is, in lieu of appealing to the commission under paragraph (a), the license holder has the right to request a contested case hearing under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule, chapter 14. The request must be made in writing to the commission by certified mail or personal service. A request sent by certified mail must be postmarked within ten days after the license holder receives the revocation or suspension order from the commission. A request sent by personal service must be received by the commission within ten days after the license holder receives the revocation or suspension order from the commission. The commission may summarily suspend a license for ~~more than~~ up to 90 days ~~prior to a contested case hearing~~ where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. The license holder may appeal a summary suspension by making a written request

to the commission within five calendar days after the license holder receives notice of the summary suspension. A contested case hearing must be held within 30 ten days of the commission's receipt of the request for appeal of a summary suspension and the administrative law judge's report must be issued within 30 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61 to determine whether the license should remain suspended pending a final disciplinary action.

Sec. 58. Minnesota Statutes 2016, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

Sec. 59. Minnesota Statutes 2016, section 240.22, is amended to read:

240.22 FINES.

(a) The commission shall by rule establish a schedule of civil fines for violations of laws related to horse racing or of the commission's rules. The schedule must be based on and reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Fines imposed by the commission must be paid to the commission and except as provided in paragraph (c), forwarded to the commissioner of management and budget for deposit in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and appropriated to the commission to distribute in the form of grants, contracts, or expenditures to support racehorse adoption, retirement, and repurposing.

(b) If the commission issues a fine in excess of \$5,000, the license holder has the right to request a contested case hearing under chapter 14, to be held as set forth in Minnesota Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by certified mail or personal service. An appeal sent by certified mail must be postmarked within ten days after the license holder receives the fine order from the commission. An appeal sent by personal service must be received by the commission within ten days after the license holder receives the fine order from the commission.

(c) If the commission is the prevailing party in a contested case proceeding, the commission may recover, from amounts to be forwarded under paragraph (a), reasonable attorney fees and costs associated with the contested case.

Sec. 60. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

Subdivision 1. **Biennial report.** The commissioner shall report to the legislature by March 1 of each odd-numbered year on the overall incidence of the income tax, sales and excise taxes, and property tax. The report shall present information on the distribution of the tax burden as follows: (1) for the overall income distribution, using a systemwide incidence measure such as the Suits index or other appropriate measures of equality and inequality; (2) by income classes, including at a minimum deciles of the income distribution; and (3) by other appropriate taxpayer characteristics. The report must also include information on the distribution of the burden of federal taxes borne by Minnesota residents.

Sec. 61. Minnesota Statutes 2016, section 340A.412, is amended by adding a subdivision to read:

Subd. 12a. **Wine transfers.** Notwithstanding the provisions of subdivision 12, the holder of an off-sale retail intoxicating liquor license may transfer wine from one licensed premises to another provided that:

(1) the license for the transferring and receiving premises are held by the same licensee; and

(2) only one transfer is made from a licensed premises in a three-month period.

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

Sec. 62. Minnesota Statutes 2016, section 349A.06, subdivision 11, is amended to read:

Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a) The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) has been convicted of a felony or gross misdemeanor;

(2) has committed fraud, misrepresentation, or deceit;

(3) has provided false or misleading information to the lottery; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; ~~or~~

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period; or

(9) has violated the rules adopted pursuant to subdivision 6, clause (1), requiring a lottery retailer to retain appropriate amounts from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets, three or more times within a one-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

(f) A lottery retailer whose contract was solely canceled, suspended, or not renewed pursuant to paragraph (b), clause (9), may petition the director to reinstate a canceled or suspended contract, or enter into a new contract, after two years have passed since the order took effect.

Sec. 63. Minnesota Statutes 2016, section 424B.20, subdivision 4, is amended to read:

Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality in which is located a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095.

(c) Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel to as follows:

(1) if the municipality was required to make contributions to the fund under chapter 424A at any time during the ten years preceding the date of dissolution, the remaining assets cancel to the general fund of the municipality; or

(2) if the municipality was not required to make contributions to the fund under chapter 424A at any time during the ten years preceding the date of dissolution, the remaining assets cancel to the general fund of the state.

(d) If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability.

Sec. 64. Minnesota Statutes 2016, section 473.123, subdivision 1, is amended to read:

Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction in the metropolitan area is established as a public corporation and political subdivision of the state. It shall be under the supervision and control of 17 28 members, all of whom shall be residents of the metropolitan area- and who shall be appointed as follows:

(1) a county commissioner from each of Anoka, Carver, Dakota, Ramsey, Scott, and Washington Counties, appointed by the respective county boards;

(2) two county commissioners from Hennepin County appointed by the county board, one of whom must represent a ward that is predominantly located within the city of Minneapolis, and one of whom must represent a ward that does not include the city of Minneapolis;

(3) a local elected official appointed from each Metropolitan Council district by the municipal committee for the council district established in subdivision 2b;

(4) the commissioner of transportation or the commissioner's designee;

(5) one person to represent nonmotorized transportation, appointed by the commissioner of transportation;

(6) one person to represent freight transportation, appointed by the commissioner of transportation; and

(7) one person to represent public transit, appointed by the commissioner of transportation.

(b) The local elected offices identified in paragraph (a) are compatible with the office of a Metropolitan Council member.

(c) Notwithstanding any change to the definition of metropolitan area in section 473.121, subdivision 2, the jurisdiction of the Metropolitan Council is limited to the seven-county metropolitan area.

EFFECTIVE DATE. Paragraph (c) is effective the day following final enactment.

Sec. 65. Minnesota Statutes 2016, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. **Terms.** (a) Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. Each council member, other than the chair, must reside in the council district represented. Each council district must be represented by one member of the council. The terms of members end with the term of the governor, except that all

~~terms expire on the effective date of the next apportionment. A member serves at the pleasure of the governor. the municipal committee for each council district shall appoint a local elected official who resides in the district to serve on the Metropolitan Council for a four-year term. The terms of members appointed by municipal committees are staggered as follows: members representing an odd-numbered district have terms ending the first Monday in January of the year ending in the numeral "1" and members representing an even-numbered district have terms ending the first Monday in January in the year ending in the numeral "3." Thereafter, the term of each member is four years, with terms ending the first Monday in January, except that all terms expire on the effective date of the next apportionment. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one municipal committee for the council district appoints a member from each of the newly drawn council districts district as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.~~

(b) The terms of members appointed by county boards are staggered as follows: members representing the counties of Anoka, Dakota, Ramsey, and Scott have terms ending the first Monday in January of the year ending in the numeral "1," and members representing the counties of Carver, Hennepin, and Washington have terms ending the first Monday in January of the year ending in the numeral "3." Thereafter, the term for each member is four years. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment.

(c) An individual appointed by the commissioner of transportation under subdivision 1 serves at the pleasure of the appointing authority.

Sec. 66. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision to read:

Subd. 2b. **Municipal committee in each council district.** The governing body of each home rule charter or statutory city and town in each Metropolitan Council district shall appoint a member to serve on a municipal committee for the council district. If a city or town is in more than one council district, the governing body must appoint a member to serve on each council district's municipal committee. A member appointed to a council district's municipal committee must reside in the council district. The municipal committee must meet at least quarterly to discuss issues relating to the Metropolitan Council. Municipal committee meetings are subject to the Minnesota Open Meeting Law, chapter 13D.

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

Sec. 67. Minnesota Statutes 2016, section 473.123, subdivision 3a, is amended to read:

Subd. 3a. **Redistricting.** The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective in the year ending in the numeral "3." Within 60 days after a redistricting plan takes effect, the ~~governor~~ municipal committees shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.

Sec. 68. Minnesota Statutes 2016, section 473.123, subdivision 4, is amended to read:

Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The chair of the Metropolitan Council shall be ~~appointed~~ selected by the governor as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the governor to represent the metropolitan area at large. ~~Senate~~

confirmation shall be as provided by section 15.066 and from among the members of the Metropolitan Council. The chair shall serve at the pleasure of the council. In addition to any compensation as a local elected official, the council shall pay the chair \$40,000 per year plus reimbursement of actual and necessary expenses as approved by the council.

The chair of the Metropolitan Council shall, if present, preside at meetings of the council, have the primary responsibility for meeting with local elected officials, serve as the principal legislative liaison, present to the governor and the legislature, after council approval, the council's plans for regional governance and operations, serve as the principal spokesperson of the council, and perform other duties assigned by the council or by law.

(b) The Metropolitan Council shall elect other officers as it deems necessary for the conduct of its affairs for a one-year term. A secretary and treasurer need not be members of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan Council and special meetings may be called by a majority of the members of the Metropolitan Council or by the chair. ~~The chair and~~ In addition to any compensation as a local elected official, each Metropolitan Council member shall be reimbursed for actual and necessary expenses as approved by the council.

(c) Each member of the council shall attend and participate in council meetings and meet regularly with local elected officials and legislative members from the council member's district. Each council member shall serve on at least one division committee for transportation, environment, or community development.

(d) In the performance of its duties the Metropolitan Council may adopt policies and procedures governing its operation, establish committees, and, when specifically authorized by law, make appointments to other governmental agencies and districts.

Sec. 69. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision to read:

Subd. 9. **Authority to vote; quorum; votes required for action.** (a) The members appointed by the counties and municipal committees may vote on all matters before the council. The commissioner of transportation or the commissioner's designee and the three members appointed by the commissioner may vote only on matters in which the council is acting as the metropolitan planning organization for the region as provided in section 473.146.

(b) A quorum is a majority of the members permitted to vote on a matter. If a quorum is present, the council may act on a majority vote of the members present, except:

(1) if a quorum is present, the council may adopt its levy only if at least 60 percent of the members present vote in favor of the levy; and

(2) if a quorum is present, the council may adopt a metropolitan system plan or plan amendment only if at least 60 percent of the members present vote in favor of its adoption.

EFFECTIVE DATE; TRANSITION; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Metropolitan Council members serving on the effective date of this section shall continue to serve until members are appointed from districts by the municipal committees as provided in this article.

Sec. 70. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

Subd. 3. **Development guide: transportation.** The transportation chapter must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371. In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element of the transportation chapter must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system;

(7) a general statement on the level of public expenditure appropriate to the facilities; and

(8) a long-range assessment of air transportation trends and factors that may affect airport development in the metropolitan area and policies and strategies that will ensure a comprehensive, coordinated, and timely investigation and evaluation of alternatives for airport development.

The council shall develop the nontransit element in consultation with ~~the transportation advisory board and~~ the Metropolitan Airports Commission and cities having an airport located within or adjacent to its corporate boundaries. The council shall also take into consideration the airport development and operations plans and activities of the commission. The council shall transmit the results to the state Department of Transportation.

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 71. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** ~~(a)~~ The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

~~(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:~~

~~(1) the commissioner of transportation or the commissioner's designee;~~

~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~

~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~

~~(4) one person appointed by the council to represent nonmotorized transportation;~~

~~(5) one person appointed by the commissioner of transportation to represent the freight transportation industry;~~

- ~~(6) two persons appointed by the council to represent public transit;~~
 - ~~(7) ten elected officials of cities within the metropolitan area, including one representative from each first class city, appointed by the Association of Metropolitan Municipalities;~~
 - ~~(8) one member of the county board of each county in the seven county metropolitan area, appointed by the respective county boards;~~
 - ~~(9) eight citizens appointed by the council, one from each council precinct;~~
 - ~~(10) one elected official from a city participating in the replacement service program under section 473.388, appointed by the Suburban Transit Association; and~~
 - ~~(11) one member of the council, appointed by the council.~~
- ~~(c) The council shall appoint a chair from among the members of the advisory body.~~

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 72. **[474A.22] FORT SNELLING NATIONAL LANDMARK REDEVELOPMENT.**

Subdivision 1. **Fort Snelling bonding authority allocation.** Notwithstanding any law, rule, or policy to the contrary, the commissioner may reserve bonding authority allocated to the Housing Finance Agency entitlement allocation during allocation year 2019 or 2020 for issuance of residential rental project bonds for purposes of the rehabilitation and renovation of the Fort Snelling Upper Post as a qualified residential rental project as provided in this section and section 474A.047. The qualified residential rental project shall be required to enter into a minimum 25-year agreement with the issuer to provide the applicable rental rates and incomes. The commissioner shall determine the needed amount of the bonding allocation to qualify for low-income housing tax credits for the project, as selected by the commissioner of natural resources, and may provide a preliminary resolution to allocate the bonds over one or two years to allow the applicable developer to obtain necessary historical and other approvals and be assured of available bond allocation.

Subd. 2. **Issuance; other issuer.** The commissioner may either issue the obligation directly or may allocate the bonds under subdivision 1 to a suitable other issuer to issue the obligations. Any such suballocation shall be subject to an agreement that provides for the timing, process, and use for the bonds. Any other issuer receiving this allocation shall be authorized to act as the issuer regardless of the geographical area of the other issuer. In no event shall the bonds issued under this section be guaranteed as to payment by the state or the other issuer.

Subd. 3. **Failure to permanently issue.** In the event the bonds reserved or allocated under this section are not permanently issued by December 1, 2019, or December 1, 2020, the bonding authority shall be allocated to the Housing Finance Agency for issuance for a qualified residential rental project. The commissioner may utilize the bonds allocated under this section for an alternative use, consistent with this chapter, in the event the commissioner determines no project at the Fort Snelling Upper Post will proceed in a timely fashion.

Subd. 4. **Low-income housing tax credits.** In the event of issuance of the bonds as provided in this section for a qualified residential rental project, notwithstanding any law, rule, or policy, the Housing Finance Agency shall approve the project for low-income housing tax credits subject to only the minimum requirements as required under section 42 of the Internal Revenue Code, as amended, and shall be deemed meeting the qualified allocation plan in effect at that time. Any such approval shall be timely granted to allow the project to proceed.

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

Sec. 73. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer ~~to the commissioner of management and budget~~ \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, ~~and other local government activities~~ to the Legislative Coordinating Commission for use by the Legislative Budget Office.

The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 74. Minnesota Statutes 2016, section 480.15, is amended by adding a subdivision to read:

Subd. 13. **Emergency operations and continuity of the judicial branch.** The court administrator shall assist the Supreme Court in developing an emergency operations and continuity of government plan, as required by section 12.402.

Sec. 75. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 76. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date, is amended to read:

EFFECTIVE DATE. Except where otherwise provided by law, this section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 77. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ July 1, 2018. The contract required under this section must be executed no later than November 1, 2018, and must provide for transfer of operational control of the fiscal note tracking system to the Legislative Budget Office effective December 15, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 78. **TRANSFER OF DUTIES; RESULTS FIRST PROGRAM EVALUATIONS.**

Responsibilities of the commissioner of management and budget to develop and implement a return on taxpayer investment methodology using the Pew-MacArthur Results First framework, as first authorized by Laws 2015, chapter 77, article 1, section 13, including the advisory committee established by the commissioner to assist in implementing these responsibilities, are transferred from the commissioner to the Legislative Budget Office established in Minnesota Statutes, section 3.8853. Minnesota Statutes, section 15.039, applies to the transfer of these responsibilities. The commissioner of administration may, with the approval of the governor, issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to complete the transfer of duties required by this section.

EFFECTIVE DATE. This section is effective January 8, 2019.

Sec. 79. **TRANSFER OF DUTIES; DATA PRACTICES AND OPEN MEETINGS LAW.**

(a) Responsibilities of the commissioner of administration under Minnesota Statutes, sections 13.06, 13.07, 13.072, and 13.073, and any other law providing general oversight responsibilities related to operation of the Minnesota Government Data Practices Act and the Minnesota Open Meeting Law, are transferred from the commissioner to the chief administrative law judge in the Office of Administrative Hearings. Minnesota Statutes, section 15.039, applies to the transfer of these responsibilities, except that Minnesota Statutes, section 15.039, subdivision 7, does not apply. The commissioner may, with the approval of the governor, issue reorganization orders under Minnesota Statutes, section 16B.37, as necessary to complete the transfer of duties consistent with the requirements of this section.

(b) Nothing in this section relieves the commissioner of administration from the duty to comply with Minnesota Statutes, chapter 13, or any other applicable law related to data collected, created, or maintained by the commissioner, or to comply with Minnesota Statutes, chapter 13D, related to meetings conducted by the commissioner.

Sec. 80. **ENTERPRISE SOFTWARE PROJECTS; RECODIFICATION OF INFORMATION TECHNOLOGY STATUTES.**

Subdivision 1. **Enterprise software projects.** (a) Except as provided in paragraph (b), an enterprise software project must be either purchased or built through a vendor contract. Vendors must be selected as provided by Minnesota Statutes, chapter 16C. In addition to the requirements of that chapter, a contract required by this section must include terms that provide:

(1) a payment schedule that is conditioned on the vendor's demonstration of satisfactory progress toward project completion; and

(2) a requirement that, upon 30 days written notice to the vendor, the contracting agency must terminate a contract and the vendor must refund to the agency all amounts paid to date, if the vendor fails to demonstrate satisfactory progress towards project completion. The contract terms must permit the contracting agency to fulfill its obligations under this clause without penalty.

(b) Paragraph (a) does not apply to an enterprise software project if the law appropriating money for the project expressly directs the state chief information officer to design or build the project in-house, or otherwise contains an exemption from paragraph (a) by specific reference to this subdivision.

Subd. 2. **Recodification recommendations.** (a) The state chief information officer must recommend, in consultation with the revisor of statutes and other appropriate legislative staff, legislation to clarify and reorganize Minnesota Statutes, chapter 16E, and any other applicable laws that relate to state information technology services or the scope of duties of the Office of MN.IT Services. Except for implementation of the requirements of subdivision 1, the recommendations must not be intended to change the meaning or prior interpretation of any law.

(b) The recommended legislation must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance no later than January 15, 2019.

EFFECTIVE DATE. This section is effective the day following final enactment. The restrictions on enterprise software projects, as described in subdivision 1, apply to projects newly approved for development on or after the effective date of this section.

Sec. 81. **STUDY OF VALUATION METHOD OF PIPELINE OPERATING PROPERTY.**

(a) The commissioner of revenue shall study and prepare a report on the current methods used to value pipeline operating property in the state of Minnesota. The commissioner must enter a contract with a consultant to assist in completing the study and preparing the report.

(b) The report must:

(1) describe, in detail, prior and current methods used to value pipeline operating property in Minnesota;

(2) evaluate whether the current methods used produce an accurate estimate of market value;

(3) compile and explain, in detail, the number of state-assessed pipeline valuations that have been appealed in the last 20 years, and the extent to which the market value was increased or reduced, by agreement, settlement, or judgment;

(4) evaluate the extent to which host political subdivisions and communities are adequately compensated under the existing Minnesota property tax system for the external costs imposed by pipeline systems;

(5) describe, analyze, and compare the methods used to value pipeline operating property in border states; and

(6) make recommendations and prepare legislation on improvements or alternative valuation methods that produce a more accurate estimate of market value.

(c) The commissioner shall report the findings of the study to the committees of the house of representatives and senate having jurisdiction over taxes by February 15, 2019, and file the report as required by Minnesota Statutes, section 3.195.

Sec. 82. **NORDIC WORLD CUP SKI CHAMPIONSHIP.**

(a) Upon request of U.S. Ski and Snowboard, The Loppet Foundation, or other affiliated organization, the Minnesota Amateur Sports Commission must support the preparation and submission of a competitive bid to host an International Ski Federation Nordic World Cup Ski Championship event in Minnesota. If the event is awarded, the commission must partner with the organizing committee as an event host. Commission activities may include but are not limited to assisting in the development of public-private partnerships to support the event; soliciting sponsors; participating in public outreach activities; permitting the commission's facilities to be developed and used as event venues; and providing other administrative, technical, logistical, or financial support, within available resources.

(b) Within 30 days after a bid is submitted and, if an event is awarded to Minnesota as a host, within 30 days after receiving notice of the award, the commission must notify the chairs and ranking minority members of the legislative committees with jurisdiction over the commission. The notification must describe the commission's work in support of the event and indicate whether the commission anticipates seeking supplemental state or local funds or other public resources to continue that work.

EFFECTIVE DATE. This section is effective the day following final enactment and expires upon conclusion of a Nordic World Cup Ski Championship event hosted in Minnesota.

Sec. 83. **CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION SERVICE PENSIONS.**

(a) As used in this section, "qualifying volunteer firefighters relief association" means a volunteer firefighters relief association with a funding ratio of greater than 100 percent as of the most recent fiscal year end, and which provides a lump sum pension benefit based on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this section.

(b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of service credited that may be provided for in the bylaws of a qualifying volunteer firefighters relief association is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

<u>Minimum Average Amount of Available Financing per Firefighter</u>	<u>Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service</u>
<u>\$...</u>	<u>\$10</u>
<u>11</u>	<u>20</u>
<u>16</u>	<u>30</u>
<u>23</u>	<u>40</u>
<u>27</u>	<u>50</u>
<u>32</u>	<u>60</u>
<u>43</u>	<u>80</u>
<u>54</u>	<u>100</u>
<u>65</u>	<u>120</u>
<u>77</u>	<u>140</u>
<u>86</u>	<u>160</u>
<u>97</u>	<u>180</u>
<u>108</u>	<u>200</u>
<u>131</u>	<u>240</u>
<u>151</u>	<u>280</u>
<u>173</u>	<u>320</u>
<u>194</u>	<u>360</u>
<u>216</u>	<u>400</u>
<u>239</u>	<u>440</u>
<u>259</u>	<u>480</u>
<u>281</u>	<u>520</u>
<u>302</u>	<u>560</u>
<u>324</u>	<u>600</u>
<u>347</u>	<u>640</u>
<u>367</u>	<u>680</u>
<u>389</u>	<u>720</u>
<u>410</u>	<u>760</u>
<u>432</u>	<u>800</u>
<u>486</u>	<u>900</u>
<u>540</u>	<u>1000</u>
<u>594</u>	<u>1100</u>
<u>648</u>	<u>1200</u>

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<u>3561</u>	<u>6600</u>
<u>3615</u>	<u>6700</u>
<u>3669</u>	<u>6800</u>
<u>3723</u>	<u>6900</u>
<u>3777</u>	<u>7000</u>
<u>3831</u>	<u>7100</u>
<u>3885</u>	<u>7200</u>
<u>3939</u>	<u>7300</u>
<u>3993</u>	<u>7400</u>
<u>4047</u>	<u>7500</u>
<u>4101</u>	<u>7600</u>
<u>4155</u>	<u>7700</u>
<u>4209</u>	<u>7800</u>
<u>4263</u>	<u>7900</u>
<u>4317</u>	<u>8000</u>
<u>4371</u>	<u>8100</u>
<u>4425</u>	<u>8200</u>
<u>4479</u>	<u>8300</u>
<u>4533</u>	<u>8400</u>
<u>4587</u>	<u>8500</u>
<u>4641</u>	<u>8600</u>
<u>4695</u>	<u>8700</u>
<u>4749</u>	<u>8800</u>
<u>4803</u>	<u>8900</u>
<u>4857</u>	<u>9000</u>
<u>4911</u>	<u>9100</u>
<u>4965</u>	<u>9200</u>
<u>5019</u>	<u>9300</u>
<u>5073</u>	<u>9400</u>
<u>5127</u>	<u>9500</u>
<u>5181</u>	<u>9600</u>
<u>5235</u>	<u>9700</u>
<u>5289</u>	<u>9800</u>
<u>5343</u>	<u>9900</u>
<u>5397</u>	<u>10,000</u>
<u>5451</u>	<u>10,100</u>
<u>5505</u>	<u>10,200</u>
<u>5559</u>	<u>10,300</u>
<u>5613</u>	<u>10,400</u>
<u>5667</u>	<u>10,500</u>
<u>5721</u>	<u>10,600</u>
<u>5775</u>	<u>10,700</u>
<u>5729</u>	<u>10,800</u>
<u>5883</u>	<u>10,900</u>
<u>5937</u>	<u>11,000</u>
<u>5991</u>	<u>11,100</u>
<u>6045</u>	<u>11,200</u>
<u>6099</u>	<u>11,300</u>
<u>6153</u>	<u>11,400</u>
<u>6207</u>	<u>11,500</u>
<u>6261</u>	<u>11,600</u>
<u>6315</u>	<u>11,700</u>
<u>6369</u>	<u>11,800</u>
<u>6423</u>	<u>11,900</u>
<u>6477</u>	<u>12,000</u>

<u>6531</u>	<u>12,100</u>
<u>6585</u>	<u>12,200</u>
<u>6639</u>	<u>12,300</u>
<u>6693</u>	<u>12,400</u>
<u>6747</u>	<u>12,500</u>
any amount in excess of 6747	<u>12,500</u>

(c) The maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws of the volunteer firefighters relief association must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

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

Sec. 84. **VETERANS HOMES CONSTRUCTION.**

Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes Act."

Subd. 2. **Veterans homes established.** (a) The commissioner of veterans affairs may apply for federal funding and establish veterans homes with up to 140 beds available to provide a continuum of care, including skilled nursing care, for eligible veterans and their spouses in the following locations:

- (1) Preston;
- (2) Montevideo; and
- (3) Bemidji.

(b) The state shall provide the necessary operating costs for the veterans homes in excess of any revenue and federal funding for the homes that may be required to continue the operation of the homes and care for Minnesota veterans.

Subd. 3. **Nonstate contribution.** The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other nonstate sources for the purpose of providing matching funding when soliciting federal funding for the development of the homes authorized by this section.

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

Sec. 85. **REPORT ON INFORMATION TECHNOLOGY CONSOLIDATION.**

No later than January 15, 2019, the Campaign Finance and Public Disclosure Board, the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the State Board of Investment must each submit a report to the legislative committees with jurisdiction over state government finance on the impacts of the information technology services consolidation required by this act. The reports required by this section must be developed in consultation with the state chief information officer and must detail:

- (1) the expected costs to the entity to complete the consolidation;
- (2) whether the state chief information officer and the entity agree that all conditions for the certification required by this act have been met; and

(3) if all conditions for the certification have not been met, the joint work plan of the entity and the state chief information officer to address the unresolved issues in a way that leads to certification and, if applicable, recommendations for any additional legislation needed to complete that work.

Sec. 86. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, chapter 13, the revisor of statutes shall replace the term "commissioner of administration" with "chief administrative law judge" and the term "commissioner" with "chief administrative law judge" where it is clear the text is referring to the commissioner of administration.

Sec. 87. **REPEALERS.**

Subdivision 1. **Continuity of legislature.** Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; and 3.96, are repealed, effective July 1, 2018.

Subd. 2. **Data practices transfer.** Minnesota Statutes 2016, section 13.02, subdivision 2, is repealed, effective July 1, 2018.

Subd. 3. **Attorney general contingent fees.** Minnesota Statutes 2016, section 8.10, is repealed, effective July 1, 2018.

Subd. 4. **Hair braiding.** Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3, and 4, are repealed, effective July 1, 2018.

Subd. 5. **Legislative Budget Office.** Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, and Laws 2017, First Special Session chapter 4, article 2, section 59, are repealed, effective January 8, 2018.

Subd. 6. **Metropolitan Council.** Minnesota Statutes 2016, section 473.123, subdivision 3, and Laws 1994, chapter 628, article 1, section 8, are repealed, effective January 1, 2019.

ARTICLE 15
ADMINISTRATIVE RULE MAKING

Section 1. Minnesota Statutes 2016, section 14.03, subdivision 3, is amended to read:

Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(8) standards adopted by the Electronic Real Estate Recording Commission established under section 507.0945; ~~or~~

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A; or

(10) policies established pursuant to section 14.031.

Sec. 2. **[14.031] POLICY PRONOUNCEMENTS.**

Subdivision 1. **Definition.** (a) As used in this section, "policy" means a public written policy, guideline, bulletin, manual, or similar document providing an interpretation, clarification, or explanation of a statute or rule to provide guidance for agency regulatory functions including but not limited to permits or enforcement actions.

The definition of a policy does not include:

(1) policies concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) forms and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) curriculums adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices; or

(5) policies concerning agency actions required to comply with treaty obligations.

(b) A policy does not have the force of law.

(c) Policies established by the agency are subject to all of the following requirements:

(1) a policy shall comply with the statutes and rules that are in existence at the time the policy is established;

(2) a policy shall not establish any new requirement;

(3) a policy shall be established only by the commissioner of the agency; and

(4) the following statement must be printed on the first page of each policy in uppercase letters: "Every five years the agency shall review and update each policy that is established before the effective date of this section or that it establishes after the effective date of this section and shall prepare written documentation certifying that the policy has been reviewed and updated. A policy that has not been reviewed and updated pursuant to this paragraph is void."

Subd. 2. **Notice to legislature.** By January 15 each year, each agency must submit each policy the agency has or intends to publish under subdivision 3 in the upcoming calendar year to the policy and funding committees and divisions with jurisdiction over the agency. Each agency must post a link to its policies on the agency's Web site.

Subd. 3. **Public notice.** Before a policy is in effect, the agency must publish public notice of the proposed policy and solicit public comment. The agency shall use the procedure set forth under section 14.22 to provide public notice and meeting. The agency shall publish the public notice on the agency's Web site. The agency must send a copy of the same notice to the chairs and ranking minority members of the legislative policy and budget committees with jurisdiction over the subject matter of the proposed policy. The public comment period shall be 30 days after the date of a public meeting on the policy.

Subd. 4. **Final publication.** The agency must make all policies that conform to this section available electronically on the agency's Web site within 60 days of the completion of requirements in this section.

Subd. 5. **Committee action; delay action.** The agency shall not use a policy until the legislature adjourns the annual legislative session that began the year the legislature received notice of the policy under subdivision 2. The speaker of the house and the president of the senate shall determine if a committee has jurisdiction over the agency before a committee may act under this section.

Subd. 6. **Policy docket.** (a) Each agency shall maintain a policy docket with the agency's current public rulemaking docket under section 14.366.

(b) The policy docket must contain:

(1) a listing of the precise subject matter;

(2) the name and address of agency personnel with whom persons may communicate with respect to the matter and an indication of its present status within the agency;

(3) any known timetable for agency decisions or other action in the proceeding;

(4) the date of the public hearing on the policy;

(5) the schedule for public comments on the policy; and

(6) the date the policy became or becomes effective.

Sec. 3. Minnesota Statutes 2016, section 14.127, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business or city proposed to be regulated by the rule.

(b) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the rule has been proposed pursuant to a specific federal statutory or regulatory mandate.

(c) This section does not apply if the rule is adopted under section 14.388 or under another law specifying that the rulemaking procedures of this chapter do not apply.

(d) This section does not apply to a rule adopted by the Public Utilities Commission.

~~(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect, but for the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house and the president of the senate and must publish notice of this determination in the State Register.~~

Sec. 4. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit, and whether the proposed rule meets the state regulatory policy objectives described in section 14.002. In calculating the cost of implementing a proposed rule, the agency may consider the impact of other related proposed rules on the overall cost of residential construction. If applicable, the agency may include offsetting savings that may be achieved through implementation of related proposed rules in its calculation under this subdivision.

(b) The agency must make the determination required by paragraph (a) before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. Upon request of a party affected by the proposed rule, the administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair and ranking minority members of the policy committees of the house of representatives and the senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination. The agency shall not adopt the proposed rule until after the adjournment of the next annual session of the legislature convened on or after the date that notice required in this subdivision is given to the chairs and ranking minority members.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to administrative rules proposed on or after that date.

Sec. 5. Minnesota Statutes 2016, section 14.381, is amended by adding a subdivision to read:

Subd. 4. **Fees and expenses.** (a) The administrative law judge shall award fees and other expenses to the prevailing party under subdivision 1, unless special circumstances make an award unjust.

(b) A party seeking an award of fees and other expenses shall, within 30 days of administrative law judge's report issued in the action, submit to the administrative law judge an application of fees and other expenses that shows that the party is a prevailing party and is eligible to receive an award, and the amount sought, including an itemized statement from any attorney or expert witness representing or appearing on behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed.

(c) The administrative law judge may reduce the amount to be awarded under this section, or deny an award, to the extent that during the proceedings the prevailing party engaged in conduct that unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of an administrative law judge under this section must be made a part of the record containing the final decision of the agency and must include written findings and conclusions.

(d) This section does not preclude a party from recovering costs, disbursements, fees, and expenses under other applicable law.

Sec. 6. **REPEALER.**

Minnesota Statutes 2016, section 14.381, subdivision 3, is repealed.

Sec. 7. **EFFECTIVE DATE; APPLICATION.**

(a) This article is effective August 1, 2018, and applies to rules for which a notice of hearing under Minnesota Statutes, section 14.14; a notice of intent to adopt under Minnesota Statutes, section 14.22; or a dual notice under Minnesota Statutes, section 14.225, is published in the State Register on or after that date.

(b) This article also applies to policies established on or after January 1, 2019. All policies existing on or before the date of enactment shall be posted on the agency's public docket on or before January 1, 2019.

ARTICLE 16 CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry out the purposes of this chapter if, before June 1, 2018, the board has published a notice of intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2; or a notice of hearing on a proposed rule under section 14.14.

(b) After May 31, 2018, the board may only adopt rules that:

(1) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or

(2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

(c) In addition to the notice required under chapter 14, the board shall notify the chairs and ranking minority members of the committees or subcommittees in the senate and house of representatives with primary jurisdiction over elections within seven calendar days of taking the following actions:

- (1) publication of a notice of intent to adopt rules or a notice of hearing;
- (2) publication of proposed rules in the State Register;
- (3) issuance of a statement of need and reasonableness; or
- (4) adoption of final rules.

EFFECTIVE DATE. This section is effective the day following final enactment for rules for which a notice of intent to adopt a rule without public hearing under Minnesota Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 be paid from the general fund of the state into the state elections campaign account. If a husband and wife file a joint return, each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any year. ~~The taxpayer may designate that the amount be paid into the account of a political party or into the general account.~~

Sec. 3. Minnesota Statutes 2016, section 10A.31, subdivision 3, is amended to read:

Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. ~~The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7.~~ The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Sec. 4. Minnesota Statutes 2016, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, ~~are appropriated from the general fund,~~ must be transferred and credited to the ~~appropriate account in the~~ state elections campaign account, and are annually appropriated for distribution as set forth in ~~subdivisions 5, 5a, 6, and 7~~ this section. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

Sec. 5. Minnesota Statutes 2016, section 10A.31, subdivision 5, is amended to read:

Subd. 5. **Allocation.** ~~(a) General account.~~ In each calendar year the money in the general account must be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 4.2 percent for the office of attorney general;

(3) 2.4 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

~~(b) Party account. In each calendar year the money in each party account must be allocated as follows:~~

~~(1) 14 percent for the offices of governor and lieutenant governor together;~~

~~(2) 2.8 percent for the office of attorney general;~~

~~(3) 1.6 percent each for the offices of secretary of state and state auditor;~~

~~(4) in each calendar year during the period in which state senators serve a four-year term, 23 1/3 percent for the office of state senator, and 46 2/3 percent for the office of state representative;~~

~~(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and~~

~~(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two thirds must be allocated to the office of state representative under clause (4).~~

~~Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.~~

Sec. 6. Minnesota Statutes 2016, section 10A.31, subdivision 7, is amended to read:

Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money in the general state elections campaign account, as certified by the commissioner of revenue one week before the state primary and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and
- (3) were opposed in either the primary election or the general election.

(b) The public subsidy paid under this subdivision may not ~~be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed~~ 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the ~~general~~ account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the ~~general~~ account is exhausted.

Sec. 7. Minnesota Statutes 2016, section 10A.31, subdivision 10, is amended to read:

Subd. 10. **December distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivision ~~6 or~~ 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue must certify to the board by December 1 the amount accumulated in ~~each the~~ account since the previous certification. By December 15, the board must distribute to each candidate according to the ~~allocations in subdivisions 5 and 5a~~ allocation in subdivision 5 the amounts to which the candidates are entitled.

Sec. 8. Minnesota Statutes 2016, section 10A.31, subdivision 10b, is amended to read:

Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept in the ~~respective accounts~~ state elections campaign account for distribution in the next general election year.

Sec. 9. Minnesota Statutes 2016, section 10A.315, is amended to read:

10A.315 SPECIAL ELECTION SUBSIDY.

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the ~~sum of:~~

~~(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and~~

~~(2) the general account~~ amount of state elections campaign money paid to a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the ~~party and general accounts~~ state elections campaign account is distributed to legislative candidates in a general election.

(c) The amount necessary to make the payments required by this section is appropriated from the general fund for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

Sec. 10. Minnesota Statutes 2016, section 10A.321, subdivision 1, is amended to read:

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the ~~state general account of the~~ state elections campaign account and the amount of money each candidate who qualifies, as provided in section 10A.31, ~~subdivisions 6 and~~ subdivision 7, may receive from the ~~candidate's party account in the state elections campaign~~ account. This estimate must be based upon the allocations ~~and~~ formulas in section 10A.31, ~~subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, subdivision 5,~~ subdivision 5, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Sec. 11. Minnesota Statutes 2016, section 290.06, subdivision 23, is amended to read:

Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party ~~qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a~~ as defined in section 200.02, subdivision 23.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

Sec. 12. **REPEALER.**

Minnesota Statutes 2016, sections 10A.30, subdivision 2; and 10A.31, subdivisions 3a, 5a, 6, and 6a, are repealed.

Sec. 13. **EFFECTIVE DATE; APPLICABILITY.**

This article is effective the day following final enactment, and provisions impacting the public subsidy for candidates apply to elections held on or after that date. No later than July 1, 2018, the Campaign Finance and Public Disclosure Board must notify, in writing, all candidates who have signed an agreement applicable for the 2018 general election of the changes enacted by this article, and provide each candidate an opportunity, at the candidate's discretion, to sign a new agreement that reflects these changes. Agreements applicable for the 2018 general election that were signed prior to the effective date of this section remain valid for the sole purpose of establishing the candidate's eligibility to participate in the political contribution refund program authorized by Minnesota Statutes, section 290.06, subdivision 23, but are otherwise unenforceable and invalid for any other purpose.

ARTICLE 17
MINNESOTA SPORTS FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:

Subdivision 1. **Not public classification.** The following data received, created, or maintained by or for publicly owned and operated convention facilities, civic center authorities, or the ~~Metropolitan Minnesota~~ Sports Facilities ~~Commission~~ Authority are classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on individuals pursuant to section 13.02, subdivision 12:

(a) a letter or other documentation from any person who makes inquiry to or who is contacted by the facility regarding the availability of the facility for staging events;

(b) identity of firms and corporations which contact the facility;

(c) type of event which they wish to stage in the facility;

(d) suggested terms of rentals; and

(e) responses of authority staff to these inquiries.

Sec. 2. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:

~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into between the facility and the inquiring party or parties or the event which was the subject of inquiry occurs at the facility, whichever occurs earlier;

~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

(b) Data regarding persons receiving free or discounted admission, tickets, or other gifts from publicly owned and operated convention facilities, civic center authorities, or the Minnesota Sports Facilities Authority are public data unless the data are subject to the provisions of subdivision 1 or 4, paragraph (b).

Sec. 3. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to read:

Subd. 11. **Prepayment of bonds.** By June 30, 2020, and every fiscal year thereafter, the commissioner shall set aside, in a separate account in the special revenue fund, an amount equal to the cumulative reduction in the payment for stadium operating expenses under section 473J.13, subdivision 2, paragraph (b), over the prior fiscal year. When a sufficient amount has accumulated in that account to make it practicable, the commissioner must transfer those amounts to the general fund. The transferred amounts are appropriated to the commissioner to prepay or defease bonds in a manner that preserves the tax exempt status of the bonds.

EFFECTIVE DATE. This section is effective July 1, 2020, and applies to reductions to stadium operating expense payments made in that fiscal year and thereafter.

Sec. 4. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the general fund the following amounts, as required by subdivision 3, clause (3):

(1) for state bond debt service support beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, periodic amounts so that not later than December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been deposited in the general fund. To determine aggregate present value, the commissioner must consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedules of annual amounts. The present value date or dates must be based on the date or dates bonds are sold under section 16A.965, or the date or dates other state funds, if any, are deposited into the

construction fund. The discount rate or rates must be based on the true interest cost of the bonds issued under section 16A.965, or an equivalent 30-year bond index, as determined by the commissioner of management and budget. The schedule of annual amounts must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city;

(2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 4;

(3) for the operating expense appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 2, determined without regard to any reduction under section 473J.13, subdivision 2, paragraph (b);

(4) for recapture of state advances for capital improvements and operating expenses for calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar year thereafter until all amounts under this clause have been paid, proportionate amounts periodically until an aggregate amount equal to the present value of all amounts paid by the state have been deposited in the general fund. To determine the present value of the amounts paid by the state to the authority and the present value of amounts deposited to the general fund under this clause, the commissioner shall consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedule of annual amounts. The present value dates must be based on the dates state funds are paid to the authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause to the general fund. The discount rates must be based on the reasonably equivalent cost of state funds as determined by the commissioner of management and budget. The schedule of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and taxes deposited to the general fund from time to time under this clause, and the schedule and revised schedules must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city, and are transferred as accrued from the general fund for repayment of advances made by the state to the authority. Determination of the present value amounts must be made without regard to any reduction in the state advances resulting from a reduction in the payments under section 473J.13, subdivision 2, paragraph (b); and

(5) to capture increases in taxes imposed under the special law, for the benefit of the Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar year thereafter through 2046, there shall be deposited to the general fund in proportionate periodic payments in the following year, an amount equal to the following:

(i) 50 percent of the difference, if any, by which the amount of the net annual taxes for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus \$1,000,000, inflated at two percent per year since 2011, minus

(ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus \$3,000,000, inflated at two percent per year since 2011.

EFFECTIVE DATE. This section is effective upon compliance by the governing body of the city of Minneapolis with Minnesota Statutes, section 645.021.

Sec. 5. Minnesota Statutes 2016, section 297E.021, subdivision 3, is amended to read:

Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from the taxes imposed under section 290.06, subdivision 1:~~

(1) reduced by the following amounts paid for the fiscal year under:

(i) the appropriation to principal and interest on appropriation bonds under section 16A.965, subdivision 8;

(ii) the appropriation from the general fund to make operating expense payments under section 473J.13, subdivision 2, paragraph (b);

(iii) the appropriation for contributions to the capital reserve fund under section 473J.13, subdivision 4, paragraph (c);

(iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and any successor appropriation;

(v) the reduction in revenues resulting from the sales tax exemptions under section 297A.71, subdivision 43;

(vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

(vii) the compulsive gambling appropriations under section 297E.02, subdivision 3, paragraph (c), and any successor appropriation; and

(viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

(2) increased by the revenue deposited in the general fund under section 297A.994, subdivision 4, clauses (1) to (3), for the fiscal year.

EFFECTIVE DATE. This section is effective for fiscal years beginning after June 30, 2019.

Sec. 6. Minnesota Statutes 2016, section 297E.021, subdivision 4, is amended to read:

Subd. 4. **Appropriation; general reserve account.** (a) To the extent the commissioner determines that revenues are available under subdivision 3 for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Appropriations under this subdivision for each fiscal year are limited to the amounts necessary to provide a balance in the reserve account up to the limit under paragraph (b). Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the Legislative Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the commissioner of management and budget for ~~other~~ uses related to the stadium authorized under section 473J.03, subdivision 8, that the commissioner deems financially prudent ~~including but not~~ limited to reimbursements for ~~capital and~~ operating costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965.

(b) The balance in the reserve account established by the commissioner under this subdivision must not exceed \$26,821,000.

EFFECTIVE DATE. This section is effective July 1, 2019, and any amount above the limit set in paragraph (b) on that date cancels to the general fund.

Sec. 7. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority; and

~~(6) sports facilities located on land owned by the Metropolitan Sports Commission; and~~

~~(7) (6) exclusive liquor stores.~~

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A city may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the city for the purposes of summer collegiate league baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games at the ballpark or stadium.

Sec. 8. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

(1) employees of the Minnesota Historical Society;

(2) employees of the State Horticultural Society;

(3) employees of the Minnesota Crop Improvement Association;

(4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;

(5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;

(6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (6);

(7) employees of the legislature who are appointed without a limit on the duration of their employment;

(8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(9) employees of the Minnesota Safety Council;

(10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply;

(19) employees of the Minnesota Sports Facilities Authority;

(20) employees of the Minnesota Association of Professional Employees;

(21) employees of the Minnesota State Retirement System;

(22) employees of the State Agricultural Society;

(23) employees of the Gillette Children's Hospital Board who were employed in the state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

(24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota, employees of Conservation Corps Minnesota so employed on June 30, 2003.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 9. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:

Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks and Open Space Commission, ~~and the Metropolitan Airports Commission, and Metropolitan Sports Facilities Commission.~~

Sec. 10. Minnesota Statutes 2016, section 473.164, is amended to read:

473.164 SPORTS, AIRPORT COMMISSIONS COMMISSION TO PAY COUNCIL COSTS.

Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities Commission and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs incurred by the council in the discharge of its responsibilities relating to the commission. The costs may be charged against any revenue sources of the commission as determined by the commission.

Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council shall transmit to ~~each the~~ commission an estimate of the costs which the council will incur in the discharge of its responsibilities related to the commission in the next budget year including, without limitation, costs in connection with the preparation, review, implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The commission shall include the estimates in its budget for the next budget year and may transmit its comments concerning the estimated amount to the council during the budget review process. Prior to December 15 of each year, the amount budgeted by ~~each the~~ the commission for the next budget year may be changed following approval by the council. During each budget year, the commission shall transfer budgeted funds to the council in advance when requested by the council.

Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in cooperation with ~~each the~~ commission, shall adopt a final statement of costs incurred by the council for ~~each the~~ the commission. Where costs incurred in the budget year have exceeded the amount budgeted, ~~each the~~ the commission shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year.

Sec. 11. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read:

Subdivision 1. **In MSRS; exceptions.** All employees of the former commission shall be members of the Minnesota State Retirement System with respect to service rendered on or after May 17, 1977, except as provided in this section.

Sec. 12. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read:

Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553.

Sec. 13. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read:

Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor ~~and the Metropolitan Sports Facilities Commission~~ must attempt to facilitate the formation of a corporation to acquire the baseball franchise and to identify an individual private managing owner of the corporation. The corporation formed to acquire the franchise shall have a capital structure in compliance with all of the following provisions:

(1) there may be two classes of capital stock: common stock and preferred stock. Both classes of stock must give holders voting rights with respect to any relocation or voluntary contraction of the franchise;

(2) the private managing owner must own no less than 25 percent and no more than 35 percent of the common stock. For purposes of this restriction, shares of common stock owned by the private managing owner include shares of common stock owned by any related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended. Other than the rights of all other holders of common stock and preferred stock with respect to relocation or voluntary contraction of the franchise, the private managing owner must control all aspects of the operation of the corporation;

(3) other than the private managing owner, no individual or entity may own more than five percent of the common stock of the corporation;

(4) at least 50 percent of the ownership of the common stock must be sold to members of the general public in a general solicitation and a person or entity must not own more than one percent of common stock of the corporation; and

(5) the articles of incorporation, bylaws, and other governing documents must provide that the franchise may not move outside of the state or agree to voluntary contraction without approval of at least 75 percent of the shares of common stock and at least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval requirements shall not be amended by the shareholders or by any other means.

Except as specifically provided by Laws 2006, chapter 257, no state agency may spend money from any state fund for the purpose of generating revenue under this subdivision or for the purpose of providing operating support or defraying operating losses of a professional baseball franchise.

Sec. 14. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision to read:

Subd. 13. **Stadium space.** "Stadium space" means a seat, personal seat license, suite, club room, parking, or any other part of the stadium or license to access any part of the stadium that a member of the general public would have to pay to use or access.

Sec. 15. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The authority shall consist of five members.

(b) ~~The chair and two~~ Three members shall be appointed by the governor and confirmed by the house of representatives and the senate. One member appointed by the governor shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following

appointment. Thereafter, members appointed by the governor shall serve four-year terms, beginning January 1. Each member serves until a successor is appointed and takes office unless removed by the appointing authority for cause. Cause for removal includes violation of the employee code of ethics in section 43A.38. ~~The chair serves at the pleasure of the governor.~~

(c) The mayor of the city shall appoint and the house of representatives and the senate shall confirm two members to the authority. One member appointed by the mayor of the city shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office unless removed by the appointing authority for cause. Cause for removal includes violation of the employee code of ethics in section 43A.38. Members appointed under this paragraph may reside within the city and may be appointed officials of a political subdivision.

~~(d) The initial members of the authority must be appointed not later than June 13, 2012.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to members appointed on or after the day following final enactment.

Sec. 16. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the chair,~~ as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by other law, a salary in an amount fixed by the authority, no more than half of the salary of the executive director of the authority in fiscal year 2019~~ and shall be reimbursed for reasonable expenses to the same extent as a member.

Sec. 17. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and performs all other assigned duties and functions. The members of the authority shall biennially elect a chair from among its members. The authority may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair, and any other officers the authority determines are necessary or convenient.

Sec. 18. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:

Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority once each year or as often as the legislative auditor's funds and personnel permit. The authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative auditor may conduct examinations of the authority's finances, budgets, expenditures, revenues, and its operation. The legislative auditor may periodically examine the authority's use of stadium space by the authority's members, staff, family, friends, charitable organizations, and vendors.

Sec. 19. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

Subd. 8. **Executive director; employees.** The authority may appoint an executive director to serve as the chief executive officer of the authority. The executive director serves at the pleasure of the authority and receives compensation as determined by the authority not to exceed \$135,000. The executive director may be responsible for the operation, management, and promotion of activities of the authority, as prescribed by the authority. The executive director has the powers necessarily incident to the performance of duties required and powers granted by the authority, but does not have authority to incur liability or make expenditures on behalf of the authority without general or specific directions by the authority, as shown by the bylaws or minutes of a meeting of the authority. The executive director is responsible for hiring, supervision, and dismissal of all other employees of the authority. The authority must conduct an annual employee evaluation of the executive director, which must be reviewed and approved by the entire board.

Sec. 20. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to read:

Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget to the commissioner of management and budget and to the chairs and ranking minority members of the senate finance and house of representatives ways and means committees.

Sec. 21. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to read:

Subd. 8b. **Contracts.** The authority may not enter a contract with a value of more than \$5,000 unless the terms of the contract have been approved by the authority by public vote at a regular or special meeting. The authority may not delegate or authorize the executive director to execute contracts on behalf of the authority in a manner that conflicts with this subdivision.

Sec. 22. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:

Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, each annual budget, each use agreement, each management agreement, each sponsorship agreement, meeting minutes for all meetings, policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for public comments. This subdivision does not apply to information that is classified as not public data, as defined in section 13.02, subdivision 8a, under other law.

Sec. 23. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 7a. **Code of conduct and political activities.** (a) The authority shall adopt and comply with the latest version of the state code of conduct promulgated by Minnesota Management and Budget, and sections 43A.32 and 43A.38 apply to the authority members and the authority's employees.

(b) For purposes of section 43A.38, subdivision 4, use of or preferential access to stadium space by an authority member or employee constitutes an impermissible use of state property for the employee's private interest, unless the use or terms of access are expressly permitted by this section.

Sec. 24. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

Subd. 13. **Legislative report.** (a) The authority must report in writing to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and to the senate Finance Committee and the house of representatives Ways and Means Committee by January 15 of each year ~~on the following~~, and in person to the Legislative Commission on Minnesota Sports Facilities at least quarterly. The reports must describe:

- (1) any recommended increases in the rate or dollar amount of tax;
- (2) any recommended increases in the debt of the authority;
- (3) the overall work and role of the authority;
- (4) the authority's proposed operating and capital budgets; ~~and~~

(5) the authority's implementation of the operating and capital budgets, including information on actual revenues and expenditures, events conducted, and all expected or unexpected maintenance and capital repair needs arising since the time of the last report;

(6) a listing of all stadium amenities under the control of the authority since the time of the last report, and how the amenities were used; and

(7) at least once each year, a detailed accounting of amounts expended for operating expenses of the stadium for the most recently available year by functional category or object or both, estimates of those expenses for the current and coming year, and description of any plans for managing and improving efficiencies in the operation of the stadium.

(b) Copies of each report containing the information required by paragraph (a), clause (5), must also be provided to the commissioner of management and budget. The authority must also provide, at the request of the commissioner, any additional information on its expenditures on and plans for managing and budgeting for the costs of operating the stadium, including the reserve for capital expenditures. The commissioner must, at least once each biennium, review the amounts expended for stadium operations and make recommendations to the governor on the amount needed for state payment of those costs. The governor's budget must include recommendations for the payments under section 473J.13, subdivisions 2, paragraph (b), and 4, paragraph (c), and whether modification of the statutorily appropriated amounts is recommended or required.

Sec. 25. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 15. Consignment agreement; authority's suites. (a) The authority must negotiate an agreement providing for consignment of the authority's suites to the primary tenant consistent with the use agreement and subject to this subdivision. The final terms of the consignment must be approved by the chairs of the committees of the house of representatives and the senate with jurisdiction over state government finance and must include the following:

(1) the primary tenant is the consignee and must make all commercially reasonable efforts to sell access to the suites to third parties;

(2) the authority must receive a percentage of the revenues from consignment of the suites each year equal to at least 90 percent of the first \$400,000 of revenue and 65 percent of any amount in excess of that and the amount of revenue retained by the primary tenant must not exceed its actual transaction, marketing, and administrative costs that it would not have incurred but for the consignment; and

(3) the terms of the consignment agreement are effective for a period of five years beginning no later than August 1, 2018, and must be renegotiated no later than August 1, 2023, and every five years thereafter.

(b) Data collected, created, or maintained by the authority related to negotiation of the consignment required by this paragraph are nonpublic data, as defined in section 13.02, subdivision 9. Data provided to the legislative chairs under the approval requirement in paragraph (a) may not be disclosed without the consent of the primary tenant.

(c) The authority must use revenues from the consignment agreement to pay the operating expenses of the stadium.

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

Sec. 26. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 16. **Report on stadium space use by authority members, staff, and vendors.** The authority shall report the following information annually to the governor, the mayor of the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports Facilities, and the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means Committee regarding use of stadium space by authority members, staff, family, friends, charitable organizations, and vendors or their guests:

- (1) the costs of use;
- (2) the identity of each adult attendee and their legitimate business purpose for attendance;
- (3) the date, time, and a general description of the stadium event at which the suite was used; and
- (4) the value and description of any food, parking, or other benefits provided to attendees.

Sec. 27. **[473J.095] AUTHORITY'S USE OF STADIUM SPACE.**

Subdivision 1. **Application.** The restrictions in this section apply to the use of stadium space provided to the authority under the terms of the lease or use agreement required under section 473J.15, subdivision 3.

Subd. 2. **Use of stadium space by authority members and staff.** (a) Authority members and authority staff, including the executive director of the authority, may not use stadium space unless the use is for a legitimate business purpose. For purposes of this subdivision, "legitimate business purpose" means:

- (1) in the case of a suite, the executive director's use of the suite to conduct oversight of stadium operations; or
- (2) in the case of stadium space other than a suite:
 - (i) participating in a marketing effort arranged by the authority's management vendor;
 - (ii) conducting oversight of stadium operations; or
 - (iii) making stadium space available to nonprofit charitable organizations to provide access to events at the stadium for people served by the charitable organization.

The executive director of the authority must ensure that use of stadium space does not violate open meeting laws.

(b) Use of stadium space by authority staff must be based on an express written assignment of duties by the executive director or, in the case of use by the executive director, an express written assignment of duties by the authority chair. In all cases, use of stadium space by authority staff must be approved by a vote of the authority at a public meeting, and the legitimate business purpose for use must be made a part of the public record. Authority staff may not be provided free food, beverages, or stadium parking unless necessary to complete the assigned duties.

Subd. 4. **Use of stadium space by family, friends, and other guests.** The authority or its members may not grant access to stadium space to family members, friends, or other guests of the authority's members or staff unless the use is for a legitimate business purpose. The use must be approved by a vote of the authority at a public meeting, and the legitimate business purpose must be made a part of the public record. For purposes of this subdivision, "legitimate business purpose" means being a prospective user of the stadium.

Subd. 5. **Open market purchase.** This section does not prohibit an authority member, authority staff, or family, friends, or other guests of authority members or staff from attending events or renting stadium space, if a ticket or a right of access to the space was purchased on the open market through the same channels, and for the same price, as those available to the general public.

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

Sec. 28. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating expenses of the stadium. The authority must require in the lease or use agreement with the NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000 each year, increased by a three percent annual inflation rate.

(b) (1) Beginning January 1, 2016, or other date as mutually agreed upon by the parties, and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall assume this payment, using funds generated in accordance with the city of Minneapolis as specified under section 297A.994, subdivision 4, clause (3); and

(2) beginning for fiscal year 2020, the payment under this section must be reduced by the additional revenue received by the authority under the consignment under section 473J.09, subdivision 15, in the prior fiscal year.

(c) The authority may establish an operating reserve to cover operating expense shortfalls and may accept funds from any source for deposit in the operating reserve. The establishment or funding of an authority operating reserve must not decrease the amounts required to be paid to the authority toward operating costs under this subdivision unless agreed to by the authority.

(d) The authority will be responsible for operating cost overruns.

(e) After the joint selection of the third-party manager or program manager, the authority may agree with a program manager or other third-party manager of the stadium on a fixed cost operating, management, or employment agreement with operating cost protections under which the program manager or third-party manager assumes responsibility for stadium operating costs and shortfalls. The agreement with the manager must require the manager to prepare an initial and ongoing operating plan and operating budgets for approval by the authority in consultation with the NFL team. The manager must agree to operate the stadium in accordance with the approved operating plan and operating budget.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 29. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:

Subd. 3. **Public access.** The authority will work to maximize access for public and amateur sports, community, and civic events, and other public events in type and on terms consistent with those ~~currently~~ held at the ~~existing~~ football stadium, as defined in Minnesota Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events have exclusive use of the premises at agreed-upon times subject to the scheduling rights of the NFL team under the lease or use agreement.

Sec. 30. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:

Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the Metropolitan Sports Facilities Commission is abolished. When the remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission have been transferred to the authority and the commission has been abolished, the powers and duties of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any other law shall devolve upon the authority, in addition to the powers and duties of the authority under chapter 473J, until the first NFL home game is played at the stadium.

Sec. 31. Minnesota Statutes 2016, section 473J.27, subdivision 2, is amended to read:

Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the stadium available for use by the Minnesota State High School League for at least seven days each year for high school soccer and football tournaments. The lessee of the stadium must provide, and may not directly, or through a management company, charge the league a fee for, this use, including security, ticket takers, custodial or cleaning services, or other similar services in connection with this use.

Sec. 32. **RECOVERY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

The Minnesota Sports Facilities Authority must make every effort to recover the fair market value of any food, parking, tickets, and access to stadium suites provided to a person prior to January 1, 2017, if the provision of those benefits to the person was not in the public interest. The authority shall report on recovery efforts to the commissioner of management and budget and to the chairs and ranking minority members of the senate finance and house of representatives ways and means committees by May 31, 2018. Money recovered under this section is transferred by July 1, 2018, to the commissioner of management and budget for deposit in the general reserve account established under Minnesota Statutes, section 297E.021, subdivision 4.

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

Sec. 33. **CHAIR SALARY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

By February 15, 2019, the committees in the house of representatives and the senate with jurisdiction over state government finance shall recommend legislation limiting the salary of the chair of the Minnesota Sports Facilities Authority that shall apply beginning in fiscal year 2020.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

(b) Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

Sec. 35. **EFFECTIVE DATE.**

This article is effective the day following final enactment. The terms of all current members of the Minnesota Sports Facilities Authority terminate January 31, 2019. Appointing authorities must appoint new members of the authority by January 15, 2019, to serve terms beginning February 1, 2019. Appointments shall be effective and the appointees may exercise the duties of the office upon receipt of the letter of appointment by the president of the senate and the speaker of the house."

Delete the title and insert:

"A bill for an act relating to state government; making policy and technical changes to various agriculture-related provisions including provisions related to agriculture finance; establishing a rural energy feasibility loan program; requiring approval of certain proposed rules; authorizing the sale of certain bonds; modifying environmental, natural resource, and game and fish provisions; modifying Water Law; modifying Clean Water Legacy Act; modifying solid waste provisions; modifying certain penalties; modifying requirements for fencing abandoned mines; creating accounts; providing for disposition of certain receipts; requiring rulemaking; making changes to energy provisions; authorizing carbon reduction facilities; modifying the renewable development account; establishing grant programs; regulating modular and manufactured homes; requiring legislative review of certain rules; modifying housing bond allocation; modifying the minimum wage for employees receiving gratuities; making OSHA federal conformity changes; authorizing management of Lake Winona; modifying the taconite economic development fund; increasing certain local government borrowing limits; approving transfers of money from certain accounts; requiring enhanced cybersecurity; establishing principles for districting; establishing the Legislative Budget Office Oversight Commission; establishing provisions for the Legislative Budget Office; modifying provisions for the operations of state government; modifying provisions for the state auditor, governor's office, Office of Administrative Hearings, Metropolitan Council, and attorney general; establishing emergency operations and continuity of government plans; establishing an office to receive and investigate harassment, misconduct, and discrimination claims; establishing Fort Snelling National Landmark Redevelopment bonding authority; transferring certain duties of Minnesota Management and Budget to the Legislative Budget Office; transferring duties for data practices and open meeting law from the Department of Administration to the Office of Administrative Hearings; requiring a report on valuation method of pipeline operating property; establishing certain pension amounts for volunteer firefighters relief association; approving submission of a bid to host a Nordic World Cup Ski Championship; approving construction of additional veterans homes; changing administrative rulemaking provisions; changing campaign finance provisions; modifying provisions for Minnesota Sports Facilities Authority; requiring reports; making technical changes; appropriating money for certain agencies and reducing appropriations for certain agencies; amending Minnesota Statutes 2016, sections 1.26, subdivisions 1, 2; 3.303, by adding a subdivision; 3.8841, subdivision 9; 8.065; 10A.01, subdivision 35; 10A.02, subdivisions 7, 13; 10A.31, subdivisions 1, 3, 4, 5, 7, 10, 10b; 10A.315; 10A.321, subdivision 1; 12.09, subdivision 2; 12.21, subdivision 3; 13.02, by adding subdivisions; 13.072; 13.08, subdivision 4; 13.085, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 13.55, subdivisions 1, 2; 13.64, by adding a subdivision; 13.685; 13D.06, subdivision 4; 14.03, subdivision 3; 14.127, subdivision 4; 14.381, by adding a subdivision; 16A.013, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.965, by adding a subdivision; 16D.09; 16E.016; 16E.03, subdivisions 4, 7, by adding a subdivision; 18C.425, subdivision 6; 18C.80, subdivision 2; 28A.16; 41A.15, subdivision 10, by adding a subdivision; 41A.16, subdivisions 1, 2; 41A.17, subdivision 1; 41A.18, subdivision 1; 41B.056, subdivision 2; 41B.06; 84.0895, subdivision 2; 84.775, subdivision 1; 84.83, subdivision 3; 84.86, subdivision 1; 84.928, subdivision 2; 86B.005, subdivision 8a; 86B.532, subdivision 1; 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97A.56, subdivision 2; 97B.015, subdivision 6; 97B.081, subdivision 3; 97B.1055; 97C.345, subdivision 3a; 103B.3369, subdivisions 5, 9, by adding a subdivision; 103B.801, subdivisions 2, 5; 103E.021, subdivision 6; 103E.071; 103G.2242, subdivision 14; 103G.287, by adding a subdivision; 103H.275, subdivision 1; 114D.15, subdivisions 7, 11, 13, by adding subdivisions; 114D.20, subdivisions 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35, subdivisions 1, 3; 115.03, subdivisions 1, 5; 115.035; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.51; 115A.94, subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions; 116.07, by adding a subdivision; 116.155, subdivision 1, by adding subdivisions; 116.993, subdivisions 2, 6; 116J.394; 116J.395, subdivisions 2, 5, 7; 155A.23, subdivision 8; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 155A.29, subdivisions 1, 6; 177.24, subdivision 1; 180.03, subdivisions 2, 3, 4; 180.10; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 216A.03, by adding a subdivision; 216B.16, by adding a subdivision; 216E.03, subdivision 9; 216E.04, subdivision 7; 240.01, by adding a subdivision; 240.02, subdivision 6; 240.08, subdivision 5; 240.131, subdivision 7; 240.22; 270C.13, subdivision 1; 290.06, subdivision 23; 297A.994, subdivision 4; 297E.021, subdivisions 3, 4; 298.28, subdivision 9a; 299D.085, by adding a subdivision; 326B.805, subdivision 3; 326B.815, subdivision 1; 327.31, by adding a subdivision; 327B.041; 327C.095, subdivisions 4, 6, 12, 13, by adding a subdivision; 340A.404, subdivision 1; 340A.412, by adding a subdivision; 349A.06, subdivision 11; 352.01, subdivision 2a; 424B.20,

subdivision 4; 444.075, subdivision 1a; 462A.222, subdivision 3; 465.73; 473.121, subdivision 5a; 473.123, subdivisions 1, 2a, 3a, 4, by adding subdivisions; 473.146, subdivisions 3, 4; 473.164; 473.565, subdivision 1; 473.755, subdivision 4; 473.763, subdivision 2; 473.8441, subdivision 4; 473J.03, by adding a subdivision; 473J.07, subdivisions 2, 3, 4, 7, 8, 9, by adding subdivisions; 473J.09, subdivision 13, by adding subdivisions; 473J.13, subdivisions 2, 3; 473J.25, subdivision 3; 473J.27, subdivision 2; 474A.02, by adding subdivisions; 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.047, subdivisions 1, 2; 474A.061; 474A.062; 474A.091; 474A.131; 474A.14; 480.15, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98, subdivision 1; 6.481, subdivision 3; 15A.0815, subdivision 3; 16A.152, subdivision 2; 18C.70, subdivision 5; 18C.71, subdivision 4; 84.01, subdivision 6; 84.91, subdivision 1; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03, subdivisions 3, 4; 84D.108, subdivisions 2b, 2c; 85.0146, subdivision 1; 97A.075, subdivision 1; 103G.271, subdivision 7; 116.07, subdivision 4d; 116.0714; 116C.779, subdivision 1; 116C.7792; 169A.07; 216B.164, subdivision 5; 216B.1691, subdivision 2f; 298.227; 477A.03, subdivision 2b; Laws 2010, chapter 361, article 4, section 78; Laws 2014, chapter 312, article 2, section 14, as amended; Laws 2015, First Special Session chapter 4, article 4, section 136, as amended; Laws 2016, chapter 189, article 3, sections 3, subdivision 5; 4; 48; Laws 2017, chapter 2, article 1, section 7, as amended; Laws 2017, chapter 88, article 1, section 2, subdivisions 1, 2, 4, 5; Laws 2017, chapter 93, article 1, sections 3, subdivision 6; 4; article 2, sections 155, subdivision 5; 163; Laws 2017, chapter 94, article 1, sections 2, subdivisions 2, as amended, 3; 4, subdivisions 3, 5; article 10, sections 28; 29; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 58; proposing coding for new law in Minnesota Statutes, chapters 2; 4; 5; 12; 13; 14; 41B; 43A; 84; 97A; 103G; 115; 115B; 116; 116C; 216B; 216C; 327; 383A; 473J; 474A; repealing Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; 3.96; 8.10; 10A.30, subdivision 2; 10A.31, subdivisions 3a, 5a, 6, 6a; 13.02, subdivision 2; 14.381, subdivision 3; 137.50, subdivision 5; 155A.28, subdivisions 1, 3, 4; 177.24, subdivision 2; 216B.2423; 471.9996, subdivision 2; 473.123, subdivision 3; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; 473.76; 473J.09, subdivision 14; Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4; Laws 1994, chapter 628, article 1, section 8; Laws 2017, First Special Session chapter 4, article 2, section 59."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Torkelson from the Committee on Transportation Finance to which was referred:

H. F. No. 4437, A bill for an act relating to transportation; governing transportation finance; proposing a constitutional amendment to the Minnesota Constitution, article XIV, to allocate state general sales tax revenue related to motor vehicle repair and replacement parts exclusively to fund roads; amending Minnesota Statutes 2017 Supplement, section 297A.94.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CONSTITUTIONAL AMENDMENT

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article XIV, to read:

Sec. 14. Beginning July 1, 2024, the revenue from the general state sales and use tax law that is attributed by law to the sale and purchase of motor vehicle repair and replacement parts must be allocated solely to roads and bridges. No change in the apportionment of the revenue may be made within six years of the last previous change. Revenue under this section does not include revenue from the tax under article XI, section 15.

Sec. 2. SUBMISSION TO VOTERS.

(a) The proposed amendment under section 1 must be submitted to the people at the 2018 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to increase funding for roads and bridges by dedicating existing sales tax revenue from the sale of motor vehicle parts?"

Yes.....
No....."

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) is "Increase Road and Bridge Funds by Dedicating Existing Sales Taxes on Motor Vehicles."

ARTICLE 2
CONSTITUTIONAL AMENDMENT IMPLEMENTATION

Section 1. **[160A.01] DEFINITIONS.**

For the purposes of this chapter, the terms defined in section 160.02 have the same meanings.

Sec. 2. **[160A.10] DISTRIBUTION OF DEDICATED FUNDS.**

(a) Revenue under section 297A.94, subdivision 1, paragraph (g), must be allocated as follows:

(1) 4.5 percent to the small cities assistance account under section 162.145, subdivision 2; and

(2) 95.5 percent to the highway user tax distribution fund.

(b) The portion of revenue distributed to the trunk highway fund under paragraph (a) must be deposited in the construction account under section 160A.15.

Sec. 3. **[160A.15] TRUNK HIGHWAY FUND; CONSTRUCTION ACCOUNT.**

(a) A construction account is established in the trunk highway fund. The account consists of funds deposited under section 160A.10, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is available solely for actual trunk highway system construction, reconstruction, and improvement projects, which includes expenditures for design, engineering, environmental analysis, acquisition of property rights, project delivery, and construction.

Sec. 4. Minnesota Statutes 2017 Supplement, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

Subdivision 1. Deposits. (a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) ~~Starting after July 1, 2017, The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of the taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month, and credit the amounts specified in this paragraph in the manner provided under section 160A.10.~~ For the remittances between

July 1, 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is ~~\$12,137,000~~ equal to 1/12 of the most recent percentage estimate for the fiscal year under subdivision 2, multiplied by the total sales tax revenues collected in the previous calendar year. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, ~~and.~~ For purposes of this section, "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Subd. 2. **Motor vehicle repair and replacement parts estimation; legislative report.** (a) Beginning February 28, 2021, and by February 28 each odd-numbered year or more frequently thereafter, the commissioner must estimate the percentage of total sales tax revenues, including interest and penalties, collected in the previous calendar year that is attributable to sales and purchases of motor vehicle repair and replacement parts, based on federal data and department consumption models. Beginning July 1 following a percentage estimate revision, the estimate is effective for deposits under subdivision 1, paragraph (g).

(b) By November 1 in a fiscal year in which a revised estimate becomes effective, the commissioner must submit a report on the estimate and estimation methodology to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over taxes and transportation policy and finance.

Sec. 5. **SALES TAX DEDICATION PHASE-IN.**

(a) The commissioner of revenue must determine remittance amounts under Minnesota Statutes, section 297A.94, subdivision 1, paragraph (g), from July 1, 2020, through June 30, 2024, as provided in this section, notwithstanding the requirements of that paragraph.

(b) For the remittances beginning July 1, 2020, the monthly deposit amount is calculated as 1/12 of the percentage estimate under paragraph (c) for the fiscal year, multiplied by the total sales tax revenues collected in the previous calendar year, multiplied by:

(1) 60 percent from July 1, 2020, through June 30, 2021;

(2) 70 percent from July 1, 2021, through June 30, 2022;

(3) 80 percent from July 1, 2022, through June 30, 2023; and

(4) 90 percent from July 1, 2023, through June 30, 2024.

(c) The commissioner must use the most recent of (1) the estimate developed under Laws 2017, First Special Session chapter 3, article 3, section 123; or (2) the estimate in effect under Minnesota Statutes, section 297A.94, subdivision 2, at the time of the calculation.

Sec. 6. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, sections 161.04 to 161.085, as Minnesota Statutes, chapter 160A. The revisor shall correct any cross-references made necessary by this recodification.

Sec. 7. **EFFECTIVE DATE.**

This article is effective July 1, 2020, if the constitutional amendment in article 1 is ratified."

Amend the title as follows:

Page 1, line 2, delete "; governing transportation"

Page 1, line 5, after the semicolon, insert "making conforming and technical changes;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 4437 was re-referred to the Committee on Rules and Legislative Administration.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 4459, A bill for an act relating to human rights; clarifying the definition of sexual harassment; amending Minnesota Statutes 2016, section 363A.03, subdivision 43.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 4459 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF HOUSE BILLS

H. F. No. 4099 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2629 and 3525 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bernardy introduced:

H. F. No. 4469, A bill for an act relating to capital investment; appropriating money for Rice Creek West Regional Trail restrooms; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Bernardy introduced:

H. F. No. 4470, A bill for an act relating to capital investment; appropriating money for Long Lake Regional Park improvements; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Moran introduced:

H. F. No. 4471, A bill for an act relating to community development; appropriating money for a grant to Community Stabilization Project.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3656.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3656, A bill for an act relating to state government; appropriating money for agriculture, rural development, housing, state government, public safety, transportation, environment, natural resources, energy, jobs, economic development, higher education, prekindergarten through grade 12 education, health, and human services; modifying agriculture, rural development, and housing provisions; specifying conditions of legislative ratification of proposed collective bargaining agreements; requiring proposed changes to state employee group insurance to be submitted separately to Legislative Coordinating Commission; requiring certain information about collective bargaining agreements and compensation plans be submitted to Legislative Coordinating Commission; creating transition period for Legislative Budget Office to take responsibility for coordinating fiscal notes and local impact notes; establishing Legislative Budget Office Oversight Commission; modifying the effective date of certain provisions governing preparation of fiscal notes; abolishing Office of MN.IT Services; establishing division of information technology within Department of Administration; permitting agencies more flexibility in contracting for information technology projects; requiring agencies to determine impact of proposed rule on cost of residential construction or remodeling; requiring notice to applicable legislative committees; precluding adoption of residential construction rules having certain cost until after next legislative session; exempting hair braiders from cosmetology registration requirements; prohibiting exclusive representative from charging fair share fee to nonmembers;

investigating possible registration or voting by ineligible voters and reporting to law enforcement; increasing penalties for child pornography offenses; requiring reports on court-imposed stays of sentence or adjudication for sex offenses; restricting grounds that permit reunification of parents and children after parent sexually abuses child; increasing maximum penalty for certain invasion of privacy crimes involving minors; requiring predatory offender registration for certain invasion of privacy crimes involving minors; requiring collection of information on connection between pornography and sex trafficking; expanding authorized prostitution penalty assessment to include additional crimes; expanding criminal sexual conduct offenses for persons in current or recent positions of authority over juveniles and for peace officers who engage in sexual activity with those in custody; extending sunset date for court technology fund; expanding list of prior offenses that support a conviction of first-degree driving while impaired; prohibiting Department of Human Rights from using federal funds to expand program; modifying various provisions governing transportation and public safety policy and finance; modifying certain loan programs; modifying energy provisions; modifying environment and natural resources provisions; adding to and deleting from state parks, recreation areas, and forests; modifying drainage law; creating accounts; providing for disposition of certain receipts; modifying renewable development account utility annual contribution; modifying solar energy incentive program; establishing pension rate base; establishing criteria for utility cost recovery of energy storage system pilot projects; establishing utility stakeholder group; requiring investor-owned utilities to include in integrated resource plans an assessment of energy storage systems; establishing solar energy grant program for school districts; extending expiration date for an assessment; requiring creation of an excavation notice system contact information database; requiring cost-benefit analysis of energy storage systems; modifying job training program requirements; limiting use of funds in Douglas J. Johnson economic protection trust fund; modifying youth skills training program; modifying accessibility requirements for public buildings; modifying fees for manufactured home installers; adopting recommendations of Workers' Compensation Advisory Council; adjusting basis for determining salary for judges of Workers' Compensation Court of Appeals; adopting recommendations of Unemployment Insurance Advisory Council; modifying certain higher education policy provisions; making clarifying and technical changes to loan forgiveness and research grant programs; providing for school safety, general education, education excellence, teachers, special education, facilities and technology, libraries, early education, and state agencies; making forecast adjustments; modifying provisions governing children and families, licensing, state-operated services, chemical and mental health, community supports and continuing care, and health care; modifying Department of Human Services administrative funds transfer; establishing Minnesota Health Policy Commission; repealing preferred incontinence program in medical assistance; increasing reimbursement rates for doula services; modifying telemedicine service limits; modifying EPSDT screening payments; modifying capitation payment delay; modifying provisions relating to wells and borings; adding security screening systems to ionizing radiation-producing equipment regulation; authorizing statewide tobacco cessation services; establishing an opioid reduction pilot program; establishing a low-value health services study; requiring coverage of 3D mammograms; requiring disclosure of facility fees; establishing a step therapy override process; requiring the synchronization of prescription refills; prohibiting a health plan company from preventing a pharmacist from informing a patient of a price differential; converting allied health professionals to a birth month renewal cycle; modifying temporary license suspensions and background checks for health-related professions; requiring a prescriber to access the prescription monitoring program before prescribing certain controlled substances; authorizing the Board of Pharmacy to impose a fee from a prescriber or pharmacist accessing prescription monitoring data through a service offered by the board's vendor; requiring administrative changes at the Office of Health Facility Complaints; providing access to information and data sharing; making technical changes; requiring rulemaking; requiring reports; amending Minnesota Statutes 2016, sections 3.3005, subdivision 8; 3.855, subdivisions 1a, 2, by adding a subdivision; 10A.01, subdivision 35; 13.64, by adding a subdivision; 16A.103, subdivisions 1, 1b, by adding a subdivision; 16A.88, subdivision 2; 16A.97; 16E.01, subdivision 1; 16E.015, by adding a subdivision; 16E.016; 16E.02; 16E.055; 16E.14; 16E.18, subdivisions 4, 6; 16E.21, subdivision 3; 17.117, subdivisions 1, 4; 17.494; 17.4982, by adding subdivisions; 18.83, subdivision 7; 18C.425, subdivision 6; 18C.80, subdivision 2; 21.89, subdivision 2; 41A.16, subdivisions 1, 2; 41A.17, subdivision 1; 62A.30, by adding a subdivision; 62D.115, subdivision 4; 80E.13; 84.0895, subdivision 2; 84.86, subdivision 1; 86B.005, subdivision 8a; 86B.532, subdivision 1; 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; 92.50, by adding a subdivision; 94.10, subdivision 2; 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97B.015, subdivision 6; 97B.1055; 97C.345, subdivision 3a; 103B.3369,

subdivisions 5, 9; 103B.801, subdivisions 2, 5; 103E.021, subdivision 6; 103E.071; 103E.351, subdivision 1; 103F.361, subdivision 2; 103F.363, subdivision 1; 103F.365, by adding a subdivision; 103F.371; 103F.373, subdivisions 1, 3, 4; 103G.2242, subdivision 14; 103H.275, subdivision 1; 103I.205, subdivision 9; 103I.301, subdivision 6; 114D.15, subdivisions 7, 11, 13, by adding subdivisions; 114D.20, subdivisions 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35, subdivisions 1, 3; 115.03, subdivision 5, by adding a subdivision; 115.035; 115A.51; 115A.94, subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions; 116.07, subdivision 2, by adding a subdivision; 116.155, subdivision 1, by adding a subdivision; 116.993, subdivisions 2, 6; 116J.8747, subdivisions 2, 4; 119B.011, subdivision 19, by adding a subdivision; 119B.02, subdivision 7; 119B.03, subdivision 9; 120A.20, subdivision 2; 122A.63, subdivisions 1, 4, 5, 6, by adding a subdivision; 123B.595, by adding a subdivision; 123B.61; 124D.09, subdivisions 4, 22; 124D.151, subdivisions 2, 3; 124E.20, subdivision 1; 125B.26, subdivision 4, by adding a subdivision; 126C.10, subdivisions 2e, 24; 126C.17, subdivisions 1, 2, 5, 6, 7, 7a; 126C.40, subdivision 1; 126C.44; 127A.70, subdivision 2; 135A.15, subdivision 2; 136A.15, subdivision 8; 136A.16, subdivisions 1, 2, 5, 8, 9; 136A.162; 136A.1701, subdivision 7; 136A.1791, subdivision 8; 136A.1795, subdivision 2; 136A.64, subdivision 1; 136A.822, subdivision 10; 136A.901, subdivision 1; 144.121, subdivision 1a, by adding a subdivision; 144A.53, subdivision 2; 147.012; 147.02, by adding a subdivision; 147A.06; 147A.07; 147B.02, subdivision 9, by adding a subdivision; 147C.15, subdivision 7, by adding a subdivision; 147D.17, subdivision 6, by adding a subdivision; 147D.27, by adding a subdivision; 147E.15, subdivision 5, by adding a subdivision; 147E.40, subdivision 1; 147F.07, subdivision 5, by adding subdivisions; 147F.17, subdivision 1; 148.7815, subdivision 1; 151.065, by adding a subdivision; 151.214; 151.71, by adding a subdivision; 152.126, subdivisions 6, 10; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 161.088, subdivision 2; 161.115, subdivision 111; 161.14, by adding subdivisions; 161.32, subdivision 2; 168.013, subdivision 6; 168.101, subdivision 2a; 168.127, subdivisions 4, 6; 168.27, by adding subdivisions; 168.301, subdivision 3; 168.326; 168.33, subdivision 8a, by adding a subdivision; 168.346, subdivision 1; 168A.05, by adding a subdivision; 168A.12, subdivision 2; 168A.151, subdivision 1; 168A.17, by adding a subdivision; 168A.29, subdivision 1; 169.011, subdivision 60; 169.14, subdivision 5; 169.18, subdivisions 10, 11, 12; 169.20, by adding a subdivision; 169.26, subdivision 1; 169.28; 169.29; 169.71, subdivision 4; 169.81, subdivision 5, by adding a subdivision; 169.8261, subdivision 2; 169.92, subdivision 4; 169.974, subdivision 2; 169A.24, subdivision 1; 171.041; 171.16, subdivisions 2, 3; 171.18, subdivision 1; 174.12, subdivision 8; 174.37, subdivision 6; 174.66; 175A.05; 176.231, subdivision 9; 179A.06, subdivision 3; 201.022, by adding subdivisions; 205A.07, subdivision 2; 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8; 216B.16, by adding a subdivision; 216B.1641; 216B.1645, by adding a subdivision; 216B.2422, subdivision 1, by adding a subdivision; 216D.03, by adding a subdivision; 216G.01, subdivision 3; 221.031, subdivision 2d; 221.0314, subdivision 9; 221.036, subdivisions 1, 3; 221.122, subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171, subdivision 1; 243.166, subdivision 1b; 244.052, subdivision 4; 245.4889, by adding a subdivision; 245A.175; 245C.14; 245C.15, by adding a subdivision; 245C.22, by adding a subdivision; 245C.24, by adding a subdivision; 245D.071, subdivision 5; 245D.091, subdivisions 2, 3, 4; 254A.035, subdivision 2; 254B.02, subdivision 1; 254B.06, subdivision 1; 256.01, subdivision 14b, by adding a subdivision; 256B.04, subdivision 14; 256B.0625, subdivision 58, by adding subdivisions; 256B.0659, subdivisions 3a, 11, 21, 24, 28, by adding a subdivision; 256B.0915, subdivision 6; 256B.092, subdivisions 1b, 1g; 256B.093, subdivision 1; 256B.4914, subdivision 4; 256I.04, by adding subdivisions; 256K.45, subdivision 2; 256M.41, subdivision 3, by adding a subdivision; 256N.24, by adding a subdivision; 260.012; 260.835, subdivision 2; 268.035, subdivisions 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision 3; 268.051, subdivisions 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5; 268.059; 268.066; 268.067; 268.069, subdivision 1; 268.085, subdivisions 3, 3a; 268.095, subdivision 6a; 268.105, subdivision 6; 268.145, subdivision 1; 299A.01, by adding a subdivision; 299A.705; 299A.707, by adding a subdivision; 299A.785, subdivision 1; 326B.106, subdivision 9; 326B.815, subdivision 1; 327.31, by adding a subdivision; 327B.041; 327C.095, subdivisions 4, 6, 12, 13, by adding a subdivision; 349A.05; 357.021, subdivision 2b; 360.013, by adding a subdivision; 360.017, subdivision 1; 360.021, subdivision 1; 360.062; 360.063, subdivisions 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1; 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305, subdivision 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25, subdivision 3; 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357, subdivision 9, by adding a subdivision; 462A.05, subdivision 14b; 462A.33, subdivisions 1, 2; 462A.37, subdivisions 1, 2; 473.13, by adding subdivisions; 473.149, subdivision 3; 473.3994, by adding a subdivision; 473.606, subdivision 5; 473.8441, subdivision 4;

474A.02, by adding subdivisions; 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.047, subdivision 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4, by adding subdivisions; 474A.062; 474A.091, subdivisions 1, 2, 3, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 1b, 2; 474A.14; 475.58, subdivision 4; 574.26, subdivision 1a; 609.3241; 609.341, subdivision 10; 609.342, subdivision 1; 609.343, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.746, subdivision 1; 617.246, subdivisions 2, 3, 4, 7; 617.247, subdivisions 3, 4, 9; 626.556, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.972, subdivision 4; 3.98, subdivisions 1, 4; 15A.083, subdivision 7; 16A.152, subdivision 2; 16E.0466, subdivision 1; 18C.70, subdivision 5; 18C.71, subdivision 4; 84.01, subdivision 6; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03, subdivisions 3, 4; 84D.108, subdivisions 2b, 2c; 85.0146, subdivision 1; 89.17; 97A.075, subdivision 1; 103G.222, subdivision 3; 103G.2242, subdivision 1; 103I.005, subdivisions 2, 8a, 17a; 103I.205, subdivisions 1, 4; 103I.208, subdivision 1; 103I.235, subdivision 3; 103I.601, subdivision 4; 116.0714; 116C.779, subdivision 1; 116C.7792; 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.06, subdivision 1; 119B.09, subdivision 1; 119B.095, subdivision 2; 119B.13, subdivision 1; 122A.187, by adding a subdivision; 123B.03, subdivision 1; 124D.151, subdivisions 5, 6; 124D.68, subdivision 2; 124E.03, subdivision 2; 136A.1275, subdivisions 2, 3; 136A.1789, subdivision 2; 136A.646; 136A.672, by adding a subdivision; 136A.822, subdivision 6; 136A.8295, by adding a subdivision; 147.01, subdivision 7; 147A.28; 147B.08; 147C.40; 152.105, subdivision 2; 161.088, subdivision 5; 168.013, subdivision 1a; 169.18, subdivision 7; 169.829, subdivision 4; 171.06, subdivision 2; 175.46, subdivision 13; 216B.1691, subdivision 2f; 216B.241, subdivision 1d; 216B.62, subdivision 3b; 245.4889, subdivision 1; 245A.03, subdivision 7; 245A.06, subdivision 8; 245A.11, subdivision 2a; 245C.16, subdivision 1; 245D.03, subdivision 1; 256B.0625, subdivisions 3b, 17; 256B.0911, subdivisions 1a, 3a, 3f, 5; 256B.49, subdivision 13; 256B.4914, subdivisions 2, 3, 5, 10, 10a; 256I.03, subdivision 8; 256I.04, subdivision 2b; 256I.05, subdivision 3; 268.035, subdivisions 15, 20; 268.046, subdivision 1; 268.07, subdivision 1; 268.085, subdivision 13a; 268.095, subdivision 6; 268.18, subdivisions 2b, 5; 298.2215; 298.292, subdivision 2; 364.09; 462A.2035, subdivisions 1, 1b; 473.4051, subdivision 2; 473.4485, subdivision 2; 475.59, subdivision 1; 477A.03, subdivision 2b; Laws 2010, chapter 361, article 4, section 78; Laws 2014, chapter 312, article 27, section 76; Laws 2015, First Special Session chapter 4, article 4, section 146, as amended; Laws 2016, chapter 189, article 3, sections 3, subdivision 5; 48; Laws 2017, chapter 88, article 1, section 2, subdivisions 2, 4; Laws 2017, chapter 89, article 1, section 2, subdivisions 18, 20, 29, 31, 32, 33, 34, 40; Laws 2017, chapter 94, article 1, sections 2, subdivisions 2, 3, 4, subdivision 5; 7, subdivision 7; 9; Laws 2017, First Special Session chapter 1, article 4, section 31; Laws 2017, First Special Session chapter 3, article 1, section 4, subdivisions 1, 2, 4; Laws 2017, First Special Session chapter 4, article 1, section 10, subdivision 1; article 2, sections 1; 3; 9; 58; Laws 2017, First Special Session chapter 5, article 1, section 19, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, sections 56; 57, subdivisions 2, 3, 4, 5, 6, 12, 21, 22, 23, 26, 34; article 4, section 12, subdivisions 2, as amended, 3, 4, 5; article 5, section 14, subdivisions 2, 3, 4; article 6, section 3, subdivisions 2, 3, 4; article 8, sections 9, subdivision 6; 10, subdivisions 5a, 6, 12; article 9, section 2, subdivision 2; article 10, section 6, subdivision 2; article 11, sections 9, subdivision 2; 12; Laws 2017, First Special Session chapter 6, article 1, section 52; article 3, section 49; article 4, section 61; article 10, section 144; proposing coding for new law in Minnesota Statutes, chapters 3; 11A; 14; 16A; 17; 62J; 62Q; 97A; 103B; 103F; 115; 115B; 116C; 120B; 123B; 124D; 136A; 144; 147A; 147B; 147C; 147D; 147E; 147F; 161; 168A; 176; 216C; 246; 256B; 260C; 299A; 327; 349A; 360; 383A; 609; repealing Minnesota Statutes 2016, sections 16A.98; 16E.145; 122A.63, subdivisions 7, 8; 126C.16, subdivisions 1, 3; 126C.17, subdivision 9a; 136A.15, subdivisions 2, 7; 136A.1701, subdivision 12; 155A.28, subdivisions 1, 3, 4; 168.013, subdivision 21; 214.075, subdivision 8; 221.161, subdivisions 2, 3, 4; 256B.0625, subdivision 18b; 256B.0705; 268.053, subdivisions 4, 5; 349A.16; 360.063, subdivision 4; 360.065, subdivision 2; 360.066, subdivisions 1a, 1b; Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 31c; Laws 2008, chapter 368, article 1, section 21, subdivision 2; Laws 2016, chapter 189, article 25, section 62, subdivision 16; Laws 2017, First Special Session chapter 4, article 2, section 59; Minnesota Rules, part 5600.0605, subparts 5, 8.

The bill was read for the first time.

Knoblach moved that S. F. No. 3656 and H. F. No. 4099, now the on General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Albright.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Wednesday, May 2, 2018 and established a prefiling requirement for amendments offered to the following bills:

S. F. Nos. 3306, 3525, 2777 and 3466; and H. F. Nos. 3265, 1876, 3232 and 4157.

CALENDAR FOR THE DAY

H. F. No. 4385 was reported to the House.

Davids moved to amend H. F. No. 4385, the second engrossment, as follows:

Page 131, line 4, before the period, insert ", and the maximum credit equals \$490 multiplied by the percentage of ownership"

Page 136, line 2, delete "5" and insert "4"

Page 141, line 4, strike "or 30 days after"

Page 141, line 5, strike everything before the period

Page 148, line 32, before "class" insert "homestead" and strike "1b" and insert "1" and strike "paragraph"

Page 149, line 1, strike "(b), or" and insert "and"

Page 150, line 2, strike "class 2a property or as class 1b" and insert "homestead class 1"

Page 150, line 7, strike "class 1b or class 2a under section 273.13" and insert "homestead property"

Page 150, line 29, strike "constitutes" and insert "is residential" and strike "or class 2a"

Page 180, line 31, delete "24," and delete "33, 34,"

Page 181, line 7, delete "24,"

Page 181, line 8, delete "35. and 36" and insert "34. and 35"

Page 183, line 10, delete "preapply for" and insert "request"

Page 185, line 22, delete "17.2156" and insert "17.2088"

Page 185, line 23, delete "32.7844" and insert "32.7912"

Page 219, after line 21, insert:

"Sec. 26. Laws 2017, First Special Session chapter 1, article 4, section 31, is amended to read:

Sec. 31. APPROPRIATION; FIRE REMEDIATION GRANTS.

\$1,392,258 is appropriated in fiscal year 2018 from the general fund to the commissioner of public safety for grants to remediate the effects of fires in the city of Melrose on September 8, 2016. The commissioner must allocate the grants as follows:

(1) ~~\$1,296,458~~ \$1,381,258 to the city of Melrose; and

(2) ~~\$95,800~~ \$11,000 to Stearns County.

A grant recipient must use the money appropriated under this section for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel costs, reimbursement for equipment costs, and reimbursements for property tax abatements, incurred by public or private entities as a result of the fires. This is a onetime appropriation and is available until June 30, ~~2018~~ 2021.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Ecklund moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 100, after line 12, insert:

"Section 1. Minnesota Statutes 2016, section 138.053, is amended to read:

138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.

The governing body of any home rule charter or statutory city or town may annually appropriate from its general fund an amount not to exceed 0.02418 percent of estimated market value, derived from ad valorem taxes on property or other revenues, to be paid to the historical society of its respective city, town, or county to be used for the

promotion of historical work and to aid in defraying the expenses of carrying on the historical work in the city, town, or county. No city or town may appropriate any funds for the benefit of any historical society unless the society is affiliated with and approved by the Minnesota Historical Society.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sandstede moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 137, after line 1, insert:

"Sec. 26. **SPECIAL REFUND PROVISION; DISABLED VETERANS HOMESTEAD EXCLUSION.**

A veteran who was first notified by the United States Department of Veterans Affairs after July 1, 2017, but before November 1, 2017, as having a total (100 percent) and permanent disability effective prior to July 1, 2016, but who did not apply to the assessor by July 1, 2016, for a benefit in Minnesota Statutes, section 273.13, subdivision 34, paragraph (b), for assessment year 2016, and who did not apply to the assessor by July 1, 2017, for the benefit in Minnesota Statutes, section 273.13, subdivision 34, paragraph (b), for assessment year 2017, may apply to the county assessor for a refund of taxes paid in 2017 and 2018 if the veteran otherwise would have qualified for the exclusion in those years. To qualify for a refund, a property owner must apply to the assessor by November 1, 2018, and must have paid all tax due in 2017 and 2018. After verifying that the applicant qualified for an exclusion in 2016 and 2017, the county assessor must notify the county auditor, and the auditor must recalculate the taxes on the property for taxes payable in 2017 and 2018 based on the exclusion. The county treasurer must then issue a refund of tax paid in 2017 and 2018 equal to the difference between the taxes as initially calculated for each taxes payable year and the taxes based on the value remaining after the exclusion.

EFFECTIVE DATE. This section is effective for refund applications received in 2018, for refunds of tax paid in 2017 and 2018."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Applebaum moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 16, delete section 27

Page 18, delete section 29

Page 41, delete section 49

Page 52, after line 8, insert:

"Sec. 59. Minnesota Statutes 2016, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 1,619	1.0 percent	15 percent	\$2,580
1,620 to 3,229	1.1 percent	15 percent	\$2,580
3,230 to 4,889	1.2 percent	15 percent	\$2,580
4,890 to 6,519	1.3 percent	20 percent	\$2,580
6,520 to 8,129	1.4 percent	20 percent	\$2,580
8,130 to 11,389	1.5 percent	20 percent	\$2,580
11,390 to 13,009	1.6 percent	20 percent	\$2,580
13,010 to 14,649	1.7 percent	20 percent	\$2,580
14,650 to 16,269	1.8 percent	20 percent	\$2,580
16,270 to 17,879	1.9 percent	25 percent	\$2,580
17,880 to 22,779	2.0 percent	25 percent	\$2,580
22,780 to 24,399	2.0 percent	30 percent	\$2,580
24,400 to 27,659	2.0 percent	30 percent	\$2,580
27,660 to 39,029	2.0 percent	35 percent	\$2,580
39,030 to 56,919	2.0 percent	35 percent	\$2,090
56,920 to 65,049	2.0 percent	40 percent	\$1,830
65,050 to 73,189	2.1 percent	40 percent	\$1,510
73,190 to 81,319	2.2 percent	40 percent	\$1,350
81,320 to 89,449	2.3 percent	40 percent	\$1,180
89,450 to 94,339	2.4 percent	45 percent	\$1,000
94,340 to 97,609	2.5 percent	45 percent	\$830
97,610 to 101,559	2.5 percent	50 percent	\$680
101,560 to 105,499	2.5 percent	50 percent	\$500

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
<u>\$0 to 1,730</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$3,250</u>
<u>1,730 to 3,450</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$3,250</u>
<u>3,450 to 5,220</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$3,250</u>
<u>5,220 to 6,960</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$3,250</u>
<u>6,960 to 8,680</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$3,250</u>
<u>8,680 to 12,160</u>	<u>1.5 percent</u>	<u>15 percent</u>	<u>\$3,250</u>
<u>12,160 to 13,890</u>	<u>1.6 percent</u>	<u>15 percent</u>	<u>\$3,250</u>
<u>13,890 to 15,640</u>	<u>1.7 percent</u>	<u>15 percent</u>	<u>\$3,250</u>
<u>15,640 to 17,370</u>	<u>1.8 percent</u>	<u>15 percent</u>	<u>\$3,250</u>
<u>17,370 to 19,090</u>	<u>1.9 percent</u>	<u>20 percent</u>	<u>\$3,250</u>
<u>19,090 to 24,320</u>	<u>2.0 percent</u>	<u>20 percent</u>	<u>\$3,250</u>
<u>24,320 to 26,050</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$3,250</u>
<u>26,050 to 29,520</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$3,250</u>

<u>29,520 to 41,660</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$3,250</u>
<u>41,660 to 60,760</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$2,730</u>
<u>60,760 to 69,440</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$2,700</u>
<u>69,440 to 78,120</u>	<u>2.1 percent</u>	<u>35 percent</u>	<u>\$2,460</u>
<u>78,120 to 86,800</u>	<u>2.2 percent</u>	<u>35 percent</u>	<u>\$2,390</u>
<u>86,800 to 95,480</u>	<u>2.3 percent</u>	<u>35 percent</u>	<u>\$2,260</u>
<u>95,480 to 100,700</u>	<u>2.4 percent</u>	<u>40 percent</u>	<u>\$2,170</u>
<u>100,700 to 104,190</u>	<u>2.5 percent</u>	<u>45 percent</u>	<u>\$2,090</u>
<u>104,190 to 108,410</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$2,030</u>
<u>108,410 to 112,610</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$1,930</u>
<u>112,610 and greater</u>	<u>2.5 percent</u>	<u>60 percent</u>	<u>\$1,900</u>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. ~~No payment is allowed if the claimant's household income is \$105,500 or more.~~

EFFECTIVE DATE. This section is effective for refunds based on property taxes payable in 2019 and following years.

Sec. 60. Minnesota Statutes 2016, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
<u>\$0 to 4,909</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$2,000</u>
<u>4,910 to 6,529</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$2,000</u>
<u>6,530 to 8,159</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$1,950</u>
<u>8,160 to 11,439</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$1,900</u>
<u>11,440 to 14,709</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$1,850</u>
<u>14,710 to 16,339</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$1,800</u>
<u>16,340 to 17,959</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$1,750</u>
<u>17,960 to 21,239</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$1,700</u>
<u>21,240 to 22,869</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$1,650</u>
<u>22,870 to 24,499</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$1,650</u>
<u>24,500 to 27,779</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$1,650</u>
<u>27,780 to 29,399</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$1,650</u>
<u>29,400 to 34,299</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,650</u>
<u>34,300 to 39,199</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$1,650</u>
<u>39,200 to 45,739</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$1,650</u>
<u>45,740 to 47,369</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$1,500</u>
<u>47,370 to 49,009</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$1,350</u>
<u>49,010 to 50,649</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$1,150</u>
<u>50,650 to 52,269</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$1,000</u>
<u>52,270 to 53,909</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$900</u>
<u>53,910 to 55,539</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$500</u>
<u>55,540 to 57,169</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$200</u>

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
<u>\$0 to 5,240</u>	<u>0.8 percent</u>	<u>5 percent</u>	<u>\$2,130</u>
<u>5,240 to 6,970</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$2,130</u>
<u>6,970 to 8,710</u>	<u>1.1 percent</u>	<u>5 percent</u>	<u>\$2,080</u>
<u>8,710 to 12,210</u>	<u>1.2 percent</u>	<u>5 percent</u>	<u>\$2,030</u>
<u>12,210 to 15,700</u>	<u>1.3 percent</u>	<u>10 percent</u>	<u>\$1,970</u>
<u>15,700 to 17,440</u>	<u>1.4 percent</u>	<u>10 percent</u>	<u>\$1,920</u>
<u>17,440 to 19,170</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$1,870</u>
<u>19,170 to 22,670</u>	<u>1.5 percent</u>	<u>15 percent</u>	<u>\$1,810</u>
<u>22,670 to 24,410</u>	<u>1.6 percent</u>	<u>15 percent</u>	<u>\$1,760</u>
<u>24,410 to 26,150</u>	<u>1.7 percent</u>	<u>20 percent</u>	<u>\$1,760</u>
<u>26,150 to 29,650</u>	<u>1.8 percent</u>	<u>20 percent</u>	<u>\$1,760</u>
<u>29,650 to 31,380</u>	<u>1.9 percent</u>	<u>25 percent</u>	<u>\$1,760</u>
<u>31,380 to 36,610</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$1,760</u>
<u>36,610 to 41,840</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$1,760</u>
<u>41,840 to 48,820</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$1,760</u>
<u>48,820 to 50,560</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$1,600</u>
<u>50,560 to 52,310</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$1,440</u>
<u>52,310 to 54,060</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$1,230</u>
<u>54,060 to 55,790</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$1,070</u>
<u>55,790 to 57,540</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$960</u>
<u>57,540 to 59,280</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$530</u>
<u>59,280 to 61,020</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$210</u>

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$57,170~~ \$61,020 or more.

EFFECTIVE DATE. This section is effective for claims based on rent paid in 2018 and following years."

Page 52, lines 19 and 23, strike "2013" and insert "2018"

Page 59, delete section 66

Page 60, line 23, delete "290.0921, subdivisions 1, 2, 3a, 4, and 6"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Drazkowski moved to amend the Applebaum amendment to H. F. No. 4385, the second engrossment, as amended, as follows:

Page 1, delete lines 2 to 4

Page 4, after line 35, insert:

"Page 184, after line 28, insert:

"Sec. 2. Minnesota Statutes 2014, section 477A.013, is amended by adding a subdivision to read:

Subd. 9a. **Maximum final aid payment to first class cities.** A first class city may not receive a total aid payment in any year under this section that exceeds an amount equal to the average per capita amount for all cities, except first class cities, under subdivision 9, multiplied by its population. Any aid calculated for these cities under subdivision 9 in excess of the amount calculated under this subdivision shall be retained in the general fund. For purposes of this subdivision, "first class city" has the meaning given in section 410.01.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2019 and thereafter.

Sec. 3. Minnesota Statutes 2014, section 477A.013, subdivision 10, is amended to read:

Subd. 10. **Levy adjustments for aid decreases.** Notwithstanding any local ordinance or charter provision, a city whose certified aid under ~~subdivision~~ subdivisions 9 and 9a is less than the amount it received in the previous year under the same subdivision may increase its levy payable in the same year as the certified aid is paid by an amount equal to the aid decrease for that year.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2019 and thereafter.""

POINT OF ORDER

Applebaum raised a point of order pursuant to rule 3.21(b) that the Drazkowski amendment to the Applebaum amendment was not in order. Speaker pro tempore Albright ruled the point of order not well taken and the Drazkowski amendment to the Applebaum amendment in order.

Applebaum appealed the decision of Speaker pro tempore Albright.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Albright stand as the judgment of the House?" and the roll was called. There were 76 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Haley	Layman	O'Driscoll	Smith
Anderson, P.	Dettmer	Hamilton	Lohmer	O'Neill	Swedzinski
Anderson, S.	Drazkowski	Heintzeman	Loon	Peppin	Theis
Anselmo	Erickson	Hertaus	Loonan	Petersburg	Torkelson
Backer	Fabian	Hoppe	Lucero	Peterson	Uglen
Bahr, C.	Fenton	Howe	Lueck	Pierson	Urdahl
Baker	Franke	Jessup	McDonald	Poston	Vogel
Barr, R.	Franson	Johnson, B.	Miller	Pugh	West
Bennett	Garofalo	Jurgens	Munson	Quam	Whelan
Bliss	Green	Kiel	Nash	Rarick	Wills
Christensen	Grossell	Knoblach	Neu	Runbeck	Zerwas
Daniels	Gruenhagen	Koznick	Newberger	Schomacker	
Davids	Gunther	Kresha	Nornes	Scott	

Those who voted in the negative were:

Applebaum	Bly	Clark	Dehn, R.	Freiberg	Hausman
Becker-Finn	Carlson, A.	Considine	Ecklund	Halverson	Hilstrom
Bernardy	Carlson, L.	Davnie	Fischer	Hansen	Hornstein

Hortman	Lesch	Mariani	Murphy, M.	Pinto	Sauke
Johnson, C.	Liebling	Marquart	Nelson	Poppe	Schultz
Koegel	Lien	Masin	Olson	Pryor	Sundin
Kunesh-Podein	Loeffler	Maye Quade	Omar	Rosenthal	Wagenius
Lee	Mahoney	Murphy, E.	Pelowski	Sandstede	Youakim

So it was the judgment of the House that the decision of Speaker pro tempore Albright should stand.

The question recurred on the Drazkowski amendment to the Applebaum amendment to H. F. No. 4385, the second engrossment, as amended. The motion prevailed and the amendment to the amendment was adopted.

Applebaum withdrew his amendment, as amended, to H. F. No. 4385, the second engrossment, as amended.

Loeffler moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 16, delete section 27

Page 18, delete section 29

Page 25, line 21, strike "2.10" and insert "2.70"

Page 25, line 22, delete "\$6,480" and insert "\$6,680" and strike "2.01" and insert "3.0"

Page 25, line 23, delete "\$8,530" and insert "\$12,340"

Page 25, line 25, strike "9.35" and insert "12.3"

Page 25, line 26, delete "\$11,670" and insert "\$8,590" and strike "6.02" and insert "5.2"

Page 25, line 27, delete "\$22,340" and insert "\$22,220"

Page 25, line 29, strike "11" and insert "14.70"

Page 25, line 30, delete "\$19,130" and insert "\$14,080" and strike "10.82" and insert "9.2"

Page 25, after line 32, insert:

"(e) For individuals with three or more qualifying children, the credit equals 15.78 percent of the first \$14,870 of earned income. The credit is reduced by 9.07 percent of earned income or adjusted gross income, whichever is greater, in excess of \$26,360, but in no case is the credit less than zero."

Reletter the paragraphs in sequence

Page 26, line 13, delete "\$8,530" and insert "\$12,340"

Page 26, line 14, delete "\$22,340" and insert "\$22,220" and strike "and" and after "(d)" insert ", and the \$26,360 in paragraph (e)"

Page 26, line 15, delete "\$5,700" and insert "\$5,570"

Page 26, line 17, delete "\$5,700" and insert "\$5,570"

Page 41, delete section 49

Page 59, delete section 66

Page 60, line 23, delete "290.0921, subdivisions 1, 2, 3a, 4, and 6:"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Anderson, S., moved to amend the Loeffler amendment H. F. No. 4385, the second engrossment, as amended, as follows:

Page 1, delete lines 2 and 3

Page 2, after line 1, insert:

"Page 26, line 32, before the period, insert ", provided that the changes made by the section that increase the credit rate, the eligibility for the credit, or the amount of the credit, other than as provided under present law as modified by the inflation indexing under section 290.0671, subdivision 7, as amended by this act, do not take effect until the first taxable year that begins after Treasury Inspector General for Tax Administration publishes a report finding that the rate of error in the payment of federal earned income tax credits was five percent or less for two consecutive taxable years""

Page 2, delete lines 2 to 4

A roll call was requested and properly seconded.

The question was taken on the Anderson, S., amendment to the Loeffler amendment and the roll was called. There were 77 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Haley	Layman	O'Driscoll	Smith
Anderson, P.	Dettmer	Hamilton	Lohmer	O'Neill	Swedzinski
Anderson, S.	Drazkowski	Heintzeman	Loon	Peppin	Theis
Anselmo	Erickson	Hertaus	Loonan	Petersburg	Torkelson
Backer	Fabian	Hoppe	Lucero	Peterson	Uglem
Bahr, C.	Fenton	Howe	Lueck	Pierson	Urdahl
Baker	Franke	Jessup	McDonald	Poston	Vogel
Barr, R.	Franson	Johnson, B.	Miller	Pugh	West
Bennett	Garofalo	Jurgens	Munson	Quam	Whelan
Bliss	Green	Kiel	Nash	Rarick	Wills
Christensen	Grossell	Knoblach	Neu	Runbeck	Zerwas
Daniels	Gruenhagen	Koznick	Newberger	Schomacker	Spk. Daudt
Davids	Gunther	Kresha	Nornes	Scott	

Those who voted in the negative were:

Applebaum	Dehn, R.	Hornstein	Loeffler	Nelson	Sauke
Becker-Finn	Ecklund	Hortman	Mahoney	Olson	Schultz
Bernardy	Fischer	Johnson, C.	Mariani	Omar	Sundin
Bly	Flanagan	Koegel	Marquart	Pelowski	Wagenius
Carlson, A.	Freiberg	Kunesh-Podein	Masin	Pinto	Youakim
Carlson, L.	Halverson	Lee	Maye Quade	Poppe	
Clark	Hansen	Lesch	Moran	Pryor	
Considine	Hausman	Liebling	Murphy, E.	Rosenthal	
Davnie	Hilstrom	Lien	Murphy, M.	Sandstede	

The motion prevailed and the amendment to the amendment was adopted.

Loeffler withdrew her amendment, as amended, to H. F. No. 4385, the second engrossment, as amended.

Lesch moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 18, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2016, section 290.06, is amended by adding a subdivision to read:

Subd. 1b. Reduced rate; qualified corporations. (a) Notwithstanding the provisions of subdivision 1, the following rates apply to a qualified corporation:

(1) for taxable years beginning after December 31, 2017, and before January 1, 2020, 9.64 percent; and

(2) for taxable years beginning after December 31, 2019, 9.1 percent.

(b) For purposes of this subdivision, a "qualified corporation" means a corporation that increases the number of its Minnesota full-time equivalent employees in the taxable year over the number it employed in calendar year 2017 by the greater of:

(1) five percent; or

(2) five full-time equivalent employees.

(c) To be a qualified corporation for purposes of this subdivision, the corporation must include with its tax return for the taxable year a certification, in a form and manner and with the documentation required by the commissioner, that it satisfied the requirements of paragraph (b) for the taxable year. For a corporation that is part of a unitary business, as defined in section 290.17, the requirements of this subdivision apply based on Minnesota employment of the entire unitary business and the certification for the unitary business must be filed with each tax return for the unitary business to qualify for the rate under this subdivision.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2017."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lesch amendment and the roll was called. There were 47 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Becker-Finn	Dehn, R.	Hilstrom	Liebling	Moran	Pryor
Bernardy	Ecklund	Hornstein	Lien	Murphy, E.	Rosenthal
Bly	Fischer	Hortman	Loeffler	Murphy, M.	Sandstede
Carlson, A.	Flanagan	Johnson, C.	Mahoney	Nelson	Schultz
Carlson, L.	Freiberg	Koegel	Mariani	Olson	Sundin
Clark	Halverson	Kunesh-Podein	Marquart	Omar	Wagenius
Considine	Hansen	Lee	Masin	Pinto	Youakim
Davnie	Hausman	Lesch	Maye Quade	Poppe	

Those who voted in the negative were:

Albright	Dettmer	Heintzeman	Loonan	Petersburg	Torkelson
Anderson, P.	Drazkowski	Hertaus	Lucero	Peterson	Uglen
Anderson, S.	Erickson	Hoppe	Lueck	Pierson	Urdahl
Anselmo	Fabian	Howe	McDonald	Poston	Vogel
Backer	Fenton	Jessup	Miller	Pugh	West
Bahr, C.	Franke	Johnson, B.	Munson	Quam	Whelan
Baker	Franson	Jurgens	Nash	Rarick	Wills
Barr, R.	Garofalo	Kiel	Neu	Runbeck	Zerwas
Bennett	Green	Knoblach	Newberger	Sauke	Spk. Daudt
Bliss	Grossell	Koznick	Nornes	Schomacker	
Christensen	Gruenhagen	Kresha	O'Driscoll	Scott	
Daniels	Gunther	Layman	O'Neill	Smith	
Davids	Haley	Lohmer	Pelowski	Swedzinski	
Dean, M.	Hamilton	Loon	Peppin	Theis	

The motion did not prevail and the amendment was not adopted.

Lien moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 42, delete section 50 and insert:

"Sec. 50. Minnesota Statutes 2016, section 290.0922, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** (a) In addition to the tax imposed by this chapter without regard to this section, the franchise tax imposed on a corporation required to file under section 289A.08, subdivision 3, other than a corporation treated as an "S" corporation under section 290.9725 for the taxable year includes a tax equal to the following amounts:

If the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:	the tax equals:
less than \$930,000	\$0
\$930,000 to \$1,869,999	\$190

\$1,870,000	to	\$9,339,999	\$560
\$9,340,000	to	\$18,679,999	\$1,870
\$18,680,000	to	\$37,359,999	\$3,740
\$37,360,000	or more		\$9,340

(b) A tax is imposed for each taxable year on a corporation required to file a return under section 289A.12, subdivision 3, that is treated as an "S" corporation under section 290.9725 and on a partnership required to file a return under section 289A.12, subdivision 3, other than a partnership that derives over 80 percent of its income from farming. The tax imposed under this paragraph is due on or before the due date of the return for the taxpayer due under section 289A.18, subdivision 1. The commissioner shall prescribe the return to be used for payment of this tax. The tax under this paragraph is equal to the following amounts:

If the sum of the S corporation's or partnership's Minnesota property,
payrolls, and sales or receipts is: the tax equals:

less than		\$930,000	\$0
\$930,000	to	\$1,869,999	\$190
\$1,870,000	to	\$9,339,999	\$560
\$9,340,000	to	\$18,679,999	\$1,870
\$18,680,000	to	\$37,359,999	\$3,740
\$37,360,000	or more		\$9,340

(c) The commissioner shall adjust the dollar amounts of both the tax and the property, payrolls, and sales or receipts thresholds in paragraphs (a) and (b) by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, as amended through December 16, 2016, except that in section 1(f)(3)(B) the word "2012" must be substituted for the word "1992." For 2014, the commissioner shall determine the percentage change from the 12 months ending on August 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent year, from the 12 months ending on August 31, 2012, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision is not a "rule" subject to the Administrative Procedure Act contained in chapter 14. The tax amounts as adjusted must be rounded to the nearest \$10 amount and the threshold amounts must be adjusted to the nearest \$10,000 amount. For tax amounts that end in \$5, the amount is rounded up to the nearest \$10 amount and for the threshold amounts that end in \$5,000, the amount is rounded up to the nearest \$10,000.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2017.

Page 185, line 22, delete "17.2156" and insert "16.2088"

Page 185, line 23, delete "32.7844" and insert "33.7912"

Lien moved to amend the Lien amendment to H. F. No. 4385, the second engrossment, as amended, as follows:

Page 1, after line 1, insert:

"Page 16, delete section 27

Page 18, delete section 29

Page 41, delete section 49"

Page 2, after line 20, insert:

"Page 59, delete section 66

Page 60, line 23, delete "290.0921, subdivisions 1, 2, 3a, 4, and 6;"

Page 2, after line 22, insert:

"Page 186, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2016, section 477A.03, as amended by Laws 2017 First Special Session, chapter 1, article 4, sections 19 and 20, is amended to read:

477A.03 APPROPRIATION.

Subd. 2. **Annual appropriation.** A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue.

Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and thereafter, the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2019, the total aid paid under section 477A.013, subdivision 9, is \$565,145,272. For aids payable in 2018 and thereafter, the total aid paid under section 477A.013, subdivision 9, is \$564,898,012.~~

Subd. 2b. **Counties.** (a) For aids payable in 2018 ~~through 2024~~, the total aid payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. ~~For aids payable in 2019 through 2024, the total aid paid under section 477A.0124, subdivision 3, is \$111,695,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6.~~ For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$100,795,000~~ \$108,695,000. Each calendar year, \$500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2018 ~~and thereafter~~, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. ~~For aids payable in 2019 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$138,773,444.~~ The commissioner of revenue shall transfer to the commissioner of management and budget \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

Subd. 2c. **Towns.** For aids payable in ~~2015 and thereafter~~ 2018, the total aids paid under section 477A.013, subdivision 1, is limited to \$10,000,000. ~~For aids payable in 2019 and thereafter, the total aids paid under section 477A.013, subdivision 1, is limited to \$11,000,000.~~

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2019 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly"

A roll call was requested and properly seconded.

The question was taken on the Lien amendment to the Lien amendment and the roll was called. There were 49 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Applebaum	Dehn, R.	Hornstein	Loeffler	Nelson	Schultz
Becker-Finn	Ecklund	Hortman	Mahoney	Olson	Sundin
Bernardy	Fischer	Johnson, C.	Mariani	Omar	Wagenius
Bly	Flanagan	Koegel	Marquart	Pelowski	Youakim
Carlson, A.	Freiberg	Kunesh-Podein	Masin	Pinto	
Carlson, L.	Halverson	Lee	Maye Quade	Poppe	
Clark	Hansen	Lesch	Moran	Rosenthal	
Considine	Hausman	Liebling	Murphy, E.	Sandstede	
Davnie	Hilstrom	Lien	Murphy, M.	Sauke	

Those who voted in the negative were:

Albright	Dean, M.	Haley	Layman	O'Driscoll	Scott
Anderson, P.	Dettmer	Hamilton	Lohmer	O'Neill	Smith
Anderson, S.	Drazkowski	Heintzeman	Loon	Peppin	Swedzinski
Anselmo	Erickson	Hertaus	Loonan	Petersburg	Theis
Backer	Fabian	Hoppe	Lucero	Peterson	Torkelson
Bahr, C.	Fenton	Howe	Lueck	Pierson	Uglen
Baker	Franke	Jessup	McDonald	Poston	Urdahl
Barr, R.	Franson	Johnson, B.	Miller	Pryor	Vogel
Bennett	Garofalo	Jurgens	Munson	Pugh	West
Bliss	Green	Kiel	Nash	Quam	Whelan
Christensen	Grossell	Knoblach	Neu	Rarick	Wills
Daniels	Gruenhagen	Koznick	Newberger	Runbeck	Zerwas
Davids	Gunther	Kresha	Nornes	Schomacker	Spk. Daudt

The motion did not prevail and the amendment to the amendment was not adopted.

Lien withdrew his amendment to H. F. No. 4385, the second engrossment, as amended.

Loeffler moved to amend H. F. No. 4385, the second engrossment, as amended, as follows:

Page 88, line 29, delete "entirely" and insert "first to reduce the current portion of the student fee associated with the stadium, with any excess revenue after this reduction used"

Page 88, line 30, delete "student scholarship costs" and insert "scholarships to students who graduated from Minnesota high schools"

A roll call was requested and properly seconded.

The question was taken on the Loeffler amendment and the roll was called. There were 50 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Applebaum	Dehn, R.	Hornstein	Loeffler	Nelson	Sauke
Becker-Finn	Ecklund	Hortman	Mahoney	Olson	Schultz
Bernardy	Fischer	Johnson, C.	Mariani	Omar	Sundin
Bly	Flanagan	Koegel	Marquart	Pelowski	Wagenius
Carlson, A.	Freiberg	Kunesh-Podein	Masin	Pinto	Youakim
Carlson, L.	Halverson	Lee	Maye Quade	Poppe	
Clark	Hansen	Lesch	Moran	Pryor	
Considine	Hausman	Liebling	Murphy, E.	Rosenthal	
Davnie	Hilstrom	Lien	Murphy, M.	Sandstede	

Those who voted in the negative were:

Albright	Dean, M.	Haley	Layman	O'Driscoll	Smith
Anderson, P.	Dettmer	Hamilton	Lohmer	O'Neill	Swedzinski
Anderson, S.	Drazkowski	Heintzeman	Loon	Peppin	Theis
Anselmo	Erickson	Hertaus	Loonan	Petersburg	Torkelson
Backer	Fabian	Hoppe	Lucero	Peterson	Uglem
Bahr, C.	Fenton	Howe	Lueck	Pierson	Urdahl
Baker	Franke	Jessup	McDonald	Poston	Vogel
Barr, R.	Franson	Johnson, B.	Miller	Pugh	West
Bennett	Garofalo	Jurgens	Munson	Quam	Whelan
Bliss	Green	Kiel	Nash	Rarick	Wills
Christensen	Grossell	Knoblach	Neu	Runbeck	Zerwas
Daniels	Gruenhagen	Koznick	Newberger	Schomacker	Spk. Daudt
Davids	Gunther	Kresha	Nornes	Scott	

The motion did not prevail and the amendment was not adopted.

H. F. No. 4385 was read for the third time, as amended.

The Speaker assumed the Chair.

H. F. No. 4385, A bill for an act relating to taxation; making changes to conform with certain federal tax law changes; adopting federal adjusted gross income as the starting point for calculating individual income tax; making policy and technical changes to various tax-related provisions including provisions related to the individual income tax, corporate franchise tax, estate tax, sales and use tax, gross revenues tax, gross receipts tax, property tax, partnership tax, tobacco tax, minerals tax, and other miscellaneous tax provisions; making changes to the property tax refund program; providing for registration and taxation of unmanned aircraft; modifying provisions related to local government aid and credits; modifying referendum dates; appropriating money; amending Minnesota Statutes 2016, sections 116J.8737, subdivisions 5, 12; 123A.455, subdivision 1; 126C.01, subdivision 3; 138.051; 162.145, subdivision 3; 174.03, subdivision 1b; 197.603, subdivision 2; 216B.36; 237.19; 270.12, subdivisions 2, 3; 270.41,

subdivision 3; 270.96, subdivision 1; 270A.03, subdivision 7; 270B.08, subdivision 2; 270C.85, subdivision 2; 270C.89, subdivision 2; 270C.91; 272.02, subdivisions 27, 49, 81, by adding a subdivision; 272.025, subdivision 3; 273.032; 273.061, subdivision 9; 273.11, subdivision 12; 273.1115, subdivision 2; 273.112, subdivision 6; 273.113, subdivision 3; 273.119, subdivision 2; 273.1231, subdivisions 3, 4; 273.124, subdivisions 1, 3a, 8, 9, 14, 17, 21, by adding a subdivision; 273.1245, subdivision 2; 273.125, subdivision 3; 273.128, subdivision 1; 273.13, subdivision 35, by adding a subdivision; 273.136, subdivision 2; 273.1384, subdivision 3; 273.18; 274.14; 274.16; 275.025, subdivision 3, by adding subdivisions; 276A.01, subdivision 4; 282.01, subdivision 6; 287.21, subdivision 1; 289A.08, subdivisions 1, 6, 7; 289A.25, subdivision 1; 289A.31, subdivision 2; 289A.37, subdivision 6; 289A.38, subdivisions 7, 10; 289A.42; 289A.50, subdivision 1; 289A.60, subdivision 24; 290.01, subdivisions 6, 22, by adding subdivisions; 290.0131, subdivisions 1, 3, by adding subdivisions; 290.0132, subdivisions 1, 7, by adding subdivisions; 290.0133, subdivision 6, by adding a subdivision; 290.0134, by adding subdivisions; 290.0136; 290.05, subdivision 3; 290.06, subdivisions 1, 2c, 2d, by adding a subdivision; 290.067, subdivision 2a; 290.0671, subdivision 7; 290.0672, subdivision 2; 290.0681, subdivisions 3, 4; 290.0685, subdivision 1, by adding a subdivision; 290.0802, subdivisions 2, 3; 290.091, subdivision 3; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.095, subdivision 4; 290.21, by adding a subdivision; 290.34, by adding a subdivision; 290.92, subdivisions 1, 28; 290A.03, subdivisions 4, 12; 290A.04, subdivisions 2h, 4, by adding a subdivision; 290A.05; 290A.08; 290A.09; 290B.04, subdivision 1; 290B.09, subdivision 1; 291.03, subdivisions 8, 10; 295.50, subdivisions 4, 9b, by adding subdivisions; 297A.61, subdivision 18; 297A.67, subdivision 12, by adding subdivisions; 297A.68, subdivisions 17, 25, 29, 44; 297A.70, subdivisions 3, 7, 16, by adding subdivisions; 297A.71, subdivisions 22, 45, by adding subdivisions; 297A.77, by adding a subdivision; 297A.84; 297A.85; 297A.993, by adding a subdivision; 297B.01, subdivision 14; 297B.03; 297F.01, subdivisions 19, 23, by adding a subdivision; 297F.17, subdivision 6; 297G.16, subdivision 7; 298.225, subdivision 1; 298.28, subdivisions 3, 9a; 360.013, by adding subdivisions; 360.55, by adding a subdivision; 360.62; 412.221, subdivision 2; 426.19, subdivision 2; 447.045, subdivisions 2, 3, 4, 6, 7; 452.11; 455.24; 455.29; 469.171, subdivision 4; 469.177, subdivision 1; 469.1812, subdivision 1, by adding subdivisions; 469.190, subdivisions 1, 5; 469.316, subdivision 1; 469.317; 469.319, subdivision 4; 471.57, subdivision 3; 471.571, subdivision 3; 471.572, subdivision 4; 473F.02, subdivision 4; 473F.05; 473H.05, subdivision 1; 473H.08, subdivisions 1, 4, by adding a subdivision; 474A.02, subdivision 22b; 477A.013, subdivision 13; 477A.016; Minnesota Statutes 2017 Supplement, sections 126C.17, subdivision 9; 205.10, subdivision 3a; 205A.05, subdivision 1a; 270A.03, subdivision 5; 270C.445, subdivision 6; 270C.89, subdivision 1; 271.21, subdivision 2; 272.115, subdivision 1; 273.0755; 273.13, subdivisions 22, 23, 25, 34; 273.1384, subdivision 2; 273.1387, subdivision 3; 274.01, subdivision 1; 275.025, subdivision 1; 276.04, subdivision 3; 278.01, subdivision 1; 289A.02, subdivision 7; 289A.12, subdivision 14; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 2; 290.01, subdivisions 4a, 19, 31; 290.0131, subdivision 10; 290.0132, subdivisions 21, 26; 290.0133, subdivision 12; 290.0137; 290.05, subdivision 1; 290.067, subdivisions 1, 2b; 290.0671, subdivision 1; 290.0672, subdivision 1; 290.0681, subdivisions 1, 2; 290.0684, subdivisions 1, 2; 290.0686, subdivision 1; 290.091, subdivision 2; 290.17, subdivisions 2, 4; 290.31, subdivision 1; 290A.03, subdivisions 3, 8, 13, 15; 291.005, subdivision 1; 291.03, subdivisions 9, 11; 297A.61, subdivision 3; 297A.67, subdivisions 6, 34; 297A.70, subdivisions 4, 20; 297A.75, subdivisions 1, 2, 3; 297B.01, subdivision 16; 297E.02, subdivision 3; 298.227; 462D.03, subdivision 2; 462D.06, subdivisions 1, 2; 475.59, subdivision 2; 477A.015; 477A.03, subdivision 2a; Laws 1986, chapter 379, sections 1, subdivision 1; 2, subdivision 1; Laws 2008, chapter 366, article 5, sections 26, as amended; 33, as amended; Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3; Laws 2017, First Special Session chapter 1, article 3, section 32; article 8, section 3; article 4, section 31; article 8, section 3; article 10, section 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 117; 222; 289A; 290; 416; 459; 469; repealing Minnesota Statutes 2016, sections 10A.322, subdivision 4; 13.4967, subdivision 2; 273.1315; 275.29; 289A.38, subdivisions 7, 8, 9; 290.01, subdivision 29a; 290.0131, subdivisions 7, 11, 12, 13; 290.0132, subdivisions 8, 19, 20; 290.0133, subdivisions 13, 14; 290.06, subdivision 23; 290.0921, subdivisions 1, 2, 3a, 4, 6; 290.10, subdivision 2; 477A.085; Minnesota Statutes 2017 Supplement, sections 327C.01, subdivision 13; 327C.16; Minnesota Rules, part 4503.1400, subpart 4.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hamilton	Lohmer	O'Driscoll	Schomacker
Anderson, P.	Drazkowski	Hansen	Loon	O'Neill	Scott
Anderson, S.	Ecklund	Heintzeman	Loonan	Pelowski	Smith
Anselmo	Erickson	Hertaus	Lucero	Peppin	Sundin
Applebaum	Fabian	Hoppe	Lueck	Petersburg	Swedzinski
Backer	Fenton	Howe	Marquart	Peterson	Theis
Bahr, C.	Franke	Jessup	Maye Quade	Pierson	Torkelson
Baker	Franson	Johnson, B.	McDonald	Poppe	Uglen
Barr, R.	Garofalo	Jurgens	Miller	Poston	Urdahl
Bennett	Green	Kiel	Munson	Pryor	Vogel
Bliss	Grossell	Knoblach	Murphy, M.	Pugh	West
Christensen	Gruenhagen	Koegel	Nash	Quam	Whelan
Daniels	Gunther	Koznick	Neu	Rarick	Wills
Davids	Haley	Kresha	Newberger	Runbeck	Zerwas
Dean, M.	Halverson	Layman	Nornes	Sauke	Spk. Daudt

Those who voted in the negative were:

Allen	Considine	Hilstrom	Liebling	Murphy, E.	Schultz
Becker-Finn	Davnie	Hornstein	Lien	Nelson	Wagenius
Bernardy	Dehn, R.	Hortman	Loeffler	Olson	Youakim
Bly	Fischer	Johnson, C.	Mahoney	Omar	
Carlson, A.	Flanagan	Kunesh-Podein	Mariani	Pinto	
Carlson, L.	Freiberg	Lee	Masin	Rosenthal	
Clark	Hausman	Lesch	Moran	Sandstede	

The bill was passed, as amended, and its title agreed to.

H. F. No. 4167 was reported to the House.

The Speaker called Albright to the Chair.

Hansen moved to amend H. F. No. 4167, the second engrossment, as follows:

Page 27, delete section 3

Page 28, delete section 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hansen amendment and the roll was called. There were 45 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Allen	Considine	Hausman	Lesch	Murphy, E.	Sandstede
Applebaum	Davnie	Hilstrom	Liebling	Murphy, M.	Sauke
Becker-Finn	Dehn, R.	Hornstein	Loeffler	Nelson	Schultz
Bernardy	Fischer	Hortman	Mahoney	Olson	Wagenius
Bly	Flanagan	Johnson, C.	Mariani	Omar	Youakim
Carlson, A.	Freiberg	Koegel	Masin	Pinto	
Carlson, L.	Halverson	Kunesh-Podein	Maye Quade	Pryor	
Clark	Hansen	Lee	Moran	Rosenthal	

Those who voted in the negative were:

Albright	Dettmer	Hamilton	Lohmer	O'Neill	Smith
Anderson, P.	Drazkowski	Heintzeman	Loon	Pelowski	Sundin
Anderson, S.	Ecklund	Hertaus	Loonan	Peppin	Swedzinski
Anselmo	Erickson	Hoppe	Lucero	Petersburg	Theis
Backer	Fabian	Howe	Lueck	Peterson	Torkelson
Bahr, C.	Fenton	Jessup	Marquart	Pierson	Uglem
Baker	Franke	Johnson, B.	McDonald	Poppe	Urdahl
Barr, R.	Franson	Jurgens	Miller	Poston	Vogel
Bennett	Garofalo	Kiel	Munson	Pugh	West
Bliss	Green	Knoblach	Nash	Quam	Whelan
Christensen	Grossell	Koznick	Neu	Rarick	Wills
Daniels	Gruenhagen	Kresha	Newberger	Runbeck	Zerwas
Davids	Gunther	Layman	Nornes	Schomacker	Spk. Daudt
Dean, M.	Haley	Lien	O'Driscoll	Scott	

The motion did not prevail and the amendment was not adopted.

H. F. No. 4167, A bill for an act relating to legacy; appropriating money from legacy funds; modifying requirements for certain recipients of legacy funds; modifying provisions for Capitol art displays; providing for women's suffrage commemoration; amending Minnesota Statutes 2016, sections 15B.32, as amended; 97A.056, subdivisions 3, 13; 129D.17, subdivision 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 15B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Backer	Bernardy	Clark	Dehn, R.	Fenton
Allen	Bahr, C.	Bliss	Considine	Dettmer	Fischer
Anderson, P.	Baker	Bly	Daniels	Drazkowski	Flanagan
Anderson, S.	Barr, R.	Carlson, A.	Davids	Ecklund	Franke
Anselmo	Becker-Finn	Carlson, L.	Davnie	Erickson	Franson
Applebaum	Bennett	Christensen	Dean, M.	Fabian	Freiberg

Garofalo	Howe	Loeffler	Murphy, M.	Poppe	Theis
Green	Jessup	Lohmer	Nash	Poston	Torkelson
Grossell	Johnson, B.	Loon	Nelson	Pryor	Uglen
Gruenhagen	Johnson, C.	Loonan	Neu	Pugh	Urdahl
Gunther	Jurgens	Lucero	Newberger	Quam	Vogel
Haley	Kiel	Lueck	Nornes	Rarick	Wagenius
Halverson	Knoblach	Mahoney	O'Driscoll	Rosenthal	West
Hamilton	Koegel	Mariani	Olson	Runbeck	Whelan
Hansen	Koznick	Marquart	Omar	Sandstede	Wills
Hausman	Kresha	Masin	O'Neill	Sauke	Youakim
Heintzeman	Kunesh-Podein	Maye Quade	Pelowski	Schomacker	Zerwas
Hertaus	Layman	McDonald	Peppin	Schultz	Spk. Daudt
Hilstrom	Lee	Miller	Petersburg	Scott	
Hoppe	Lesch	Moran	Peterson	Smith	
Hornstein	Liebling	Munson	Pierson	Sundin	
Hortman	Lien	Murphy, E.	Pinto	Swedzinski	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Halverson moved that her name be shown as chief author on H. F. No. 2966. The motion prevailed.

Lohmer moved that the name of Peterson be added as an author on H. F. No. 2967. The motion prevailed.

Koznick moved that the name of Lohmer be added as an author on H. F. No. 3795. The motion prevailed.

Albright moved that the name of Anselmo be added as an author on H. F. No. 4267. The motion prevailed.

Youakim moved that her name be stricken as an author on H. F. No. 4385. The motion prevailed.

Loeffler moved that her name be stricken as an author on H. F. No. 4385. The motion prevailed.

Fischer moved that the name of Lohmer be added as an author on H. F. No. 4416. The motion prevailed.

Hansen moved that the names of Mariani and Franke be added as authors on H. F. No. 4460. The motion prevailed.

Freiberg moved that the names of Johnson, S.; Applebaum and Becker-Finn be added as authors on H. F. No. 4465. The motion prevailed.

Lohmer, Whelan, Moran, Bennett and Green introduced:

House Resolution No. 6, A House resolution recognizing the first Thursday in May as a day of statewide prayer, fasting, and repentance in Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, May 1, 2018. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and Speaker pro tempore Albright declared the House stands adjourned until 10:00 a.m., Tuesday, May 1, 2018.

PATRICK D. MURPHY, Chief Clerk, House of Representatives