

1.1 moves to amend H.F. No. 4289 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **JOBs AND ENERGY APPROPRIATIONS**

1.5 **Section 1. APPROPRIATIONS**

1.6 The sums shown in the columns under "Appropriations" are added to appropriations in
1.7 Laws 2017, chapter 94, or other law to the specified agencies. The appropriations are from
1.8 the general fund, or another named fund, and are available for the fiscal years indicated for
1.9 each purpose. The figures "2018" and "2019" used in this article mean that the appropriations
1.10 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,
1.11 respectively. Appropriations for the fiscal year ending June 30, 2018, are effective the day
1.12 following final enactment. Reductions may be taken in either fiscal year.

1.13 **APPROPRIATIONS**

1.14 **Available for the Year**

1.15 **Ending June 30**

1.16 **2018** **2019**

1.17 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
1.18 **AND ECONOMIC DEVELOPMENT**

1.19 **Subdivision 1. Total Appropriation** **\$** **0 \$** **20,320,000**

1.20 **Appropriations by Fund**

1.21 **General** **-0-** **\$19,720,000**

1.22 **Special Revenue** **-0-** **\$600,000**

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

2.4 **Subd. 2. Business and Community Development** 0 5,320,000

2.5 Appropriations by Fund

2.6 General -0- \$4,720,000
2.7 Special Revenue -0- \$600,000

2.8 (a) \$50,000 in fiscal year 2019 is for a grant
2.9 to Advocating Change Together to address
2.10 barriers to employment for people with
2.11 disabilities and provide skills training. This
2.12 appropriation is available until June 30, 2021.

2.13 (b) \$400,000 in fiscal year 2019 is for a grant
2.14 to Project Build Minnesota for a statewide
2.15 public awareness campaign to encourage
2.16 middle school and high school students to
2.17 consider careers in the construction industry,
2.18 with a special emphasis on reaching
2.19 individuals and groups that are economically
2.20 disadvantaged or historically underrepresented
2.21 in the construction industry. Grant funds must
2.22 be used to develop educational resources,
2.23 including a Web site; perform outreach to
2.24 students, parents, guidance counselors, and
2.25 others about opportunities in the construction
2.26 industry; and partner with educational
2.27 institutions and nonprofits to offer technical
2.28 training. This is a onetime appropriation.

2.29 (c) \$1,500,000 in fiscal year 2019 is for a grant
2.30 to the city of Cambridge for costs associated
2.31 with relocating and constructing a propane
2.32 distribution facility and for costs associated
2.33 with demolition, cleanup and restoration of
2.34 the existing propane facility. Eligible costs
2.35 include: land acquisition, site preparation and

3.1 improvements, moving expenses, building
3.2 construction, rail construction, rail switch
3.3 construction, demolition, environmental
3.4 remediation, engineering, and other necessary
3.5 site improvements. This is a onetime
3.6 appropriation and is available until the project
3.7 is completed or abandoned subject to
3.8 Minnesota Statutes, section 16A.642.

3.9 (d) \$590,000 in fiscal year 2019 is for grants
3.10 to centers for independent living under
3.11 Minnesota Statutes, section 268A.11. The
3.12 grant money under this paragraph must be
3.13 used to hire eight full-time employees to
3.14 provide services to veterans. This is a onetime
3.15 appropriation and is available until June 30,
3.16 2021.

3.17 (e) \$150,000 in fiscal year 2019 is for transfer
3.18 to the Cook County Higher Education Board
3.19 to provide educational programming and
3.20 academic support services to remote regions
3.21 in northeastern Minnesota. This is a onetime
3.22 appropriation.

3.23 (f) \$250,000 in fiscal year 2019 is for a grant
3.24 to Logistic Specialties, Inc. to create a pilot
3.25 workforce and development program in the
3.26 east metropolitan area focused on government
3.27 contract procurement and targeted to low- and
3.28 moderate-income communities of color. Every
3.29 six months, beginning on December 15, 2019,
3.30 the commissioner of employment and
3.31 economic development must submit a brief
3.32 update on the progress of the pilot project to
3.33 the chairs and ranking minority members of
3.34 the legislative committees with jurisdiction
3.35 over economic development. A final report

4.1 on pilot outcomes must be submitted to the
4.2 chairs and ranking minority members of the
4.3 legislative committees with jurisdiction over
4.4 economic development by February 15, 2020.

4.5 This is a onetime appropriation and funds are
4.6 available until June 30, 2020.

4.7 (g) \$500,000 in fiscal year 2019 is for job
4.8 training grants under Minnesota Statutes,
4.9 section 116L.42. This is a onetime
4.10 appropriation.

4.11 (h) \$250,000 in fiscal year 2019 is for a grant
4.12 to the Hallie Q. Brown Community Center,
4.13 Inc., for youth intervention services through
4.14 the community ambassadors and youth
4.15 employment program. This is a onetime
4.16 appropriation.

4.17 (i) Notwithstanding Minnesota Statutes,
4.18 section 116C.779, subdivision 1, paragraph
4.19 (k), \$600,000 in fiscal year 2019 is from the
4.20 renewable development account in the special
4.21 revenue fund established in Minnesota
4.22 Statutes, section 116C.779, subdivision 1, for
4.23 a grant to the Board of Regents of the
4.24 University of Minnesota for academic and
4.25 applied research through MnDRIVE at the
4.26 Natural Resources Research Institute. Of this
4.27 amount, \$300,000 is to develop and
4.28 demonstrate biomass conversion technology
4.29 for higher value fuels and \$300,000 is to
4.30 develop and demonstrate advanced biogas
4.31 technologies for clean methane fuels. Both
4.32 programs must focus on translation and
4.33 deployment of technologies developed in
4.34 partnerships between industry and the

5.1 University of Minnesota. This is a onetime
5.2 appropriation.

5.3 (j) \$230,000 in fiscal year 2019 is for a grant
5.4 to a city of the second class that is designated
5.5 as an economically depressed area by the
5.6 United States Department of Commerce. The
5.7 grant is for economic development,
5.8 redevelopment, and job creation programs and
5.9 projects. This is a onetime appropriation and
5.10 is available until June 30, 2021.

5.11 (k)(1) \$300,000 in fiscal year 2019 for a grant
5.12 to the Minnesota Environmental Science and
5.13 Economic Review Board (MESERB) to
5.14 review water quality regulation and national
5.15 pollutant discharge elimination system permits
5.16 (NPDES). This grant is subject to Minnesota
5.17 Statutes, section 16B.98. MESERB may select
5.18 the water quality regulations and permits to
5.19 be reviewed but must give preference to
5.20 reviewing any draft NPDES permit that has
5.21 new effluent limit requirements for a publicly
5.22 owned wastewater treatment facility outside
5.23 the seven county metropolitan area. Any
5.24 permit review must analyze the technical
5.25 accuracy of the permit and the impact on both
5.26 business and residential rates, the water quality
5.27 benefit of permit compliance, and the
5.28 anticipated funding for the permittee from
5.29 federal and state sources. This is a onetime
5.30 appropriation and is available until June 30,
5.31 2021.

5.32 (2) Upon completion of the permit review,
5.33 MESERB must provide a copy of the review
5.34 to the permittee and the commissioner of the
5.35 Pollution Control Agency. MESERB must

6.1 also submit a report summarizing its findings
6.2 in each permit review performed in the
6.3 previous calendar year to the chairs and
6.4 ranking minority members of the legislative
6.5 committees with jurisdiction over capital
6.6 investment, environmental policy and finance,
6.7 and economic development.

6.8 (l) \$500,000 in fiscal year 2019 is for a grant
6.9 to Comunidades Latinas Unidas en Servicio
6.10 (CLUES) to acquire property and to construct,
6.11 furnish, and equip a new education and
6.12 technology institute connected to CLUES
6.13 headquarters in St. Paul to provide education
6.14 and community gathering space. This
6.15 appropriation is available when the
6.16 commissioner of management and budget
6.17 determines that sufficient resources have been
6.18 committed to complete the project, as required
6.19 by Minnesota Statutes, section 16A.502. This
6.20 appropriation is onetime and available until
6.21 the project is completed or abandoned, subject
6.22 to Minnesota Statutes, section 16A.642.

6.23 **Subd. 3. Broadband Development** 0 15,000,000

6.24 \$15,000,000 in fiscal year 2019 is for transfer
6.25 to the border-to-border broadband fund
6.26 account in the special revenue fund established
6.27 under Minnesota Statutes, section 116J.396
6.28 and may be used for purposes provided in
6.29 Minnesota Statutes, section 116J.395. This
6.30 appropriation is onetime and is available until
6.31 spent. Of this appropriation, up to three
6.32 percent is for costs incurred by the
6.33 commissioner to administer Minnesota
6.34 Statutes, section 116J.395. Administrative
6.35 costs may include the following activities

7.1 related to measuring progress toward the
7.2 state's broadband goals established in
7.3 Minnesota Statutes, section 237.012:
7.4 (1) collecting broadband deployment data from
7.5 Minnesota providers, verifying its accuracy
7.6 through on-the-ground testing, and creating
7.7 state and county maps available to the public
7.8 showing the availability of broadband service
7.9 at various upload and download speeds
7.10 throughout Minnesota;
7.11 (2) analyzing the deployment data collected
7.12 to help inform future investments in broadband
7.13 infrastructure; and
7.14 (3) conducting business and residential surveys
7.15 that measure broadband adoption and use in
7.16 the state.
7.17 Data provided by a broadband provider under
7.18 this subdivision is nonpublic data under
7.19 Minnesota Statutes, section 13.02, subdivision
7.20 9. Maps produced under this subdivision are
7.21 public data under Minnesota Statutes, section
7.22 13.03.

7.23	Sec. 3. <u>HOUSING FINANCE AGENCY</u>	\$	<u>0 \$ 1,500,000</u>
7.24	(a) <u>\$1,000,000 in fiscal year 2019 is for</u> <u>transfer to the housing development fund for</u> <u>the programs in Minnesota Statutes, sections</u> <u>462A.201, subdivision 2, paragraph (a), clause</u> <u>(4), and 462A.204, subdivision 8. The agency</u> <u>may allocate this appropriation as necessary</u> <u>to these two programs to facilitate the</u> <u>Homework Starts with Home program. This</u> <u>is a onetime appropriation.</u>		

8.1 (b) \$500,000 in fiscal year 2019 is for park
8.2 infrastructure grants under Minnesota Statutes,
8.3 section 462A.2035, subdivision 1b. This is a
8.4 onetime appropriation.

8.5 Sec. 4. **DEPARTMENT OF COMMERCE** \$ **0 \$ 7,100,000**

8.6 This appropriation is from the special revenue
8.7 fund.

8.8 (a) Notwithstanding Minnesota Statutes,
8.9 section 116C.779, subdivision 1, paragraph
8.10 (k), \$3,000,000 in fiscal year 2019 is from the
8.11 renewable development account in the special
8.12 revenue fund under Minnesota Statutes,
8.13 section 116C.779, subdivision 1, for the local
8.14 government emerald ash borer removal grant
8.15 program under Minnesota Statutes, section
8.16 216C.437. This appropriation is onetime and
8.17 available until June 30, 2021.

8.18 (b)(1) \$1,000,000 in fiscal year 2019 is from
8.19 the renewable development account in the
8.20 special revenue fund under Minnesota
8.21 Statutes, section 116C.779, subdivision 1, to
8.22 fund grants for demonstration projects that
8.23 assess the technical and economic
8.24 effectiveness of deploying energy storage
8.25 systems to restore electrical energy to critical
8.26 health care facilities following electrical
8.27 outages due to storms or other catastrophic
8.28 events. This is a onetime appropriation.

8.29 (2) The commissioner of commerce shall
8.30 endeavor to make grant awards under this
8.31 section for projects at critical health care
8.32 facilities located in all regions of the state.

8.33 (3) For the purposes of this paragraph, "energy
8.34 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.418. 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

10.1 interim storage facility that could store spent
10.2 nuclear fuel currently stored at the independent
10.3 spent fuel storage installations at the
10.4 Monticello and Prairie Island nuclear electric
10.5 generating plants.

10.6 By July 15, 2019, the public utility that owns
10.7 the Prairie Island nuclear electric generating
10.8 plant must submit a report to the chairs and
10.9 ranking minority members of the legislative
10.10 committees with jurisdiction over electric
10.11 utilities and to the commissioner describing
10.12 the activities on which funds have been
10.13 expended under this paragraph, the results or
10.14 progress of any study or initiative, and future
10.15 planned uses of the funds. The public utility
10.16 must submit updated reports to the same
10.17 persons each succeeding July 15 until all funds
10.18 have been expended or unexpended funds have
10.19 been returned to the account. Any funds not
10.20 expended at the time of the final report must
10.21 be returned to the account. This is a onetime
10.22 appropriation.

10.23	Sec. 5. <u>PUBLIC FACILITIES AUTHORITY</u>	\$	<u>0 \$</u>	<u>3,550,000</u>
10.24	(a) \$750,000 in fiscal year 2019 is for a grant			
10.25	to the city of Deer River to predesign, design,			
10.26	engineer, and construct a stabilization pond			
10.27	and to predesign, design, construct, and install			
10.28	the replacement and expansion of storm sewer			
10.29	lines, sanitary sewer lines, and water lines in			
10.30	the city of Deer River. This appropriation is			
10.31	available when the commissioner of			
10.32	management and budget determines that			
10.33	resources sufficient to complete the project			
10.34	are committed to the project, as required in			
10.35	Minnesota Statutes, section 16A.502. This is			

11.1 a onetime appropriation and is available until
11.2 the project is completed or abandoned subject
11.3 to Minnesota Statutes, section 16A.642.

11.4 (b) \$600,000 in fiscal year 2019 is for a grant
11.5 to the Alexandria Lake Area Sanitary District
11.6 for lake management activities, including but
11.7 not limited to alum treatment in Lake Agnes,
11.8 carp removal in Lake Winona, and related
11.9 management and reassessment measures that
11.10 are intended to achieve and maintain
11.11 compliance with water quality standards for
11.12 phosphorus and the total maximum daily load
11.13 for Lake Winona. This is a onetime
11.14 appropriation and is available until June 30,
11.15 2021.

11.16 (c) \$1,100,000 in fiscal year 2019 is for a grant
11.17 to the city of Cold Spring to acquire land,
11.18 predesign, design, engineer, construct, furnish,
11.19 and equip water infrastructure, including
11.20 drilling new wells, a water treatment plant,
11.21 and piping for water distribution. This is a
11.22 onetime appropriation and is available until
11.23 the project is completed or abandoned subject
11.24 to Minnesota Statutes, section 16A.642.

11.25 (d) \$1,100,000 in fiscal year 2019 is for a
11.26 grant to the Big Lake Area Sanitary District
11.27 to construct a pressure sewer system and force
11.28 main to convey sewage to the Western Lake
11.29 Superior Sanitary District connection in the
11.30 city of Cloquet. This is a onetime
11.31 appropriation and is available until the project
11.32 is completed or abandoned subject to
11.33 Minnesota Statutes, section 16A.642.

13.1 (d) \$125,000 each year is for a grant to the
13.2 White Earth Nation for the White Earth Nation
13.3 Integrated Business Development System to
13.4 provide business assistance with workforce
13.5 development, outreach, technical assistance,
13.6 infrastructure and operational support,
13.7 financing, and other business development
13.8 activities. This is a onetime appropriation.

13.9 (e)(1) ~~\$12,500,000 each year is in fiscal year~~
13.10 2018 and \$7,500,000 in fiscal year 2019 are
13.11 for the Minnesota investment fund under
13.12 Minnesota Statutes, section 116J.8731. Of this
13.13 amount, the commissioner of employment and
13.14 economic development may use up to three
13.15 percent for administration and monitoring of
13.16 the program. This appropriation is available
13.17 until spent. In fiscal year 2020, the base
13.18 amount is \$12,500,000. For fiscal year 2021
13.19 and beyond, the base amount is \$9,500,000.

13.20 (2) Of the amount appropriated in fiscal year
13.21 2018, \$4,000,000 is for a loan to construct and
13.22 equip a wholesale electronic component
13.23 distribution center investing a minimum of
13.24 \$200,000,000 and constructing a facility at
13.25 least 700,000 square feet in size. Loan funds
13.26 may be used for purchases of materials,
13.27 supplies, and equipment for the construction
13.28 of the facility and are available from July 1,
13.29 2017, to June 30, 2021. The commissioner of
13.30 employment and economic development shall
13.31 forgive the loan after verification that the
13.32 project has satisfied performance goals and
13.33 contractual obligations as required under
13.34 Minnesota Statutes, section 116J.8731.

14.1 (3) Of the amount appropriated in fiscal year
14.2 2018, \$700,000 is for a loan to extend an
14.3 effluent pipe that will deliver reclaimed water
14.4 to an innovative waste-to-biofuel project
14.5 investing a minimum of \$150,000,000 and
14.6 constructing a facility that is designed to
14.7 process approximately 400,000 tons of waste
14.8 annually. Loan funds are available until June
14.9 30, 2021.

14.10 (4) Of the amount appropriated in fiscal year
14.11 2019, \$2,000,000 is for one or more grants to
14.12 Florence Township in Goodhue County to
14.13 predesign, design, engineer, construct, and
14.14 install infrastructure for storm water
14.15 protection, wells, roads, public safety, and
14.16 power access in southeastern Minnesota, in
14.17 partnership with a tribal government and a
14.18 nonprofit organization, to enable future
14.19 economic development and increase economic
14.20 activity in southeastern Minnesota. The grant
14.21 recipient must provide a nonstate contribution
14.22 in an amount at least equal to the grant. This
14.23 portion of the appropriation is available until
14.24 the project is completed or abandoned subject
14.25 to Minnesota Statutes, section 16A.642.

14.26 (5) Of the amount appropriated in fiscal year
14.27 2019, \$500,000 is for a grant to Mille Lacs
14.28 County to provide loans as described in
14.29 Minnesota Statutes, section 116J.8731, for
14.30 eligible projects located within one of the
14.31 follow municipalities surrounding Lake Mille
14.32 Lacs:

14.33 (i) in Crow Wing County, the city of Garrison,
14.34 township of Garrison, or township of
14.35 Roosevelt;

15.1 (ii) in Aitkin County, the township of
15.2 Hazelton, township of Wealthwood, township
15.3 of Malmo, or township of Lakeside; or
15.4 (iii) in Mille Lacs County, the city of Isle, city
15.5 of Wahkon, city of Onamia, township of East
15.6 Side, township of Isle Harbor, township of
15.7 South Harbor, or township of Kathio.

15.8 (6) Of the amount appropriated in fiscal year
15.9 2019, \$500,000 is for a grant to the city of
15.10 Minnetonka for a high-risk, high-return jobs
15.11 retention and creation initiative to be
15.12 conducted by a local organization that
15.13 produces lactic acid/lactate, to help grow and
15.14 expand the bioeconomy in Minnesota. The
15.15 grant under this clause is not subject to the
15.16 limitations under Minnesota Statutes, section
15.17 116J.8731, subdivision 5, or the performance
15.18 goals and contractual obligations under
15.19 Minnesota Statutes, section 116J.8731,
15.20 subdivision 7.

15.21 (7) Of the amount appropriated in fiscal year
15.22 2019, \$500,000 is for a loan to a paper mill in
15.23 Duluth to support the operation and
15.24 manufacture of packaging paper grades. The
15.25 company that owns the paper mill must spend
15.26 \$15,000,000 on expansion activities by
15.27 December 31, 2019, in order to be eligible to
15.28 receive funds under this appropriation.

15.29 Appropriation funds may be used for the mill's
15.30 equipment, materials, supplies, and other
15.31 operating expenses. The commissioner of
15.32 employment and economic development shall
15.33 forgive a portion of the loan each year after
15.34 verification that the mill has retained 195
15.35 full-time jobs over a period of five years and

16.1 has satisfied other performance goals and
16.2 contractual obligations as required under
16.3 Minnesota Statutes, section 116J.8731.

16.4 (f) \$8,500,000 each year is in fiscal year 2018
16.5 and \$1,500,000 in fiscal year 2019 are for the
16.6 Minnesota job creation fund under Minnesota
16.7 Statutes, section 116J.8748. Of this amount,
16.8 the commissioner of employment and
16.9 economic development may use up to three
16.10 percent for administrative expenses. This
16.11 appropriation is available until expended. In
16.12 fiscal year 2020 ~~and beyond~~, the base amount
16.13 is \$8,000,000. In fiscal year 2021 and beyond,
16.14 the base amount is \$5,000,000.

16.15 (g) \$1,647,000 each year is for contaminated
16.16 site cleanup and development grants under
16.17 Minnesota Statutes, sections 116J.551 to
16.18 116J.558. This appropriation is available until
16.19 spent. In fiscal year 2020 and beyond, the base
16.20 amount is \$1,772,000.

16.21 (h) \$12,000 each year is for a grant to the
16.22 Upper Minnesota Film Office.

16.23 (i) \$163,000 each year is for the Minnesota
16.24 Film and TV Board. The appropriation in each
16.25 year is available only upon receipt by the
16.26 board of \$1 in matching contributions of
16.27 money or in-kind contributions from nonstate
16.28 sources for every \$3 provided by this
16.29 appropriation, except that each year up to
16.30 \$50,000 is available on July 1 even if the
16.31 required matching contribution has not been
16.32 received by that date.

16.33 (j) \$500,000 each year is from the general fund
16.34 for a grant to the Minnesota Film and TV

17.1 Board for the film production jobs program
17.2 under Minnesota Statutes, section 116U.26.
17.3 This appropriation is available until June 30,
17.4 2021.

17.5 (k) \$139,000 each year is for a grant to the
17.6 Rural Policy and Development Center under
17.7 Minnesota Statutes, section 116J.421.

17.8 (l)(1) ~~\$1,300,000 each year is in fiscal year~~
17.9 2018 and \$2,200,000 in fiscal year 2019 are
17.10 for the greater Minnesota business
17.11 development public infrastructure grant
17.12 program under Minnesota Statutes, section
17.13 116J.431. This appropriation is available until
17.14 spent. If the appropriation for either year is
17.15 insufficient, the appropriation for the other
17.16 year is available. In fiscal year 2020 and
17.17 beyond, the base amount is \$1,787,000. Funds
17.18 available under this paragraph may be used
17.19 for site preparation of property owned and to
17.20 be used by private entities.

17.21 (2) Of the amounts appropriated, \$1,600,000
17.22 in fiscal year 2018 is for a grant to the city of
17.23 Thief River Falls to support utility extensions,
17.24 roads, and other public improvements related
17.25 to the construction of a wholesale electronic
17.26 component distribution center at least 700,000
17.27 square feet in size and investing a minimum
17.28 of \$200,000,000. Notwithstanding Minnesota
17.29 Statutes, section 116J.431, a local match is
17.30 not required. Grant funds are available from
17.31 July 1, 2017, to June 30, 2021.

17.32 (m) \$876,000 the first year and \$500,000 the
17.33 second year are for the Minnesota emerging
17.34 entrepreneur loan program under Minnesota
17.35 Statutes, section 116M.18. Funds available

18.1 under this paragraph are for transfer into the
18.2 emerging entrepreneur program special
18.3 revenue fund account created under Minnesota
18.4 Statutes, chapter 116M, and are available until
18.5 spent. Of this amount, up to four percent is for
18.6 administration and monitoring of the program.
18.7 In fiscal year 2020 and beyond, the base
18.8 amount is \$1,000,000.

18.9 (n) \$875,000 each year is for a grant to
18.10 Enterprise Minnesota, Inc. for the small
18.11 business growth acceleration program under
18.12 Minnesota Statutes, section 116O.115. This
18.13 is a onetime appropriation.

18.14 (o) \$250,000 in fiscal year 2018 is for a grant
18.15 to the Minnesota Design Center at the
18.16 University of Minnesota for the greater
18.17 Minnesota community design pilot project.

18.18 (p) \$275,000 in fiscal year 2018 is from the
18.19 general fund to the commissioner of
18.20 employment and economic development for
18.21 a grant to Community and Economic
18.22 Development Associates (CEDA) for an
18.23 economic development study and analysis of
18.24 the effects of current and projected economic
18.25 growth in southeast Minnesota. CEDA shall
18.26 report on the findings and recommendations
18.27 of the study to the committees of the house of
18.28 representatives and senate with jurisdiction
18.29 over economic development and workforce
18.30 issues by February 15, 2019. All results and
18.31 information gathered from the study shall be
18.32 made available for use by cities in southeast
18.33 Minnesota by March 15, 2019. This
18.34 appropriation is available until June 30, 2020.

19.1 (q) \$2,000,000 in fiscal year 2018 is for a
19.2 grant to Pillsbury United Communities for
19.3 construction and renovation of a building in
19.4 north Minneapolis for use as the "North
19.5 Market" grocery store and wellness center,
19.6 focused on offering healthy food, increasing
19.7 health care access, and providing job creation
19.8 and economic opportunities in one place for
19.9 children and families living in the area. To the
19.10 extent possible, Pillsbury United Communities
19.11 shall employ individuals who reside within a
19.12 five mile radius of the grocery store and
19.13 wellness center. This appropriation is not
19.14 available until at least an equal amount of
19.15 money is committed from nonstate sources.
19.16 This appropriation is available until the project
19.17 is completed or abandoned, subject to
19.18 Minnesota Statutes, section 16A.642.

19.19 (r) \$1,425,000 each year is for the business
19.20 development competitive grant program. Of
19.21 this amount, up to five percent is for
19.22 administration and monitoring of the business
19.23 development competitive grant program. All
19.24 grant awards shall be for two consecutive
19.25 years. Grants shall be awarded in the first year.

19.26 (s) \$875,000 each year is for the host
19.27 community economic development grant
19.28 program established in Minnesota Statutes,
19.29 section 116J.548.

19.30 (t) \$700,000 each year is from the remediation
19.31 fund for contaminated site cleanup and
19.32 development grants under Minnesota Statutes,
19.33 sections 116J.551 to 116J.558. This
19.34 appropriation is available until spent.

20.1 (u) \$161,000 each year is from the workforce
20.2 development fund for a grant to the Rural
20.3 Policy and Development Center. This is a
20.4 onetime appropriation.

20.5 (v) \$300,000 each year is from the workforce
20.6 development fund for a grant to Enterprise
20.7 Minnesota, Inc. This is a onetime
20.8 appropriation.

20.9 (w) \$50,000 in fiscal year 2018 is from the
20.10 workforce development fund for a grant to
20.11 Fighting Chance for behavioral intervention
20.12 programs for at-risk youth.

20.13 (x) \$1,350,000 each year is from the
20.14 workforce development fund for job training
20.15 grants under Minnesota Statutes, section
20.16 116L.42.

20.17 (y)(1) \$519,000 in fiscal year 2018 ~~is and~~
20.18 \$750,000 in fiscal year 2019 are for grants to
20.19 local communities to increase the supply of
20.20 quality child care providers in order to support
20.21 economic development. At least 60 percent of
20.22 grant funds must go to communities located
20.23 outside of the seven-county metropolitan area,
20.24 as defined under Minnesota Statutes, section
20.25 473.121, subdivision 2. Grant recipients must
20.26 obtain a 50 percent nonstate match to grant
20.27 funds in either cash or in-kind contributions.

20.28 Grant funds available under this paragraph
20.29 must be used to implement solutions to reduce
20.30 the child care shortage in the state including
20.31 but not limited to funding for child care
20.32 business start-ups or expansions, training,
20.33 facility modifications or improvements
20.34 required for licensing, and assistance with
20.35 licensing and other regulatory requirements.

21.1 In awarding grants, the commissioner must
21.2 give priority to communities that have
21.3 documented a shortage of child care providers
21.4 in the area. At least half of the money
21.5 appropriated in fiscal year 2019 is reserved
21.6 for new grant recipients. The base amount in
21.7 fiscal year 2020 and beyond is \$0.

21.8 (2) Within one year of receiving grant funds,
21.9 grant recipients must report to the
21.10 commissioner on the outcomes of the grant
21.11 program including but not limited to the
21.12 number of new providers, the number of
21.13 additional child care provider jobs created, the
21.14 number of additional child care slots, and the
21.15 amount of local funds invested.

21.16 (3) By January 1 of each year, starting in 2019,
21.17 the commissioner must report to the standing
21.18 committees of the legislature having
21.19 jurisdiction over child care and economic
21.20 development on the outcomes of the program
21.21 to date.

21.22 (z) \$319,000 in fiscal year 2018 is from the
21.23 general fund for a grant to the East Phillips
21.24 Improvement Coalition to create the East
21.25 Phillips Neighborhood Institute (EPNI) to
21.26 expand culturally tailored resources that
21.27 address small business growth and create
21.28 green jobs. The grant shall fund the
21.29 collaborative work of Tamales y Bicicletas,
21.30 Little Earth of the United Tribes, a nonprofit
21.31 serving East Africans, and other coalition
21.32 members towards developing EPNI as a
21.33 community space to host activities including,
21.34 but not limited to, creation and expansion of
21.35 small businesses, culturally specific

22.1 entrepreneurial activities, indoor urban
22.2 farming, job training, education, and skills
22.3 development for residents of this low-income,
22.4 environmental justice designated
22.5 neighborhood. Eligible uses for grant funds
22.6 include, but are not limited to, planning and
22.7 start-up costs, staff and consultant costs,
22.8 building improvements, rent, supplies, utilities,
22.9 vehicles, marketing, and program activities.
22.10 The commissioner shall submit a report on
22.11 grant activities and quantifiable outcomes to
22.12 the committees of the house of representatives
22.13 and the senate with jurisdiction over economic
22.14 development by December 15, 2020. This
22.15 appropriation is available until June 30, 2020.
22.16 (aa) \$150,000 the first year is from the
22.17 renewable development account in the special
22.18 revenue fund established in Minnesota
22.19 Statutes, section 116C.779, subdivision 1, to
22.20 conduct the biomass facility closure economic
22.21 impact study.
22.22 (bb)(1)\$300,000 in fiscal year 2018 is for a
22.23 grant to East Side Enterprise Center (ESEC)
22.24 to expand culturally tailored resources that
22.25 address small business growth and job
22.26 creation. This appropriation is available until
22.27 June 30, 2020. The appropriation shall fund
22.28 the work of African Economic Development
22.29 Solutions, the Asian Economic Development
22.30 Association, the Dayton's Bluff Community
22.31 Council, and the Latino Economic
22.32 Development Center in a collaborative
22.33 approach to economic development that is
22.34 effective with smaller, culturally diverse
22.35 communities that seek to increase the

23.1 productivity and success of new immigrant
23.2 and minority populations living and working
23.3 in the community. Programs shall provide
23.4 minority business growth and capacity
23.5 building that generate wealth and jobs creation
23.6 for local residents and business owners on the
23.7 East Side of St. Paul.

23.8 (2) In fiscal year 2019 ESEC shall use funds
23.9 to share its integrated service model and
23.10 evolving collaboration principles with civic
23.11 and economic development leaders in greater
23.12 Minnesota communities which have diverse
23.13 populations similar to the East Side of St. Paul.
23.14 ESEC shall submit a report of activities and
23.15 program outcomes, including quantifiable
23.16 measures of success annually to the house of
23.17 representatives and senate committees with
23.18 jurisdiction over economic development.

23.19 (cc) \$150,000 in fiscal year 2018 is for a grant
23.20 to Mille Lacs County for the purpose of
23.21 reimbursement grants to small resort
23.22 businesses located in the city of Isle with less
23.23 than \$350,000 in annual revenue, at least four
23.24 rental units, which are open during both
23.25 summer and winter months, and whose
23.26 business was adversely impacted by a decline
23.27 in walleye fishing on Lake Mille Lacs.

23.28 (dd)(1) \$250,000 in fiscal year 2018 is for a
23.29 grant to the Small Business Development
23.30 Center hosted at Minnesota State University,
23.31 Mankato, for a collaborative initiative with
23.32 the Regional Center for Entrepreneurial
23.33 Facilitation. Funds available under this section
23.34 must be used to provide entrepreneur and
23.35 small business development direct professional

24.1 business assistance services in the following
24.2 counties in Minnesota: Blue Earth, Brown,
24.3 Faribault, Le Sueur, Martin, Nicollet, Sibley,
24.4 Watonwan, and Waseca. For the purposes of
24.5 this section, "direct professional business
24.6 assistance services" must include, but is not
24.7 limited to, pre-venture assistance for
24.8 individuals considering starting a business.

24.9 This appropriation is not available until the
24.10 commissioner determines that an equal amount
24.11 is committed from nonstate sources. Any
24.12 balance in the first year does not cancel and
24.13 is available for expenditure in the second year.

24.14 (2) Grant recipients shall report to the
24.15 commissioner by February 1 of each year and
24.16 include information on the number of
24.17 customers served in each county; the number
24.18 of businesses started, stabilized, or expanded;
24.19 the number of jobs created and retained; and
24.20 business success rates in each county. By April
24.21 1 of each year, the commissioner shall report
24.22 the information submitted by grant recipients
24.23 to the chairs of the standing committees of the
24.24 house of representatives and the senate having
24.25 jurisdiction over economic development
24.26 issues.

24.27 (ee) \$500,000 in fiscal year 2018 is for the
24.28 central Minnesota opportunity grant program
24.29 established under Minnesota Statutes, section
24.30 116J.9922. This appropriation is available until
24.31 June 30, 2022.

24.32 (ff) \$25,000 each year is for the administration
24.33 of state aid for the Destination Medical Center
24.34 under Minnesota Statutes, sections 469.40 to
24.35 469.47.

25.1 Sec. 7. Laws 2017, chapter 94, article 1, section 4, subdivision 3, is amended to read:

25.2			3,668,000
25.3	Subd. 3. Labor Standards and Apprenticeship	3,645,000	<u>3,868,000</u>

25.4 Appropriations by Fund

25.5		1,790,000
25.6	General	<u>1,776,000</u>

25.7	Workforce	1,990,000
25.8	Development	1,869,000

25.9 (a) \$500,000 each year is from the general

25.10 fund in fiscal year 2018 and \$700,000 in fiscal

25.11 year 2019 are for wage theft prevention under

25.12 the division of labor standards.

25.13 (b) \$100,000 each year is from the workforce

25.14 development fund for labor education and

25.15 advancement program grants under Minnesota

25.16 Statutes, section 178.11, to expand and

25.17 promote registered apprenticeship training for

25.18 minorities and women.

25.19 (c) \$300,000 each year is from the workforce

25.20 development fund for the PIPELINE program.

25.21 (d) \$200,000 each year is from the workforce

25.22 development fund for grants to the

25.23 Construction Careers Foundation for the

25.24 Helmets to Hardhats Minnesota initiative.

25.25 Grant funds must be used to recruit, retain,

25.26 assist, and support National Guard, reserve,

25.27 and active duty military members' and

25.28 veterans' participation into apprenticeship

25.29 programs registered with the Department of

25.30 Labor and Industry and connect them with

25.31 career training and employment in the building

25.32 and construction industry. The recruitment,

25.33 selection, employment, and training must be

25.34 without discrimination due to race, color,

25.35 creed, religion, national origin, sex, sexual

25.36 orientation, marital status, physical or mental

26.1 disability, receipt of public assistance, or age.

26.2 This is a onetime appropriation.

26.3 (e) \$1,029,000 each year is from the workforce
26.4 development fund for the apprenticeship
26.5 program under Minnesota Statutes, chapter
26.6 178.

26.7 (f) \$150,000 each year is from the workforce
26.8 development fund for prevailing wage
26.9 enforcement.

26.10 Sec. 8. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

26.11 Subd. 5. General Support 6,239,000 6,539,000

Appropriations by Fund

26.13 Workforce

26.14 Development Fund 200,000 500,000

26.15 Workers'

26.16 Compensation 6,039,000 6,039,000

26.17 (a) Except as provided in paragraphs (b) and
26.18 (c), this appropriation is from the workers'
26.19 compensation fund.

26.20 (b) \$200,000 in fiscal year 2018 is from the
26.21 workforce development fund for the
26.22 commissioner of labor and industry to convene
26.23 and collaborate with stakeholders as provided
26.24 under Minnesota Statutes, section 175.46,
26.25 subdivision 3, and to develop youth skills
26.26 training competencies for approved
26.27 occupations. This is a onetime appropriation.

26.28 (c) \$500,000 in fiscal year 2019 is from the
26.29 workforce development fund to administer the
26.30 youth skills training program under Minnesota
26.31 Statutes, section 175.46. The commissioner
26.32 shall award up to five grants each year to local
26.33 partnerships located throughout the state, not
26.34 to exceed \$100,000 per local partnership grant.

27.1 The commissioner may use a portion of this
27.2 appropriation for administration of the grant
27.3 program. The base amount for this program
27.4 is ~~\$500,000~~ \$750,000 each year beginning in
27.5 fiscal year 2020.

ARTICLE 2

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Section 1. **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, at Career Solutions in St. Cloud, to address the substantial anticipated job losses at the Electrolux plant and in related industries affected by its closure. 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. 2. **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. 3. **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.

28.1

ARTICLE 3

28.2

ENERGY

28.3 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is
28.4 amended to read:

28.5 **Subdivision 1. Renewable development account.** (a) The renewable development
28.6 account is established as a separate account in the special revenue fund in the state treasury.
28.7 Appropriations and transfers to the account shall be credited to the account. Earnings, such
28.8 as interest, dividends, and any other earnings arising from assets of the account, shall be
28.9 credited to the account. Funds remaining in the account at the end of a fiscal year are not
28.10 canceled to the general fund but remain in the account until expended. The account shall
28.11 be administered by the commissioner of management and budget as provided under this
28.12 section.

28.13 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
28.14 plant must transfer all funds in the renewable development account previously established
28.15 under this subdivision and managed by the public utility to the renewable development
28.16 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
28.17 that have not yet been expended and unencumbered funds required to be paid in calendar
28.18 year 2017 under paragraphs (e) and (f) and (g), and sections 116C.7792 and 216C.41, are
28.19 not subject to transfer under this paragraph.

28.20 (c) ~~Except as provided in subdivision 1a,~~ Beginning January 15, 2018, and continuing
28.21 each January 15 thereafter, the public utility that owns the Prairie Island and Monticello
28.22 nuclear generating plant plants must transfer to the renewable development account ~~\$500,000~~
28.23 ~~each year for each dry cask containing spent fuel that is located at the Prairie Island power~~
28.24 ~~plant for \$20,000,000~~ each year ~~the either~~ plant is in operation, and ~~\$7,500,000 each year~~
28.25 ~~the plant is not in operation~~, if ordered by the commission pursuant to paragraph (i)-(h),
28.26 \$7,500,000 each year the Prairie Island plant is not in operation and \$5,250,000 each year
28.27 the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is
28.28 stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or
28.29 Monticello for any part of a year.

28.30 (d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~
28.31 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~
28.32 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~
28.33 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~
28.34 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~

29.1 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~
29.2 ~~waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for~~
29.3 ~~any part of a year.~~

29.4 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the
29.5 renewable development account under ~~paragraphs~~ paragraph (c) ~~and~~ (d) the amount necessary
29.6 to pay its obligations under paragraphs (e), (f) ~~and~~ (g), (k), and (n), and sections 116C.7792
29.7 and 216C.41, for that calendar year.

29.8 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the
29.9 termination of a power purchase agreement, or the purchase and closure of a facility under
29.10 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
29.11 the public utility subject to this section shall enter into a contract with the city in which the
29.12 poultry litter plant is located to provide grants to the city for the purposes of economic
29.13 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
29.14 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
29.15 by the public utility from funds withheld from the transfer to the renewable development
29.16 account, as provided in paragraphs (b) and ~~(e)~~ (d).

29.17 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the
29.18 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
29.19 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
29.20 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
29.21 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
29.22 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
29.23 30 days after the commission approves the new or amended power purchase agreement, or
29.24 the termination of the power purchase agreement, and on each June 1 thereafter through
29.25 2021, to assist the transition required by the new, amended, or terminated power purchase
29.26 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
29.27 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

29.28 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs
29.29 (e) ~~and~~ (f) ~~and~~ (g) is limited to the amount deposited into the renewable development account,
29.30 and its predecessor, the renewable development account, established under this section, that
29.31 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,
29.32 section 10.

29.33 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
29.34 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the

30.1 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
30.2 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
30.3 facility for any year in which the commission finds, by the preponderance of the evidence,
30.4 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
30.5 at the facility to a permanent or interim storage site out of the state. This determination shall
30.6 be made at least every two years.

30.7 (i) The public utility shall file annually with the commission a petition for the recovery
30.8 of all funds required to be transferred or withheld under paragraphs (c) to (f) for the next
30.9 year through a rider mechanism. The commission shall approve a reasonable cost recovery
30.10 schedule for all such funds.

30.11 (j) On or before January 15 of each year, the public utility shall file a petition with the
30.12 commission setting forth the amounts withheld by the public utility in the prior year under
30.13 paragraph (d) and the amount actually paid in that year for obligations identified in paragraph
30.14 (d). If the amount actually paid is less than the amount withheld, the public utility shall
30.15 deduct the surplus from the amount withheld for the current year under paragraph (d). If
30.16 the amount actually paid is more than the amount withheld, the public utility shall add the
30.17 deficit to the amount withheld in the current year under paragraph (d). Any surplus remaining
30.18 in the account after all programs identified in paragraph (d) are terminated must be returned
30.19 to the customers of the public utility.

30.20 (j) Funds in the account may be expended only for any of the following purposes:

30.21 (1) to stimulate research and development of renewable electric energy technologies;
30.22 (2) to encourage grid modernization, including, but not limited to, projects that implement
30.23 electricity storage, load control, and smart meter technology; and
30.24 (3) to stimulate other innovative energy projects that reduce demand and increase system
30.25 efficiency and flexibility.

30.26 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
30.27 from the utility that owns a nuclear-powered electric generating plant in this state or the
30.28 Prairie Island Indian community or its members.

30.29 The utility that owns a nuclear generating plant is eligible to apply for grants under this
30.30 subdivision.

30.31 (k) For the purposes of paragraph (j)(k), the following terms have the meanings
30.32 given:

31.1 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
31.2 (c), clauses (1), (2), (4), and (5); and

31.3 (2) "grid modernization" means:

31.4 (i) enhancing the reliability of the electrical grid;

31.5 (ii) improving the security of the electrical grid against cyberthreats and physical threats;

31.6 and

31.7 (iii) increasing energy conservation opportunities by facilitating communication between
31.8 the utility and its customers through the use of two-way meters, control technologies, energy
31.9 storage and microgrids, technologies to enable demand response, and other innovative
31.10 technologies.

31.11 ~~(f)~~ (m) A renewable development account advisory group that includes, among others,
31.12 representatives of the public utility and its ratepayers, and includes at least one representative
31.13 of the Prairie Island Indian community appointed by that community's tribal council, shall
31.14 develop recommendations on account expenditures. Members of the advisory group shall
31.15 be chosen by the public utility. The advisory group must design a request for proposal and
31.16 evaluate projects submitted in response to a request for proposals. The advisory group must
31.17 utilize an independent third-party expert to evaluate proposals submitted in response to a
31.18 request for proposal, including all proposals made by the public utility. A request for proposal
31.19 for research and development under paragraph ~~(f)~~ (k), clause (1), may be limited to or include
31.20 a request to higher education institutions located in Minnesota for multiple projects authorized
31.21 under paragraph ~~(f)~~ (k), clause (1). The request for multiple projects may include a provision
31.22 that exempts the projects from the third-party expert review and instead provides for project
31.23 evaluation and selection by a merit peer review grant system. In the process of determining
31.24 request for proposal scope and subject and in evaluating responses to request for proposals,
31.25 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota
31.26 citizens and businesses and the utility's ratepayers.

31.27 (n) The cost of acquiring the services of the independent third-party expert described in
31.28 paragraph (m) and any other reasonable costs incurred in administering the advisory group
31.29 and its actions as required by this section shall be paid from funds withheld by the public
31.30 utility under paragraph (d).

31.31 ~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility,
31.32 which has full and sole authority to determine which expenditures shall be submitted by
31.33 the advisory group to the ~~legislature~~ commission. The commission may approve proposed
31.34 expenditures, may disapprove proposed expenditures that it finds not to be in compliance

32.1 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
32.2 public utility, modify proposed expenditures. The commission shall, by order, submit its
32.3 funding recommendations to the legislature as provided under paragraph ~~(n)~~(p).

32.4 ~~(n)~~(p) The commission shall present its recommended appropriations from the account
32.5 to the senate and house of representatives committees with jurisdiction over energy policy
32.6 and finance annually by February 15. Expenditures from the account must be appropriated
32.7 by law. In enacting appropriations from the account, the legislature:

32.8 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
32.9 a project recommended by the commission; and

32.10 (2) may not appropriate money for a project the commission has not recommended
32.11 funding.

32.12 ~~(e)~~(q) A request for proposal for renewable energy generation projects must, when
32.13 feasible and reasonable, give preference to projects that are most cost-effective for a particular
32.14 energy source.

32.15 ~~(p)~~(r) The advisory group must annually, by February 15, report to the chairs and ranking
32.16 minority members of the legislative committees with jurisdiction over energy policy on
32.17 projects funded by the account under paragraph (k) for the prior year and all previous years.
32.18 The report must, to the extent possible and reasonable, itemize the actual and projected
32.19 financial benefit to the public utility's ratepayers of each project.

32.20 (s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie
32.21 Island Nuclear Electric Generating Plant must submit to the commissioner of management
32.22 and budget an estimate of the amount that the public utility will deposit into the account
32.23 the following January 15, based on the provisions of paragraphs (c) to (h) and any
32.24 appropriations made from the fund during the most recent legislative sessions.

32.25 ~~(e)~~(t) By February 1 June 30, 2018, and each February 1 June 30 thereafter, the
32.26 commissioner of management and budget shall estimate the balance in the account as of
32.27 the following January 31, taking into account the balance in the account as of June 30 and
32.28 the information provided under paragraph (r), and, by July 15, 2018, and each July 15
32.29 thereafter, shall submit a written report regarding the availability of funds in and obligations
32.30 of the account to the chairs and ranking minority members of the senate and house
32.31 committees with jurisdiction over energy policy and finance, the public utility, and the
32.32 advisory group. If more than \$15,000,000 is estimated to be available in the account as of
32.33 January 31, the advisory group must, by July 30, 2018, and each July 30 thereafter, issue a
32.34 request for proposals to initiate a grant cycle for the purposes of paragraph (k).

33.1 (t)(u) A project receiving funds from the account must produce a written final report
33.2 that includes sufficient detail for technical readers and a clearly written summary for
33.3 nontechnical readers. The report must include an evaluation of the project's financial,
33.4 environmental, and other benefits to the state and the public utility's ratepayers.

33.5 (s)(v) Final reports, any mid-project status reports, and renewable development account
33.6 financial reports must be posted online on a public Web site designated by the commissioner
33.7 of commerce.

33.8 (t)(w) All final reports must acknowledge that the project was made possible in whole
33.9 or part by the Minnesota renewable development account, noting that the account is financed
33.10 by the public utility's ratepayers.

33.11 (t)(x) Of the amount in the renewable development account, priority must be given to
33.12 making the payments required under section 216C.417.

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

33.14 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

33.15 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

33.16 The utility subject to section 116C.779 shall operate a program to provide solar energy
33.17 production incentives for solar energy systems of no more than a total aggregate nameplate
33.18 capacity of 20 40 kilowatts direct current per premises. The owner of a solar energy system
33.19 installed before June 1, 2018, is eligible to receive a production incentive under this section
33.20 for any additional solar energy systems constructed at the same customer location, provided
33.21 that the aggregate capacity of all systems at the customer location does not exceed 40
33.22 kilowatts. The program shall be operated for eight consecutive calendar years commencing
33.23 in 2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the
33.24 fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth
33.25 year from funds withheld from transfer to the renewable development account under section
33.26 116C.779, subdivision 1, ~~paragraphs (b) and (e)~~ paragraph (d), and placed in a separate
33.27 account for the purpose of the solar production incentive program operated by the utility
33.28 and not for any other program or purpose. Any unspent amount allocated in the fifth year
33.29 is available until December 31 of the sixth year. Any unspent amount remaining at the end
33.30 of an allocation year must be transferred to the renewable development account or returned
33.31 to customers. The solar system must be sized to less than 120 percent of the customer's
33.32 on-site annual energy consumption when combined with other distributed generation
33.33 resources and subscriptions provided under section 216B.1641 associated with the premise.

34.1 The production incentive must be paid for ten years commencing with the commissioning
34.2 of the system. The utility must file a plan to operate the program with the commissioner of
34.3 commerce. The utility may not operate the program until it is approved by the commissioner.
34.4 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
34.5 less does not require the utility to file a plan with the commissioner. Any plan approved by
34.6 the commissioner of commerce must not provide an increased incentive scale over prior
34.7 years unless the commissioner demonstrates that changes in the market for solar energy
34.8 facilities require an increase.

34.9 **EFFECTIVE DATE.** This section is effective June 1, 2018.

34.10 **Sec. 3. [116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

34.11 **Subdivision 1. Program established.** The Prairie Island Net Zero Project is established
34.12 with the goal of the Prairie Island Indian Community developing an energy system that
34.13 results in net zero emissions.

34.14 **Subd. 2. Grant.** The commissioner of employment and economic development shall
34.15 enter into a grant contract with the Prairie Island Indian Community to provide \$20,000,000
34.16 on July 1, 2018, and \$5,000,000 each year thereafter for four years to stimulate research,
34.17 development, and implementation of renewable energy projects benefitting the Prairie Island
34.18 Indian Community or its members.

34.19 **Subd. 3. Plan; report.** The Prairie Island Indian Community shall file a plan with the
34.20 commissioner of employment and economic development no later than July 1, 2019,
34.21 describing the elements and implementation strategy of the Prairie Island Net Zero Project.
34.22 The Prairie Island Indian Community shall file a report on July 1, 2020, and each July 1
34.23 thereafter through 2023, describing the progress made in implementing the project and the
34.24 use of funds expended.

34.25 **Subd. 4. Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph
34.26 (k), \$20,000,000 is appropriated in fiscal year 2019 and \$5,000,000 is appropriated each
34.27 year in fiscal years 2020, 2021, 2022, and 2023, from the renewable development account
34.28 under section 116C.779, subdivision 1, to the commissioner of employment and economic
34.29 development for a grant to the Prairie Island Indian Community for the purposes of this
34.30 section. Any funds remaining at the end of a fiscal year do not cancel to the renewable
34.31 development account but remain available until spent. This subdivision expires upon the
34.32 last transfer of funds to the commissioner.

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

35.1 Sec. 4. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to
35.2 read:

35.3 Subd. 10. Offices. The Public Utilities Commission's offices must be located in Virginia,
35.4 Minnesota.

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

35.6 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to
35.7 read:

35.8 Subd. 13a. Pension rate base. The commission must allow a public utility to include
35.9 in the rate base and recover from ratepayers the costs incurred to contribute to employee
35.10 pensions, including (1) accumulated contributions in excess of net periodic benefit costs,
35.11 and (2) contributions necessary to comply with the federal Pension Protection Act of 2006
35.12 and other applicable federal and state pension funding requirements. A public utility is
35.13 authorized to track for future recovery any unrecoverable return of pension rate base costs
35.14 and investments at the return on investment level established in the public utility's last
35.15 general rate case that have been incurred during the period between general rate cases.

35.16 Sec. 6. Minnesota Statutes 2017 Supplement, section 216B.164, subdivision 5, is amended
35.17 to read:

35.18 **Subd. 5. Dispute; resolution.** (a) In the event of disputes between a qualifying facility
35.19 and a public utility and a qualifying facility or a cooperative electric association that has
35.20 not elected to resolve disputes under subdivision 11, either party may request a determination
35.21 of the issue by the commission. In any such determination, the burden of proof shall be on
35.22 the public utility or cooperative electric association. The commission in its order resolving
35.23 each such dispute shall require payments to the prevailing party of the prevailing party's
35.24 costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will
35.25 be required to pay the costs, disbursements, and attorneys' fees of the public utility or
35.26 cooperative electric association only if the commission finds that the claims of the qualifying
35.27 facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

35.28 (b) Notwithstanding subdivisions 9 and 11, a qualifying facility over 20 megawatts may,
35.29 until December 31, 2022, request that the commission resolve a dispute with any utility,
35.30 including a cooperative electric association or municipal utility, under paragraph (a).

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

36.1 Sec. 7. Minnesota Statutes 2016, section 216B.1691, subdivision 2d, is amended to read:

36.2 Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing
36.3 the criteria and standards by which it will measure an electric utility's efforts to meet the
36.4 renewable energy objectives of subdivision 2 to determine whether the utility is making the
36.5 required good faith effort. In this order, the commission shall include criteria and standards
36.6 that protect against undesirable impacts on the reliability of the utility's system and economic
36.7 impacts on the utility's ratepayers and that consider technical feasibility. In an order under
36.8 this subdivision, the commission must also include criteria evaluating whether at least 50
36.9 percent of the hours worked by construction employees at each of the electric utility's eligible
36.10 energy technology project work sites are performed by employees who are (1) Minnesota
36.11 residents for income tax purposes, or (2) reside within 100 miles of the eligible energy
36.12 technology project construction site.

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

36.14 Sec. 8. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended
36.15 to read:

36.16 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
36.17 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
36.18 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
36.19 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
36.20 generated by solar energy.

36.21 (b) For a public utility with more than 200,000 retail electric customers, at least ten
36.22 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
36.23 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

36.24 (c) A public utility with between 50,000 and 200,000 retail electric customers:

36.25 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
36.26 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
36.27 less; and

36.28 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
36.29 of 40 kilowatts or less to a community solar garden program operated by the public utility
36.30 that has been approved by the commission.

36.31 (d) The solar energy standard established in this subdivision is subject to all the provisions
36.32 of this section governing a utility's standard obligation under subdivision 2a.

37.1 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail
37.2 electric sales in Minnesota be generated by solar energy.

37.3 (f) For the purposes of calculating the total retail electric sales of a public utility under
37.4 this subdivision, there shall be excluded retail electric sales to customers that are:

37.5 (1) an iron mining extraction and processing facility, including a scrap mining facility
37.6 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

37.7 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
37.8 manufacturer.

37.9 Those customers may not have included in the rates charged to them by the public utility
37.10 any costs of satisfying the solar standard specified by this subdivision.

37.11 (g) A public utility may not use energy used to satisfy the solar energy standard under
37.12 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
37.13 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
37.14 solar standard under this subdivision.

37.15 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
37.16 with a solar photovoltaic device installed and generating electricity in Minnesota after
37.17 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
37.18 under this subdivision.

37.19 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file
37.20 a report with the commission reporting its progress in achieving the solar energy standard
37.21 established under this subdivision.

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

37.23 Sec. 9. Minnesota Statutes 2016, section 216B.1691, is amended by adding a subdivision
37.24 to read:

37.25 **Subd. 3a. Reports on state and local employment opportunities.** (a) For purposes of
37.26 this subdivision and subdivision 2d, "construction employees" means employees working
37.27 in construction occupations, as defined by the United States Bureau of Labor Statistics.

37.28 **(b) Each electric utility engaged in building an eligible energy technology project under
37.29 the objectives and standards of this section must submit to the commission a quarterly report
37.30 certifying to the best of the utility's knowledge:**

38.1 (1) the total number of hours worked for any employer that quarter by all construction
38.2 employees at the project site, including the full names and addresses of all the construction
38.3 employees;

38.4 (2) the total number of hours worked that quarter for any employer at the project site by
38.5 all construction employees who are Minnesota residents for income tax purposes, including
38.6 the full names and addresses of all Minnesota resident employees; and

38.7 (3) the total number of hours worked for any employer that quarter at the project site by
38.8 all construction employees who reside within 100 miles of the project site, including the
38.9 full names and addresses of all such local resident employees.

38.10 The commission must develop a standard reporting form to facilitate compliance with this
38.11 subdivision.

38.12 (c) The commission must submit to the chairs and ranking minority members of the
38.13 legislative committees with primary jurisdiction over energy policy an annual report prepared
38.14 with the assistance of the Department of Commerce and the Department of Labor and
38.15 Industry that addresses the training and use of Minnesota workers for the general and
38.16 specialized skills required to build eligible energy technology projects that comply with the
38.17 objectives and standards of this section. The report must include the estimated economic
38.18 impacts resulting from the use of local and nonlocal labor on projects under this section.

38.19 (d) Reports submitted under this subdivision are public data under section 13.03,
38.20 subdivision 1.

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

38.22 Sec. 10. Minnesota Statutes 2016, section 216B.1691, subdivision 9, is amended to read:

38.23 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within its
38.24 statutory authority to ensure this section is implemented to maximize benefits to Minnesota
38.25 citizens, balancing factors such as local ownership of or participation in energy production,
38.26 development and ownership of eligible energy technology facilities by independent power
38.27 producers, Minnesota utility ownership of eligible energy technology facilities, the creation
38.28 of high-quality employment opportunities for Minnesota workers and local workers, the
38.29 costs of energy generation to satisfy the renewable standard, and the reliability of electric
38.30 service to Minnesotans.

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

39.1 Sec. 11. Minnesota Statutes 2016, section 216B.243, subdivision 3, is amended to read:

39.2 **Subd. 3. Showing required for construction.** No proposed large energy facility shall
39.3 be certified for construction unless the applicant can show that demand for electricity cannot
39.4 be met more cost effectively through energy conservation and load-management measures
39.5 and unless the applicant has otherwise justified its need. In assessing need, the commission
39.6 shall evaluate:

39.7 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
39.8 the facility is based;

39.9 (2) the effect of existing or possible energy conservation programs under sections 216C.05
39.10 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

39.11 (3) the relationship of the proposed facility to overall state energy needs, as described
39.12 in the most recent state energy policy and conservation report prepared under section
39.13 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
39.14 line to regional energy needs, as presented in the transmission plan submitted under section
39.15 216B.2425;

39.16 (4) promotional activities that may have given rise to the demand for this facility;

39.17 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
39.18 and to increase reliability of energy supply in Minnesota and the region;

39.19 (6) possible alternatives for satisfying the energy demand or transmission needs including
39.20 but not limited to potential for increased efficiency and upgrading of existing energy
39.21 generation and transmission facilities, load-management programs, and distributed generation;

39.22 (7) the policies, rules, and regulations of other state and federal agencies and local
39.23 governments;

39.24 (8) any feasible combination of energy conservation improvements, required under
39.25 section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed
39.26 facility, and (ii) compete with it economically;

39.27 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
39.28 reliability, access, or deliverability to the extent these factors improve the robustness of the
39.29 transmission system or lower costs for electric consumers in Minnesota;

39.30 (10) whether the applicant or applicants are in compliance with applicable provisions
39.31 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
39.32 certain an application for certificate of need under this section or for certification as a priority

40.1 electric transmission project under section 216B.2425 for any transmission facilities or
40.2 upgrades identified under section 216B.2425, subdivision 7;

40.3 (11) whether the applicant has made the demonstrations required under subdivision 3a;
40.4 and

40.5 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
40.6 assessment of the risk of environmental costs and regulation on that proposed facility over
40.7 the expected useful life of the plant, including a proposed means of allocating costs associated
40.8 with that risk; and

40.9 (13) whether the applicant has demonstrated that at least 50 percent of the hours to be
40.10 performed by construction employees at the proposed large energy facility construction site
40.11 are by employees who are Minnesota residents for income tax purposes or employees who
40.12 reside within 100 miles of the proposed large energy facility construction site.

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

40.14 Sec. 12. Minnesota Statutes 2016, section 216B.243, is amended by adding a subdivision
40.15 to read:

40.16 Subd. 3c. **Reports on state and local employment opportunities.** (a) For purposes of
40.17 this subdivision and subdivision 3, clause (13), "construction employees" means employees
40.18 working in construction occupations, as defined by the United States Bureau of Labor
40.19 Statistics.

40.20 (b) A project owner or developer building a large energy facility for which a certificate
40.21 of need has been approved must submit to the commission a quarterly report certifying to
40.22 the best of the project owner's or developer's knowledge:

40.23 (1) the total number of hours worked that quarter by construction employees at the large
40.24 energy facility project site, including the full names and addresses of all the construction
40.25 employees;

40.26 (2) the total number of hours worked that quarter at the project site by construction
40.27 employees who are Minnesota residents for income tax purposes, including the full names
40.28 and addresses of all Minnesota resident employees; and

40.29 (3) the total number of hours worked that quarter at the project site by construction
40.30 employees who reside within 100 miles of the project site, including the full names and
40.31 addresses of all local resident employees.

41.1 The commission must develop a standard reporting form to facilitate compliance with this
41.2 subdivision.

41.3 (c) The commission must prepare annual reports with the assistance of the Department
41.4 of Commerce and the Department of Labor and Industry that address the training and use
41.5 of Minnesota workers for the general and specialized skills required to build large energy
41.6 facilities approved by the commission. The reports must include the estimated economic
41.7 impacts resulting from the use of local and nonlocal labor on the projects. The reports must
41.8 be submitted each year to the chairs and ranking minority members of the legislative
41.9 committees with primary jurisdiction over energy policy.

41.10 (d) Reports submitted under this subdivision are public data under section 13.03,
41.11 subdivision 1.

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

41.13 Sec. 13. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

41.14 Subd. 8. **Exemptions.** (a) This section does not apply to:

41.15 (1) cogeneration or small power production facilities as defined in the Federal Power
41.16 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
41.17 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
41.18 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
41.19 any case where the commission has determined after being advised by the attorney general
41.20 that its application has been preempted by federal law;

41.21 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
41.22 the demand of a single customer at a single location, unless the applicant opts to request
41.23 that the commission determine need under this section or section 216B.2425;

41.24 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
41.25 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
41.26 request that the commission determine need under this section or section 216B.2425;

41.27 (4) a high-voltage transmission line of one mile or less required to connect a new or
41.28 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

41.29 (5) conversion of the fuel source of an existing electric generating plant to using natural
41.30 gas;

42.1 (6) the modification of an existing electric generating plant to increase efficiency, as
42.2 long as the capacity of the plant is not increased more than ten percent or more than 100
42.3 megawatts, whichever is greater;

42.4 (7) a wind energy conversion system or solar electric generation facility if the system
42.5 or facility is owned and operated by an independent power producer and the electric output
42.6 of the system or facility is not sold to an entity that provides retail service in Minnesota or
42.7 wholesale electric service to another entity in Minnesota other than an entity that is a federally
42.8 recognized regional transmission organization or independent system operator; or

42.9 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
42.10 2, or a solar energy generating ~~large energy facility, system~~ as defined in section ~~216B.2421~~,
42.11 subdivision 2, 216E.01, subdivision 9a, with a nameplate capacity of five megawatts or
42.12 more, including such systems that are engaging in a repowering project ~~that:~~.

42.13 (i) ~~will not result in the facility exceeding the nameplate capacity under its most recent~~
42.14 ~~interconnection agreement; or~~

42.15 (ii) ~~will result in the facility exceeding the nameplate capacity under its most recent~~
42.16 ~~interconnection agreement, provided that the Midcontinent Independent System Operator~~
42.17 ~~has provided a signed generator interconnection agreement that reflects the expected net~~
42.18 ~~power increase.~~

42.19 (b) For the purpose of this subdivision, "repowering project" means:

42.20 (1) modifying a large wind energy conversion system or a solar energy generating large
42.21 energy facility to increase its efficiency ~~without increasing its nameplate capacity~~;

42.22 (2) replacing turbines in a large wind energy conversion system ~~without increasing the~~
42.23 ~~nameplate capacity of the system~~; or

42.24 (3) increasing the nameplate capacity of a large wind energy conversion system.

42.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and
42.26 applies to a large wind energy conversion system or a solar energy generating system that
42.27 has not received a final decision on a certificate of need application filed with the commission
42.28 before that date.

42.29 Sec. 14. **[216C.419] RESIDENTIAL BIOMASS HEATING SYSTEM GRANT**
42.30 **PROGRAM.**

42.31 Subdivision 1. **Definition.** For purposes of this section, the following definitions have
42.32 the meanings given.

43.1 (a) "Homeowner" means the owner of a residential homestead, as defined in section
43.2 273.124, subdivision 1, paragraph (a), or the owner of an agricultural homestead, as defined
43.3 in section 273.13, subdivision 23, paragraph (a).

43.4 (b) "Residential biomass heating system" means:
43.5 (1) a pellet stove or wood heater, as defined in Code of Federal Regulations, title 40,
43.6 section 60.531; or

43.7 (2) a residential forced-air furnace or residential hydronic heater, as defined in Code of
43.8 Federal Regulations, title 40, section 60.5473.

43.9 Subd. 2. **Establishment.** A grant program is established under the Department of
43.10 Commerce to award grants to homeowners to fund the purchase and installation of a
43.11 residential biomass heating system.

43.12 Subd. 3. **Eligible expenditures.** (a) Grants awarded to a homeowner under this section
43.13 may be used to pay up to the lesser of 33 percent of the cost to purchase and install a
43.14 residential biomass heating system in the homeowner's residence, or \$5,000.

43.15 (b) No grant may be awarded under this section to a homeowner for a residential biomass
43.16 heating system that is not certified by the federal Environmental Protection Agency as
43.17 meeting the 2015 New Source Performance Standards for air emissions for these heating
43.18 systems, contained in Code of Federal Regulations, title 40, part 60, subparts AAA and
43.19 QQQQ, as applicable.

43.20 Subd. 4. **Application process.** A homeowner must submit an application to the
43.21 commissioner on a form prescribed by the commissioner. The commissioner must develop
43.22 administrative procedures governing the application and grant award process, and must
43.23 award grants on a first-come, first-served basis.

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

43.25 Sec. 15. **[216C.437] LOCAL GOVERNMENT EMERALD ASH BORER REMOVAL**
43.26 **GRANT PROGRAM.**

43.27 Subdivision 1. **Establishment.** The Department of Agriculture must establish a program
43.28 to:

43.29 (1) assist eligible local units of government collect and dispose of the wood waste created
43.30 when ash trees are removed from public land due to either (i) emerald ash borer infestation,
43.31 or (ii) an emerald ash borer management program;

44.1 (2) award grants to process the wood waste into usable biomass fuel, properly transport
44.2 the biomass fuel to an eligible district heating and cooling system cogeneration facility, and
44.3 use the biomass fuel to generate electricity and thermal energy; and

44.4 (3) reduce the biomass fuel costs passed through by an eligible heating and cooling
44.5 system cogeneration facility to the public utility that owns the Prairie Island nuclear
44.6 generating plant.

44.7 Subd. 2. **Eligibility.** In order to be eligible for the program under subdivision 1, an
44.8 applicant must be a district heating and cooling system cogeneration facility that:

44.9 (1) is located in the city of St. Paul;

44.10 (2) operates as a nonprofit entity;

44.11 (3) accepts wood waste from a local unit of government that is:

44.12 (i) located within the service area of the public utility that is subject to section 116C.779;

44.13 (ii) located in a county or portion of a county that has been designated by the
44.14 commissioner of agriculture as quarantined with respect to the transportation of woody
44.15 materials from ash trees due to demonstrated emerald ash borer infestation; and

44.16 (iii) responsible for the removal of diseased ash trees from public lands within its
44.17 jurisdiction; and

44.18 (4) uses biomass fuel to generate electricity and thermal energy.

44.19 Subd. 3. **Eligible expenditures.** (a) Grants may be awarded under this section to an
44.20 eligible recipient under subdivision 2 to:

44.21 (1) process into acceptable biomass fuel woody materials containing ash trees that have
44.22 been removed due to disease or implementation of an emerald ash borer management
44.23 program; or

44.24 (2) transport processed biomass fuel, woody materials infested by emerald ash borer,
44.25 and woody material removed under an emerald ash borer management program to a storage
44.26 location or to the district heating and cooling system cogeneration facility in downtown St.
44.27 Paul.

44.28 (b) Grant funds may be used to pay reasonable costs incurred by the Department of
44.29 Agriculture to administer this section.

44.30 (c) All funds awarded under paragraph (a) must reduce on a dollar-for-dollar basis the
44.31 charges billed by an eligible heating and cooling system cogeneration facility to the public

45.1 utility that owns the Prairie Island Nuclear Electric Generating Plant under the power
45.2 purchase agreement in effect on January 1, 2018. A heating and cooling system cogeneration
45.3 facility receiving a grant under this section must submit a monthly statement showing the
45.4 reduction in charges resulting from the requirement of this paragraph to the public utility
45.5 that owns the Prairie Island Nuclear Electric Generating Plant.

45.6 Subd. 4. **Expiration.** This section expires the day after the power purchase agreement
45.7 in effect on January 1, 2018, between an eligible heating and cooling system cogeneration
45.8 facility and the public utility that owns the Prairie Island Nuclear Electric Generating Plant
45.9 expires. This section does not extend or renew a power purchase agreement referenced in
45.10 this subdivision.

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

45.12 Sec. 16. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

45.13 Subd. 9. **Timing.** The commission shall make a final decision on an application within
45.14 60 days after receipt of the report of the administrative law judge. A final decision on the
45.15 request for a site permit or route permit shall be made within one year after the commission's
45.16 determination that an application is complete. The commission may extend this time limit
45.17 for up to three months 30 days for just cause or upon agreement of the applicant.

45.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
45.19 applies to any application filed with the commission on or after that date.

45.20 Sec. 17. Minnesota Statutes 2016, section 216E.04, subdivision 2, is amended to read:

45.21 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to
45.22 the following projects:

- 45.23 (1) large electric power generating plants with a capacity of less than 80 megawatts;
- 45.24 (2) large electric power generating plants that are fueled by natural gas;
- 45.25 (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- 45.26 (4) high-voltage transmission lines in excess of 200 kilovolts and less than five miles
45.27 in length in Minnesota;
- 45.28 (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of
45.29 the distance of the line in Minnesota will be located along existing high-voltage transmission
45.30 line right-of-way;

46.1 (6) a high-voltage transmission line service extension to a single customer between 200
46.2 and 300 kilovolts and less than ten miles in length;

46.3 (7) a high-voltage transmission line rerouting to serve the demand of a single customer
46.4 when the rerouted line will be located at least 80 percent on property owned or controlled
46.5 by the customer or the owner of the transmission line; and

46.6 (8) large electric power generating plants that are powered by solar energy; and

46.7 (9) a high-voltage transmission line in excess of 200 kilovolts, if the applicant is able
46.8 to demonstrate secured voluntary easements or other agreements with all landowners located
46.9 within the proposed route's right-of-way.

46.10 Sec. 18. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

46.11 **Subd. 7. Timing.** The commission shall make a final decision on an application within
46.12 60 days after completion of the public hearing. A final decision on the request for a site
46.13 permit or route permit under this section shall be made within six months after the
46.14 commission's determination that an application is complete. The commission may extend
46.15 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the
46.16 applicant.

46.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
46.18 applies to any application filed with the commission on or after that date.

46.19 Sec. 19. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

46.20 **Subd. 2. Large wind energy conversion system or LWECS.** "Large wind energy
46.21 conversion system" or "LWECS" means any combination of WECS with a combined
46.22 nameplate capacity of 5,000 kilowatts or more and transmission lines directly associated
46.23 with the LWECS that are necessary to interconnect the LWECS with the transmission
46.24 system.

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

46.26 Sec. 20. Laws 2017, chapter 94, article 10, section 28, is amended to read:

46.27 **Sec. 28. PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
46.28 **THERMAL REBATES.**

46.29 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner
46.30 of a solar thermal system whose application was approved by the commissioner of commerce
46.31 after the effective date of this act.

47.1 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
47.2 section 216C.416, as of July 2, 2017, must be transferred to the ~~CLEAF~~ renewable
47.3 development account established under Minnesota Statutes 2016, section 116C.779,
47.4 subdivision 1.

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

47.6 Sec. 21. Laws 2017, chapter 94, article 10, section 29, is amended to read:

47.7 **Sec. 29. RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF
47.8 UNEXPENDED GRANT FUNDS.**

47.9 (a) No later than 30 days after the effective date of this section, the utility subject to
47.10 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person
47.11 who received a grant funded from the renewable development account ~~previously~~ established
47.12 under that subdivision:

47.13 (1) after January 1, 2012; and

47.14 (2) before January 1, 2012, if the funded project remains incomplete as of the effective
47.15 date of this section.

47.16 The notice must contain the provisions of this section and instructions directing grant
47.17 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~
47.18 renewable development account.

47.19 (b) A recipient of a grant from the renewable development account ~~previously~~ established
47.20 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after
47.21 receiving the notice required under paragraph (a), transfer any grant funds that remain
47.22 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~
47.23 renewable development account if, by that effective date, all of the following conditions
47.24 are met:

47.25 (1) the grant was awarded more than five years before the effective date of this section;

47.26 (2) the grant recipient has failed to obtain control of the site on which the project is to
47.27 be constructed;

47.28 (3) the grant recipient has failed to secure all necessary permits or approvals from any
47.29 unit of government with respect to the project; and

47.30 (4) construction of the project has not begun.

48.1 (c) A recipient of a grant from the renewable development account previously established
48.2 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds
48.3 that remain unexpended five years after the grant funds are received by the grant recipient
48.4 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant
48.5 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary
48.6 of the receipt of the grant funds.

48.7 (d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable
48.8 development account under this section is eligible to apply for funding from the ~~clean energy~~
48.9 advancement fund renewable development account.

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

48.11 Sec. 22. **REPEALER.**

48.12 Minnesota Statutes 2016, section 216B.2423, is repealed.

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

48.14 **ARTICLE 4**

48.15 **HOUSING**

48.16 Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
48.17 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

48.18 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
48.19 new construction or remodeling of any building subject to the Minnesota Residential Code.

48.20 Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if
48.21 implementation of a proposed rule, or any portion of a proposed rule, will, on average,
48.22 increase the cost of residential construction or remodeling by \$1,000 or more per unit, and
48.23 whether the proposed rule meets the state regulatory policy objectives described in section
48.24 14.002. In calculating the cost of implementing a proposed rule, the agency may consider
48.25 the impact of other related proposed rules on the overall cost of residential construction. If
48.26 applicable, the agency may include offsetting savings that may be achieved through
48.27 implementation of related proposed rules in its calculation under this subdivision.

48.28 (b) The agency must make the determination required by paragraph (a) before the close
48.29 of the hearing record, or before the agency submits the record to the administrative law
48.30 judge if there is no hearing. Upon request of a party affected by the proposed rule, the
48.31 administrative law judge must review and approve or disapprove an agency's determination
48.32 under this subdivision.

49.1 Subd. 3. Notice to legislature; legislative review. If the agency determines that the
49.2 impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or
49.3 if the administrative law judge separately confirms the cost of any portion of a rule exceeds
49.4 the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair
49.5 and ranking minority members of the policy committees of the legislature with jurisdiction
49.6 over the subject matter of the proposed rule within ten days of the determination. The agency
49.7 shall not adopt the proposed rule until after the adjournment of the next annual session of
49.8 the legislature convened on or after the date that notice required in this subdivision is given
49.9 to the chairs and ranking minority members.

49.10 EFFECTIVE DATE. This section is effective August 1, 2018, and applies to
49.11 administrative rules proposed on or after that date.

49.12 Sec. 2. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

49.13 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
49.14 an initial or renewed residential contractor, residential remodeler, or residential roofer license
49.15 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
49.16 home installers under section 327B.041 is \$300 \$180 for a three-year period.

49.17 (b) All initial and renewal licenses, except for manufactured home installer licenses,
49.18 shall be effective for two years and shall expire on March 31 of the year after the year in
49.19 which the application is made.

49.20 (c) The commissioner shall in a manner determined by the commissioner, without the
49.21 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
49.22 residential remodeler, and residential roofer licenses from one year to two years. By June
49.23 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
49.24 licenses shall be two-year licenses.

49.25 Sec. 3. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision to
49.26 read:

49.27 Subd. 23. Modular home. "Modular home" means a building or structural unit of closed
49.28 construction that has been substantially manufactured or constructed, in whole or in part,
49.29 at an off-site location, with the final assembly occurring on site alone or with other units
49.30 and attached to a foundation designed to the State Building Code and occupied as a
49.31 single-family dwelling. Modular home construction must comply with applicable standards
49.32 adopted in Minnesota Rules, chapter 1360 or 1361.

50.1 Sec. 4. **[327.335] PLACEMENT OF MODULAR HOMES.**

50.2 Notwithstanding any other law or ordinance to the contrary, a modular home may be
50.3 placed in a manufactured home park as defined in section 327.14, subdivision 3. A modular
50.4 home placed in a manufactured home park is a manufactured home for purposes of chapters
50.5 327C and 504B and all rights, obligations, and duties, under those chapters apply. A modular
50.6 home may not be placed in a manufactured home park without prior written approval of the
50.7 park owner. A modular home placed in a manufactured home park under this section shall
50.8 be assessed and taxed as a manufactured home.

50.9 Sec. 5. Minnesota Statutes 2016, section 327B.041, is amended to read:

50.10 **327B.041 MANUFACTURED HOME INSTALLERS.**

50.11 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
50.12 the requirements of sections 326B.802 to 326B.885, except for the following:

50.13 (1) manufactured home installers are not subject to the continuing education requirements
50.14 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
50.15 requirements established in rules adopted under section 327B.10;

50.16 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
50.17 home installers shall be satisfied by successful completion of a written examination
50.18 administered and developed specifically for the examination of manufactured home installers.
50.19 The examination must be administered and developed by the commissioner. The
50.20 commissioner and the state building official shall seek advice on the grading, monitoring,
50.21 and updating of examinations from the Minnesota Manufactured Housing Association;

50.22 (3) a local government unit may not place a surcharge on a license fee, and may not
50.23 charge a separate fee to installers;

50.24 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
50.25 from licensure under sections 326B.802 to 326B.885;

50.26 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
50.27 and

50.28 (6) manufactured home installers are not subject to the contractor recovery fund in
50.29 section 326B.89.

50.30 (b) The commissioner may waive all or part of the requirements for licensure as a
50.31 manufactured home installer for any individual who holds an unexpired license or certificate
50.32 issued by any other state or other United States jurisdiction if the licensing requirements of

51.1 that jurisdiction meet or exceed the corresponding licensing requirements of the department
51.2 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
51.3 purposes of calculating fees under section 326B.092, licensure as a manufactured home
51.4 installer is a business license.

51.5 Sec. 6. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

51.6 **Subd. 4. Public hearing; relocation compensation; neutral third party.** The governing
51.7 body of the affected municipality shall hold a public hearing to review the closure statement
51.8 and any impact that the park closing may have on the displaced residents and the park owner.
51.9 At the time of, and in the notice for, the public hearing, displaced residents must be informed
51.10 that they may be eligible for payments from the Minnesota manufactured home relocation
51.11 trust fund under section 462A.35 as compensation for reasonable relocation costs under
51.12 subdivision 13, paragraphs (a) and (e).

51.13 The governing body of the municipality may also require that other parties, including
51.14 the municipality, but excluding the park owner or its purchaser, involved in the park closing
51.15 provide additional compensation to residents to mitigate the adverse financial impact of the
51.16 park closing upon the residents.

51.17 At the public hearing, the municipality shall appoint a qualified neutral third party, to
51.18 be agreed upon by both the manufactured home park owner and manufactured home owners,
51.19 whose hourly cost must be reasonable and paid from the Minnesota manufactured home
51.20 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with
51.21 decision-making authority to resolve any questions or disputes regarding any contributions
51.22 or disbursements to and from the Minnesota manufactured home relocation trust fund by
51.23 either the manufactured home park owner or the manufactured home owners. If the parties
51.24 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine
51.25 who shall act as the neutral third party.

51.26 The qualified neutral third party shall be familiar with manufactured housing and the
51.27 requirements of this section. The neutral third party shall keep an overall receipts and cost
51.28 summary together with a detailed accounting, for each manufactured lot, of the payments
51.29 received by the manufactured home park owner, and expenses approved and payments
51.30 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well
51.31 as a record of all services and hours it provided and at what hourly rate it charged to the
51.32 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the
51.33 manufactured home park owner, the municipality, and the Minnesota Housing Finance
51.34 Agency to be included in its yearly August 15 report as required in subdivision 13, paragraph

52.1 (h), not later than 30 days after the expiration of the nine-month notice provided in the
52.2 closure statement.

52.3 Sec. 7. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

52.4 **Subd. 6. Intent to convert use of park at time of purchase.** Before the execution of
52.5 an agreement to purchase a manufactured home park, the purchaser must notify the park
52.6 owner, in writing, if the purchaser intends to close the manufactured home park or convert
52.7 it to another use within one year of the execution of the agreement. The park owner shall
52.8 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
52.9 intent to close the park or convert it to another use. The notice must state that the park owner
52.10 will provide information on the cash price and the terms and conditions of the purchaser's
52.11 offer to residents requesting the information. The notice must be sent by first class mail to
52.12 a resident of each manufactured home in the park. The notice period begins on the postmark
52.13 date affixed to the notice and ends 45 days after it begins. During the notice period required
52.14 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
52.15 or a nonprofit organization which has the written permission of the owners of at least 51
52.16 percent of the manufactured homes in the park to represent them in the acquisition of the
52.17 park shall have the right to meet the cash price and execute an agreement to purchase the
52.18 park for the purposes of keeping the park as a manufactured housing community, provided
52.19 that the owners or nonprofit organization will covenant and warrant to the park owner in
52.20 the agreement that they will continue to operate the park for not less than six years from
52.21 the date of closing. The park owner must accept the offer if it meets the cash price and the
52.22 same terms and conditions set forth in the purchaser's offer except that the seller is not
52.23 obligated to provide owner financing. For purposes of this section, cash price means the
52.24 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
52.25 paragraph (d).

52.26 Sec. 8. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

52.27 **Subd. 12. Payment to the Minnesota manufactured home relocation trust fund.** (a)
52.28 If a manufactured home owner is required to move due to the conversion of all or a portion
52.29 of a manufactured home park to another use, the closure of a park, or cessation of use of
52.30 the land as a manufactured home park, the manufactured park owner shall, upon the change
52.31 in use, pay to the commissioner of management and budget for deposit in the Minnesota
52.32 manufactured home relocation trust fund under section 462A.35, the lesser amount of the
52.33 actual costs of moving or purchasing the manufactured home approved by the neutral third
52.34 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph

53.1 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each
53.2 multisection manufactured home, for which a manufactured home owner has made
53.3 application for payment of relocation costs under subdivision 13, paragraph (c). The
53.4 manufactured home park owner shall make payments required under this section to the
53.5 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice
53.6 from the neutral third party.

53.7 (b) A manufactured home park owner is not required to make the payment prescribed
53.8 under paragraph (a), nor is a manufactured home owner entitled to compensation under
53.9 subdivision 13, paragraph (a) or (e), if:

53.10 (1) the manufactured home park owner relocates the manufactured home owner to
53.11 another space in the manufactured home park or to another manufactured home park at the
53.12 park owner's expense;

53.13 (2) the manufactured home owner is vacating the premises and has informed the
53.14 manufactured home park owner or manager of this prior to the mailing date of the closure
53.15 statement under subdivision 1;

53.16 (3) a manufactured home owner has abandoned the manufactured home, or the
53.17 manufactured home owner is not current on the monthly lot rental, personal property taxes;

53.18 (4) the manufactured home owner has a pending eviction action for nonpayment of lot
53.19 rental amount under section 327C.09, which was filed against the manufactured home owner
53.20 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery
53.21 has been ordered by the district court;

53.22 (5) the conversion of all or a portion of a manufactured home park to another use, the
53.23 closure of a park, or cessation of use of the land as a manufactured home park is the result
53.24 of a taking or exercise of the power of eminent domain by a governmental entity or public
53.25 utility; or

53.26 (6) the owner of the manufactured home is not a resident of the manufactured home
53.27 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home
53.28 is a resident, but came to reside in the manufactured home park after the mailing date of
53.29 the closure statement under subdivision 1.

53.30 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
53.31 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of
53.32 management and budget shall assess each manufactured home park owner by mail the total
53.33 amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November

54.1 15 of that year. ~~The commissioner of management Failure to notify and budget shall deposit~~
54.2 ~~any payments in the Minnesota timely assess the manufactured home relocation trust fund.~~
54.3 ~~On or before July 15 of park owner by August 30 of any year shall waive the assessment~~
54.4 ~~and payment obligations of the manufactured home park owner for that year. Together with~~
54.5 ~~said assessment notice, each year, the commissioner of management and budget shall prepare~~
54.6 and distribute to park owners a letter explaining whether funds are being collected for that
54.7 year, information about the collection, an invoice for all licensed lots, and a sample form
54.8 for the park owners to collect information on which park residents have been accounted
54.9 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15
54.10 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
54.11 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park
54.12 owners may adjust payment for lots in their park that are vacant or otherwise not eligible
54.13 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),
54.14 and deduct from the assessment accordingly. The commissioner of management and budget
54.15 shall deposit any payments in the Minnesota manufactured home relocation trust fund.

54.16 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
54.17 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action
54.18 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
54.19 attorney fees, court costs, and disbursements.

54.20 Sec. 9. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

54.21 **Subd. 13. Change in use, relocation expenses; payments by park owner.** (a) If a
54.22 manufactured home owner is required to relocate due to the conversion of all or a portion
54.23 of a manufactured home park to another use, the closure of a manufactured home park, or
54.24 cessation of use of the land as a manufactured home park under subdivision 1, and the
54.25 manufactured home owner complies with the requirements of this section, the manufactured
54.26 home owner is entitled to payment from the Minnesota manufactured home relocation trust
54.27 fund equal to the manufactured home owner's actual relocation costs for relocating the
54.28 manufactured home to a new location within a 25-mile radius of the park that is being closed,
54.29 up to a maximum of ~~\$7,000~~ \$9,000 for a single-section and \$12,500 for a multisecton
54.30 manufactured home. The actual relocation costs must include the reasonable cost of taking
54.31 down, moving, and setting up the manufactured home, including equipment rental, utility
54.32 connection and disconnection charges, minor repairs, modifications necessary for
54.33 transportation of the home, necessary moving permits and insurance, moving costs for any
54.34 appurtenances, which meet applicable local, state, and federal building and construction
54.35 codes.

55.1 (b) A manufactured home owner is not entitled to compensation under paragraph (a) if
55.2 the manufactured home park owner is not required to make a payment to the Minnesota
55.3 manufactured home relocation trust fund under subdivision 12, paragraph (b).

55.4 (c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota
55.5 manufactured home relocation trust fund, the manufactured home owner shall submit to the
55.6 neutral third party and the Minnesota Housing Finance Agency, with a copy to the park
55.7 owner, an application for payment, which includes:

55.8 (1) a copy of the closure statement under subdivision 1;

55.9 (2) a copy of the contract with a moving or towing contractor, which includes the
55.10 relocation costs for relocating the manufactured home;

55.11 (3) a statement with supporting materials of any additional relocation costs as outlined
55.12 in subdivision 1;

55.13 (4) a statement certifying that none of the exceptions to receipt of compensation under
55.14 subdivision 12, paragraph (b), apply to the manufactured home owner;

55.15 (5) a statement from the manufactured park owner that the lot rental is current and that
55.16 the annual \$15 payments payment to the Minnesota manufactured home relocation trust
55.17 fund have has been paid when due; and

55.18 (6) a statement from the county where the manufactured home is located certifying that
55.19 personal property taxes for the manufactured home are paid through the end of that year.

55.20 (d) The neutral third party shall promptly process all payments within 14 days. If the
55.21 neutral third party has acted reasonably and does not approve or deny payment within 45
55.22 days after receipt of the information set forth in paragraph (c), the payment is deemed
55.23 approved. Upon approval and request by the neutral third party, the Minnesota Housing
55.24 Finance Agency shall issue two checks in equal amount for 50 percent of the contract price
55.25 payable to the mover and towing contractor for relocating the manufactured home in the
55.26 amount of the actual relocation cost, plus a check to the home owner for additional certified
55.27 costs associated with third-party vendors, that were necessary in relocating the manufactured
55.28 home. The moving or towing contractor shall receive 50 percent upon execution of the
55.29 contract and 50 percent upon completion of the relocation and approval by the manufactured
55.30 home owner. The moving or towing contractor may not apply the funds to any other purpose
55.31 other than relocation of the manufactured home as provided in the contract. A copy of the
55.32 approval must be forwarded by the neutral third party to the park owner with an invoice for
55.33 payment of the amount specified in subdivision 12, paragraph (a).

56.1 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
56.2 relocation trust fund under paragraph (a), the manufactured home owner may collect an
56.3 amount from the fund after reasonable efforts to relocate the manufactured home have failed
56.4 due to the age or condition of the manufactured home, or because there are no manufactured
56.5 home parks willing or able to accept the manufactured home within a 25-mile radius. A
56.6 manufactured home owner may tender title of the manufactured home in the manufactured
56.7 home park to the manufactured home park owner, and collect an amount to be determined
56.8 by an independent appraisal. The appraiser must be agreed to by both the manufactured
56.9 home park owner and the manufactured home owner. If the appraised market value cannot
56.10 be determined, the tax market value, averaged over a period of five years, can be used as a
56.11 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
56.12 single-section and \$14,500 for a multisecton manufactured home. The minimum amount
56.13 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
56.14 multisecton manufactured home. The manufactured home owner shall deliver to the
56.15 manufactured home park owner the current certificate of title to the manufactured home
56.16 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
56.17 of title, and a statement from the county where the manufactured home is located evidencing
56.18 that the personal property taxes have been paid. The manufactured home owner's application
56.19 for funds under this paragraph must include a document certifying that the manufactured
56.20 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
56.21 Minnesota manufactured home relocation trust fund have been paid when due, that the
56.22 manufactured home owner has chosen to tender title under this section, and that the park
56.23 owner agrees to make a payment to the commissioner of management and budget in the
56.24 amount established in subdivision 12, paragraph (a), less any documented costs submitted
56.25 to the neutral third party, required for demolition and removal of the home, and any debris
56.26 or refuse left on the lot, not to exceed \$1,000 \$3,000. The manufactured home owner must
56.27 also provide a copy of the certificate of title endorsed by the owner of record, and certify
56.28 to the neutral third party, with a copy to the park owner, that none of the exceptions to
56.29 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
56.30 manufactured home owner, and that the home owner will vacate the home within 60 days
56.31 after receipt of payment or the date of park closure, whichever is earlier, provided that the
56.32 monthly lot rent is kept current.

56.33 (f) The Minnesota Housing Finance Agency must make a determination of the amount
56.34 of payment a manufactured home owner would have been entitled to under a local ordinance
56.35 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's
56.36 compensation for relocation costs from the fund under section 462A.35, is the greater of

57.1 the amount provided under this subdivision, or the amount under the local ordinance in
57.2 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this
57.3 paragraph is intended to increase the liability of the park owner.

57.4 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be
57.5 liable to any person for recovery if the funds in the Minnesota manufactured home relocation
57.6 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance
57.7 Agency shall keep a record of the time and date of its approval of payment to a claimant.

57.8 (h)(1) By October 15, 2018, the Minnesota Housing Finance Agency shall post on its
57.9 Web site and report to the chairs of the senate Finance Committee and house of
57.10 representatives Ways and Means Committee on the Minnesota manufactured home relocation
57.11 trust fund, including the account balance, payments to claimants, the amount of any advances
57.12 to the fund, the amount of any insufficiencies encountered during the previous calendar
57.13 year, and any itemized administrative charges or expenses deducted from the trust fund
57.14 balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall
57.15 pay the manufactured home owner whose unpaid claim is the earliest by time and date of
57.16 approval.

57.17 (2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its Web
57.18 site and report to the chairs of the senate Finance Committee and house of representatives
57.19 Ways and Means Committee by January October 15 of each year on the Minnesota
57.20 manufactured home relocation trust fund, including the aggregate account balance, the
57.21 aggregate assessment payments received, summary information regarding each closed park
57.22 including the total payments to claimants and payments received from each closed park,
57.23 the amount of any advances to the fund, the amount of any insufficiencies encountered
57.24 during the previous calendar fiscal year, reports of neutral third parties provided pursuant
57.25 to subdivision 4, and any itemized administrative charges or expenses deducted from the
57.26 trust fund balance, all of which should be reconciled to the previous year's trust fund balance.
57.27 If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the
57.28 manufactured home owner whose unpaid claim is the earliest by time and date of approval.

57.29 Sec. 10. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision
57.30 to read:

57.31 Subd. 16. Reporting of licensed manufactured home parks. The Department of Health
57.32 or, if applicable, local units of government that have entered into a delegation of authority
57.33 agreement with the Department of Health as provided in section 145A.07 shall provide, by
57.34 March 31 of each year, a list of names and addresses of the manufactured home parks

58.1 licensed in the previous year, and for each manufactured home park, the current licensed
58.2 owner, the owner's address, the number of licensed manufactured home lots, and other data
58.3 as they may request for the Department of Management and Budget to invoice each licensed
58.4 manufactured home park in Minnesota.

58.5 Sec. 11. Minnesota Statutes 2016, section 462A.222, subdivision 3, is amended to read:

58.6 **Subd. 3. Allocation procedure.** (a) Projects will be awarded tax credits in two
58.7 competitive rounds on an annual basis. The date for applications for each round must be
58.8 determined by the agency. No allocating agency may award tax credits prior to the application
58.9 dates established by the agency.

58.10 (b) Each allocating agency must meet the requirements of section 42(m) of the Internal
58.11 Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax
58.12 credits and the selection of projects.

58.13 (c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4)
58.14 of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the
58.15 project satisfies the requirements of the allocating agency's qualified allocation plan. For
58.16 projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the
58.17 Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds
58.18 for the project, or the issuer of the bonds for the project is located outside the jurisdiction
58.19 of a city or county that has received reserved tax credits, the applicable allocation plan is
58.20 the agency's qualified allocation plan. Notwithstanding this paragraph, any projects that are
58.21 eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue
58.22 Code of 1986, as amended, for which the Minnesota Housing Finance Agency is the issuer
58.23 of the bonds for the project, or the issuer of the bonds for the project is located outside the
58.24 jurisdiction of a city or county that has received reserved tax credits, and such project meets
58.25 the requirements of both section 474A.047 and section 42 of the Internal Revenue Code,
58.26 such projects shall be deemed for all purposes to have satisfied all the requirements of the
58.27 Minnesota Housing Finance Agency's qualified allocation plan and all other related guidance
58.28 and requirements and the agency shall timely issue the necessary determination letters under
58.29 section 42(m) of the Internal Revenue Code of 1986, as amended, or Form 8609. The
58.30 Minnesota Housing Finance Agency's qualified allocation plan is required to contain the
58.31 provisions of this subdivision.

58.32 (d) For applications submitted for the first round, an allocating agency may allocate tax
58.33 credits only to the following types of projects:

58.34 (1) in the metropolitan area:

- 59.1 (i) new construction or substantial rehabilitation of projects in which, for the term of the
59.2 extended use period, at least 75 percent of the total tax credit units are single-room
59.3 occupancy, efficiency, or one bedroom units and which are affordable by households whose
59.4 income does not exceed 30 percent of the median income;
- 59.5 (ii) new construction or substantial rehabilitation family housing projects that are not
59.6 restricted to persons who are 55 years of age or older and in which, for the term of the
59.7 extended use period, at least 75 percent of the tax credit units contain two or more bedrooms
59.8 and at least one-third of the 75 percent contain three or more bedrooms; or
- 59.9 (iii) substantial rehabilitation projects in neighborhoods targeted by the city for
59.10 revitalization;
- 59.11 (2) outside the metropolitan area, projects which meet a locally identified housing need
59.12 and which are in short supply in the local housing market as evidenced by credible data
59.13 submitted with the application;
- 59.14 (3) projects that are not restricted to persons of a particular age group and in which, for
59.15 the term of the extended use period, a percentage of the units are set aside and rented to
59.16 persons:
- 59.17 (i) with a serious and persistent mental illness as defined in section 245.462, subdivision
59.18 20, paragraph (c);
- 59.19 (ii) with a developmental disability as defined in United States Code, title 42, section
59.20 6001, paragraph (5), as amended through December 31, 1990;
- 59.21 (iii) who have been assessed as drug dependent persons as defined in section 254A.02,
59.22 subdivision 5, and are receiving or will receive care and treatment services provided by an
59.23 approved treatment program as defined in section 254A.02, subdivision 2;
- 59.24 (iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or
- 59.25 (v) with permanent physical disabilities that substantially limit one or more major life
59.26 activities, if at least 50 percent of the units in the project are accessible as provided under
59.27 Minnesota Rules, chapter 1340;
- 59.28 (4) projects, whether or not restricted to persons of a particular age group, which preserve
59.29 existing subsidized housing, if the use of tax credits is necessary to prevent conversion to
59.30 market rate use or to remedy physical deterioration of the project which would result in loss
59.31 of existing federal subsidies; or

60.1 (5) projects financed by the Farmers Home Administration, or its successor agency,
60.2 which meet statewide distribution goals.

60.3 (e) Before the date for applications for the final round, the allocating agencies other than
60.4 the agency shall return all uncommitted and unallocated tax credits to a unified pool for
60.5 allocation by the agency on a statewide basis.

60.6 (f) Unused portions of the state ceiling for low-income housing tax credits reserved to
60.7 cities and counties for allocation may be returned at any time to the agency for allocation.

60.8 (g) If an allocating agency determines, at any time after the initial commitment or
60.9 allocation for a specific project, that a project is no longer eligible for all or a portion of the
60.10 low-income housing tax credits committed or allocated to the project, the credits must be
60.11 transferred to the agency to be reallocated pursuant to the procedures established in
60.12 paragraphs (e) to (g); provided that if the tax credits for which the project is no longer
60.13 eligible are from the current year's annual ceiling and the allocating agency maintains a
60.14 waiting list, the allocating agency may continue to commit or allocate the credits until not
60.15 later than the date of applications for the final round, at which time any uncommitted credits
60.16 must be transferred to the agency.

60.17 Sec. 12. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
60.18 to read:

60.19 Subd. 1a. Aggregate bond limitation. "Aggregate bond limitation" means up to 55
60.20 percent of the reasonably expected aggregate basis of a residential rental project and the
60.21 land on which the project is or will be located.

60.22 Sec. 13. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
60.23 to read:

60.24 Subd. 1b. AMI. "AMI" means the area median income for the applicable county or
60.25 metropolitan area as published by the Department of Housing and Urban Development, as
60.26 adjusted for household size.

60.27 Sec. 14. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
60.28 to read:

60.29 Subd. 12a. LIHTC. "LIHTC" means low-income housing tax credits under section 42
60.30 of the Internal Revenue Code of 1986, as amended.

61.1 Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
61.2 to read:

61.3 Subd. 21a. **Preservation project.** "Preservation project" means any residential rental
61.4 project, regardless of whether or not such project is restricted to persons of a certain age or
61.5 older, that receives federal project-based rental subsidies. In addition, to qualify as a
61.6 preservation project, the amount of bonds requested in the application must not exceed the
61.7 aggregate bond limitation.

61.8 Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
61.9 to read:

61.10 Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential
61.11 rental project" means a residential rental project that does not otherwise qualify as a
61.12 preservation project, is expected to generate low-income housing tax credits under section
61.13 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential
61.14 units, and in which:

61.15 (1) all the residential units of the project:

61.16 (i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;

61.17 (ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
61.18 of 1986, as amended; and

61.19 (iii) are subject to rent and income restrictions for a period of not less than 30 years; or

61.20 (2)(i) is located within a county or metropolitan area that has a current median area gross
61.21 income that is less than the statewide area median income for Minnesota;

61.22 (ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2)
61.23 of the Internal Revenue Code of 1986, as amended; and

61.24 (iii) all of the units of the project are subject to the applicable rent and income restrictions
61.25 for a period of not less than 30 years.

61.26 In addition, to qualify as a 30 percent AMI residential project, the amount of bonds
61.27 requested in the application must not exceed the aggregate bond limitation.

61.28 Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
61.29 to read:

61.30 Subd. 31. **50 percent AMI residential rental project.** "50 percent AMI residential
61.31 rental project," means a residential rental project that does not qualify as a preservation

62.1 project or 30 percent AMI residential rental project, is expected to generate low-income
62.2 housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended,
62.3 from 100 percent of its residential units, and in which all the residential units of the project:

62.4 (1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;

62.5 (2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
62.6 of 1986, as amended; and

62.7 (3) are subject to rent and income restrictions for a period of not less than 30 years.

62.8 In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds
62.9 requested in the application must not exceed the aggregate bond limitation.

62.10 Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
62.11 to read:

62.12 Subd. 32. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential
62.13 rental project that is expected to generate low-income housing tax credits under section 42
62.14 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units
62.15 and does not otherwise qualify as a preservation project, 30 percent AMI residential rental
62.16 project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent
62.17 LIHTC project, the amount of bonds requested in the application must not exceed the
62.18 aggregate bond limitation.

62.19 Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
62.20 to read:

62.21 Subd. 33. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential
62.22 rental project that is expected to generate low-income housing tax credits under section 42
62.23 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential
62.24 units and does not otherwise qualify as a preservation project, 30 percent AMI residential
62.25 rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In
62.26 addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the
62.27 application must not exceed the aggregate bond limitation.

62.28 Sec. 20. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

62.29 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar
62.30 year after December 31, 2001, the commissioner shall determine the aggregate dollar amount

63.1 of the annual volume cap under federal tax law for the calendar year, and of this amount
63.2 the commissioner shall make the following allocation:

- 63.3 (1) \$74,530,000 to the small issue pool;
- 63.4 (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;~~
- 63.6 (3) \$12,750,000 to the public facilities pool; and
- 63.7 (4) amounts to be allocated as provided in subdivision 2a.

63.8 If the annual volume cap is greater or less than the amount of bonding authority allocated
63.9 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation
63.10 must be adjusted so that each adjusted allocation is the same percentage of the annual volume
63.11 cap as each original allocation is of the total bonding authority originally allocated.

63.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
63.13 expires January 1, 2021.

63.14 Sec. 21. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

63.15 Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer
63.16 before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on
63.17 or after ~~July 15~~ 1 shall be reallocated through the unified pool. An amount returned after
63.18 the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

63.19 Sec. 22. Minnesota Statutes 2016, section 474A.047, subdivision 1, is amended to read:

63.20 Subdivision 1. **Eligibility.** (a) An issuer may only use the proceeds from residential
63.21 rental bonds if the proposed project meets the following requirements:

63.22 (1) the proposed residential rental project meets the requirements of section 142(d) of
63.23 the Internal Revenue Code regarding the incomes of the occupants of the housing; and

63.24 (2) the maximum rent for at least 20 percent of the units in the proposed residential rental
63.25 project do not exceed the area fair market rent or exception fair market rents for existing
63.26 housing, if applicable, as established by the federal Department of Housing and Urban
63.27 Development. The rental rates of units in a residential rental project for which project-based
63.28 federal assistance payments are made are deemed to be within the rent limitations of this
63.29 clause.

63.30 (b) The proceeds from residential rental bonds may be used for a project for which
63.31 project-based federal rental assistance payments are made only if the owner of the project

64.1 enters into a binding agreement with the issuer under which the owner is obligated to extend
64.2 any existing low-income affordability restrictions and any contract or agreement for rental
64.3 assistance payments for the maximum term permitted, including any renewals thereof.

64.4 ~~(1) the owner of the project enters into a binding agreement with the Minnesota Housing~~
64.5 ~~Finance Agency under which the owner is obligated to extend any existing low-income~~
64.6 ~~affordability restrictions and any contract or agreement for rental assistance payments for~~
64.7 ~~the maximum term permitted, including any renewals thereof; and~~

64.8 ~~(2) the Minnesota Housing Finance Agency certifies that project reserves will be~~
64.9 ~~maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

64.10 ~~(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem~~
64.11 ~~(2), effective May 1, 1997; or~~

64.12 ~~(ii) the level of project reserves available prior to the bond issue, provided that additional~~
64.13 ~~money is available to accomplish repairs and replacements needed at the time of bond issue.~~

64.14 Sec. 23. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

64.15 Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the
64.16 developer of the project for which the bond proceeds will be used must enter into a 15-year
64.17 agreement with the issuer that specifies the maximum rental rates of the rent-restricted units
64.18 in the project and the income levels of the residents of the project occupying income-restricted
64.19 units- and in which the developer will agree to maintain the project as a preservation project,
64.20 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100
64.21 percent LIHTC project, or 20 percent LIHTC project, as applicable and as described in its
64.22 application. Such rental rates and income levels must be within the limitations established
64.23 under subdivision 1. The developer must annually certify to the issuer over the term of the
64.24 agreement that the rental rates for the rent-restricted units are within the limitations under
64.25 subdivision 1. The issuer may request individual certification of the income of residents of
64.26 the income-restricted units. The commissioner may request from the issuer a copy of the
64.27 annual certification prepared by the developer. The commissioner may require the issuer
64.28 to request individual certification of all residents of the income-restricted units.

64.29 Sec. 24. Minnesota Statutes 2016, section 474A.061, is amended to read:

64.30 **474A.061 MANUFACTURING, HOUSING, AND PUBLIC FACILITIES POOLS.**

64.31 **Subdivision 1. Allocation application; small issue pool and public facilities pool.** (a)
64.32 For any requested allocations from the small issue pool and the public facilities pool, an

65.1 issuer may apply for an allocation under this section by submitting to the department an
65.2 application on forms provided by the department, accompanied by (1) a preliminary
65.3 resolution, (2) a statement of bond counsel that the proposed issue of obligations requires
65.4 an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified
65.5 bonds to be issued, (4) an application deposit in the amount of one percent of the requested
65.6 allocation before the last Monday in July June, or in the amount of two percent of the
65.7 requested allocation on or after the last Monday in July, June, and (5) a public purpose
65.8 scoring worksheet for manufacturing project and enterprise zone facility project applications;
65.9 and (6) for residential rental projects, a statement from the applicant or bond counsel as to
65.10 whether the project preserves existing federally subsidized housing for residential rental
65.11 project applications and whether the project is restricted to persons who are 55 years of age
65.12 or older. The issuer must pay the application deposit by a check or wire transfer made
65.13 payable to the Department of Management and Budget. The Minnesota Housing Finance
65.14 Agency, the Minnesota Rural Finance Authority, and the Minnesota Office of Higher
65.15 Education may apply for and receive an allocation under this section without submitting an
65.16 application deposit.

65.17 (b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~
65.18 ~~under this subdivision~~ unless it has either permanently issued bonds equal to the amount of
65.19 its entitlement allocation for the current year plus any amount of bonding authority carried
65.20 forward from previous years or returned for reallocation all of its unused entitlement
65.21 allocation. ~~An entitlement issuer may not apply for an allocation from the housing pool~~
65.22 ~~unless it either has permanently issued bonds equal to any amount of bonding authority~~
65.23 ~~carried forward from a previous year or has returned for reallocation any unused bonding~~
65.24 ~~authority carried forward from a previous year~~. For purposes of this subdivision, its
65.25 entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.
65.26 ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency~~
65.27 ~~for an allocation under subdivision 2a for cities who choose to have the agency issue bonds~~
65.28 ~~on their behalf~~.

65.29 (c) If an application is rejected under this section, the commissioner must notify the
65.30 applicant and return the application deposit to the applicant within 30 days unless the
65.31 applicant requests in writing that the application be resubmitted. The granting of an allocation
65.32 of bonding authority under this section must be evidenced by a certificate of allocation.

65.33 **Subd. 1a. Allocation application; housing pool.** (a) For any requested allocations from
65.34 the housing pool, an issuer may apply for an allocation under this section by submitting to
65.35 the department an application on forms provided by the department, accompanied by (1) a

66.1 preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations
66.2 requires an allocation under this chapter and the Internal Revenue Code, (3) an application
66.3 deposit in the amount of two percent of the requested allocation, (4) a sworn statement from
66.4 the applicant identifying the project as either a preservation project, 30 percent AMI
66.5 residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC
66.6 project, 20 percent LIHTC project, or any other residential rental project, and (5) a
66.7 certification from the applicant or its accountant stating whether the requested allocation
66.8 exceeds the aggregate bond limitation. The issuer must pay the application deposit by a
66.9 check made payable to the Department of Management and Budget or wire transfer. The
66.10 Minnesota Housing Finance Agency may apply for and receive an allocation under this
66.11 section without submitting an application deposit.

66.12 (b) An entitlement issuer may not apply for an allocation from the housing pool unless
66.13 it either has permanently issued bonds equal to any amount of bonding authority carried
66.14 forward from a previous year or has returned for reallocation any unused bonding authority
66.15 carried forward from a previous year. For purposes of this subdivision, its entitlement
66.16 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph
66.17 does not apply to an application from the Minnesota Housing Finance Agency for an
66.18 allocation under subdivision 2a for cities who choose to have the agency issue bonds on the
66.19 city's behalf.

66.20 (c) If an application is rejected under this section, the commissioner must notify the
66.21 applicant and return the application deposit to the applicant within 30 days unless the
66.22 applicant requests in writing that the application be resubmitted. The granting of an allocation
66.23 of bonding authority under this section must be evidenced by a certificate of allocation.

66.24 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
66.25 and continuing on each Monday through ~~July~~ June 15, the commissioner shall allocate
66.26 available bonding authority from the housing pool to applications received on or before the
66.27 Monday of the preceding week for residential rental projects that meet the eligibility criteria
66.28 under section 474A.047. Allocations of available bonding authority from the housing pool
66.29 for eligible residential rental projects shall be awarded in the following order of priority:
66.30 ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not~~
66.31 ~~restricted to persons who are 55 years of age or older; and (3) other residential rental projects.~~
66.32 ~~Prior to May 15, no allocation shall be made to a project restricted to persons who are 55~~
66.33 ~~years of age or older.~~

66.34 (1) preservation projects;

67.1 (2) 30 percent AMI residential rental projects;

67.2 (3) 50 percent AMI residential rental projects;

67.3 (4) 100 percent LIHTC projects;

67.4 (5) 20 percent LIHTC projects;

67.5 (6) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 starting in

67.6 calendar year 2021, single family housing programs; and

67.7 (7) other residential rental projects for which the amount of bonds requested in their

67.8 respective applications do not exceed the aggregate bond limitation.

67.9 If there are two or more applications for residential rental projects at the same priority level

67.10 and there is insufficient bonding authority to provide allocations for all such projects in any

67.11 one allocation period, available bonding authority shall be randomly awarded by lot. If a

67.12 residential rental project is selected by lot, but the remaining allocation is insufficient to

67.13 receive the full amount of its requested allocation, the remaining bonding authority shall

67.14 be reserved by the commissioner, or by the Minnesota Housing Finance Agency if such

67.15 authority is carried forward pursuant to section 474A.131, for the project for up to 24 months

67.16 thereafter, and if the project applies in the future to the housing pool or unified pool for

67.17 additional allocation of bonds, the project shall be fully funded up to the remaining amount

67.18 of its original application request for bonding authority before any new project applying in

67.19 the same allocation period that has an equal priority shall receive bonding authority. Within

67.20 180 days of receiving an allocation under this paragraph, an issuer must either begin issuing

67.21 obligations or submit an additional application deposit equal to one percent of the allocation

67.22 amount; if an additional deposit is submitted, the issuer must begin issuing obligations

67.23 within 18 months of receiving an allocation. If an issuer that receives an allocation under

67.24 this paragraph does not issue obligations equal to all or a portion of the allocation received

67.25 within ~~120 days of the allocation~~ the relevant time period in this paragraph or returns the

67.26 allocation to the commissioner, the amount of the allocation is canceled and returned for

67.27 reallocation through the housing pool or to the unified pool after July ~~15~~ 1. If an issuer that

67.28 receives an allocation under this paragraph issues obligations within the relevant time period

67.29 in this paragraph, the commissioner shall refund 50 percent of any application deposit

67.30 previously paid within 30 days of the issuance of the obligations and the remaining 50

67.31 percent of the application deposit will be refunded (i) within 30 days after the date on which

67.32 the Internal Revenue Service Forms 8609 are issued with respect to projects generating

67.33 low-income housing tax credits, or (ii) within 90 days after the issuer provides a certification

68.1 and any other reasonable documentation requested by the commissioner evidencing that
68.2 construction of the project has been completed.

68.3 (b) ~~After January 1, and through January 15,~~ The Minnesota Housing Finance Agency
68.4 may accept applications, according to the schedule in paragraph (c), from cities for
68.5 single-family housing programs which meet program requirements as follows:

68.6 (1) the housing program must meet a locally identified housing need and be economically
68.7 viable;

68.8 (2) the adjusted income of home buyers may not exceed 80 percent of ~~the greater of~~
68.9 ~~statewide or area median income as published by the Department of Housing and Urban~~
68.10 ~~Development, adjusted for household size AMI~~;

68.11 (3) house price limits may not exceed the federal price limits established for mortgage
68.12 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,
68.13 household size, and race of the households served in the previous year's single-family
68.14 housing program, if any, must be included in each application; and

68.15 (4) for applicants who choose to have the agency issue bonds on their behalf, an
68.16 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
68.17 to one percent of the requested allocation must be submitted to the Minnesota Housing
68.18 Finance Agency before the agency forwards the list specifying the amounts allocated to the
68.19 commissioner under paragraph ~~(d)~~(e). The agency shall submit the city's application fee
68.20 and application deposit to the commissioner when requesting an allocation from the housing
68.21 pool.

68.22 Applications by a consortium shall include the name of each member of the consortium
68.23 and the amount of allocation requested by each member.

68.24 (c) The Minnesota Housing Finance Agency may accept applications under paragraph
68.25 (b) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 and through
68.26 January 15 starting in calendar year 2021.

68.27 ~~(e) Any amounts remaining in the housing pool after July 15 are available for~~
68.28 ~~single-family housing programs for cities that applied in January and received an allocation~~
68.29 ~~under this section in the same calendar year.~~ (d) For a city that chooses to issue bonds on
68.30 its own behalf or pursuant to a joint powers agreement, the agency must allot available
68.31 bonding authority based on the formula in paragraphs ~~(d)~~(e) and ~~(f)~~(g). Allocations will
68.32 be made loan by loan, on a first-come, first-served basis among cities on whose behalf the
68.33 Minnesota Housing Finance Agency issues bonds.

69.1 Any city that received an allocation pursuant to paragraph ~~(f)~~ (g) in the same calendar
69.2 year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement
69.3 for an amount becoming available for single-family housing programs after ~~July 15~~ June 1
69.4 shall notify the Minnesota Housing Finance Agency by ~~July 15~~ June 1. The Minnesota
69.5 Housing Finance Agency shall notify each city making a request of the amount of its
69.6 allocation within three business days after ~~July 15~~ June 1. The city must comply with
69.7 paragraph ~~(f)~~ (g).

69.8 For purposes of ~~paragraphs (a) to (h) this subdivision~~, "city" means a county or a
69.9 consortium of local government units that agree through a joint powers agreement to apply
69.10 together for single-family housing programs, and has the meaning given it in section 462C.02,
69.11 subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

69.12 ~~(d)~~ (e) The total amount of allocation for mortgage bonds for one city is limited to the
69.13 lesser of: (i) the amount requested, or (ii) the product of the total amount available for
69.14 mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population
69.15 as determined by the most recent estimate of the city's population released by the state
69.16 demographer's office to the total of all the applicants' population, except that each applicant
69.17 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
69.18 determined under the formula in clause (ii). If a city applying for an allocation is located
69.19 within a county that has also applied for an allocation, the city's population will be deducted
69.20 from the county's population in calculating the amount of allocations under this paragraph.

69.21 Upon determining the amount of each applicant's allocation, the agency shall forward
69.22 to the commissioner a list specifying the amounts allotted to each application with all
69.23 application fees and deposits from applicants who choose to have the agency issue bonds
69.24 on their behalf.

69.25 Total allocations from the housing pool for single-family housing programs may not
69.26 exceed 31 percent of the adjusted allocation to the housing pool ~~until after July 15~~.

69.27 ~~(e)~~ (f) The agency may issue bonds on behalf of participating cities. The agency shall
69.28 request an allocation from the commissioner for all applicants who choose to have the
69.29 agency issue bonds on their behalf and the commissioner shall allocate the requested amount
69.30 to the agency. The agency may request an allocation at any time after ~~the second Tuesday~~
69.31 ~~in January and through the last Monday in~~ June 1. After awarding an allocation and
69.32 receiving a notice of issuance for the mortgage bonds issued on behalf of the participating
69.33 cities, the commissioner shall transfer the application deposits to the Minnesota Housing
69.34 Finance Agency to be returned to the participating cities. The Minnesota Housing Finance

70.1 Agency shall return any application deposit to a city that paid an application deposit under
70.2 paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under
70.3 paragraph ~~(d)~~ (e).

70.4 ~~(f)~~ (g) A city may choose to issue bonds on its own behalf or through a joint powers
70.5 agreement and may request an allocation from the commissioner by forwarding an application
70.6 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
70.7 application deposit to the commissioner no later than the Monday of the week preceding
70.8 an allocation. If the total amount requested by all applicants exceeds the amount available
70.9 in the pool, the city may not receive a greater allocation than the amount it would have
70.10 received under the list forwarded by the Minnesota Housing Finance Agency to the
70.11 commissioner. No city may request or receive an allocation from the commissioner until
70.12 the list under paragraph ~~(d)~~ (e) has been forwarded to the commissioner. A city must request
70.13 an allocation from the commissioner no later than the last Monday in ~~July~~ June. No city
70.14 may receive an allocation from the housing pool for mortgage bonds which has not first
70.15 applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the
70.16 requested amount to the city or cities subject to the limitations under this paragraph.

70.17 If a city issues mortgage bonds from an allocation received under this paragraph, the
70.18 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
70.19 provide for recycling, the issuer must notify the commissioner in writing of the reason that
70.20 recycling was not possible and the reason the issuer elected not to have the Minnesota
70.21 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
70.22 from the repayment and prepayment of loans for further eligible loans or for the redemption
70.23 of bonds and the issuance of current refunding bonds.

70.24 ~~(g)~~ (h) No entitlement city or county or city in an entitlement county may apply for or
70.25 be allocated authority to issue mortgage bonds or use mortgage credit certificates from the
70.26 housing pool. No city in an entitlement county may apply for or be allocated authority to
70.27 issue residential rental bonds from the housing pool or the unified pool.

70.28 ~~(h)~~ (i) A city that does not use at least 50 percent of its allotment by the date applications
70.29 are due for the first allocation that is made from the housing pool for single-family housing
70.30 programs in the immediately succeeding calendar year may not apply to the housing pool
70.31 for a single-family mortgage bond or mortgage credit certificate program allocation that
70.32 exceeds the amount of its allotment for the preceding year that was used by the city in the
70.33 immediately preceding year or receive an allotment from the housing pool in the succeeding
70.34 calendar year that exceeds the amount of its allotment for the preceding year that was used
70.35 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to

71.1 July 15, regardless of the amount used in the preceding calendar year, except that a city
71.2 whose allocation in the preceding year was the minimum amount of \$100,000 and who did
71.3 not use at least 50 percent of its allocation from the preceding year is ineligible for an
71.4 allocation in the immediate succeeding calendar year. Each local government unit in a
71.5 consortium must meet the requirements of this paragraph.

71.6 Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January
71.7 and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner
71.8 shall allocate available bonding authority from the small issue pool to applications received
71.9 on or before the Monday of the preceding week for manufacturing projects and enterprise
71.10 zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~
71.11 June, the commissioner shall reserve \$5,000,000 of the available bonding authority from
71.12 the small issue pool for applications for agricultural development bond loan projects of the
71.13 Minnesota Rural Finance Authority.

71.14 Beginning in calendar year 2002, on the second Tuesday in January through the last
71.15 Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding
71.16 authority in the small issue pool for applications for student loan bonds of or on behalf of
71.17 the Minnesota Office of Higher Education. The total amount of allocations for student loan
71.18 bonds from the small issue pool may not exceed \$10,000,000 per year.

71.19 The commissioner shall reserve \$10,000,000 until the day after the last Monday in
71.20 February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until
71.21 the day after the last Monday in June in the small issue pool for enterprise zone facility
71.22 projects and manufacturing projects. The amount of allocation provided to an issuer for a
71.23 specific enterprise zone facility project or manufacturing project will be based on the number
71.24 of points received for the proposed project under the scoring system under section 474A.045.

71.25 If there are two or more applications for manufacturing and enterprise zone facility
71.26 projects from the small issue pool and there is insufficient bonding authority to provide
71.27 allocations for all projects in any one week, the available bonding authority shall be awarded
71.28 based on the number of points awarded a project under section 474A.045, with those projects
71.29 receiving the greatest number of points receiving allocation first. If two or more applications
71.30 receive an equal number of points, available bonding authority shall be awarded by lot
71.31 unless otherwise agreed to by the respective issuers.

71.32 Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and
71.33 continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the
71.34 available bonding authority from the public facilities pool for applications for public facilities

72.1 projects to be financed by the Western Lake Superior Sanitary District. Commencing on
72.2 the second Tuesday in January and continuing on each Monday through the last Monday
72.3 in July June, the commissioner shall allocate available bonding authority from the public
72.4 facilities pool to applications for eligible public facilities projects received on or before the
72.5 Monday of the preceding week. If there are two or more applications for public facilities
72.6 projects from the pool and there is insufficient available bonding authority to provide
72.7 allocations for all projects in any one week, the available bonding authority shall be awarded
72.8 by lot unless otherwise agreed to by the respective issuers.

72.9 **Subd. 4. Return of allocation; deposit refund for small issue pool or public facilities**

72.10 **pool.** (a) For any requested allocation from the small issue pool or the public facilities pool,
72.11 if an issuer that receives an allocation under this section determines that it will not issue
72.12 obligations equal to all or a portion of the allocation received under this section within 120
72.13 days of allocation or within the time period permitted by federal tax law, whichever is less,
72.14 the issuer must notify the department. If the issuer notifies the department or the 120-day
72.15 period since allocation has expired prior to the last Monday in July June, the amount of
72.16 allocation is canceled and returned for reallocation through the pool from which it was
72.17 originally allocated. If the issuer notifies the department or the 120-day period since allocation
72.18 has expired on or after the last Monday in July June, the amount of allocation is canceled
72.19 and returned for reallocation through the unified pool. If the issuer notifies the department
72.20 after the last Monday in November, the amount of allocation is canceled and returned for
72.21 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive
72.22 application process, the commissioner shall reserve, for new applications, the amount of
72.23 allocation that is canceled and returned for reallocation under this section for a minimum
72.24 of seven calendar days.

72.25 (b) An issuer that returns for reallocation all or a portion of an allocation received under
72.26 this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund
72.27 equal to:

72.28 (1) one-half of the application deposit for the amount of bonding authority returned
72.29 within 30 days of receiving allocation;

72.30 (2) one-fourth of the application deposit for the amount of bonding authority returned
72.31 between 31 and 60 days of receiving allocation; and

72.32 (3) one-eighth of the application deposit for the amount of bonding authority returned
72.33 between 61 and 120 days of receiving allocation.

73.1 (c) No refund shall be available for allocations returned 120 or more days after receiving
73.2 the allocation or beyond the last Monday in November.

73.3 Subd. 4a. Return of allocation; deposit refund for housing pool. (a) For any requested
73.4 allocations from the housing pool, if an issuer that receives an allocation under this section
73.5 determines that it will not issue obligations equal to all or a portion of the allocation received
73.6 under this section within the time period provided under section 474A.061, subdivision 2a,
73.7 paragraph (a), or within the time period permitted by federal tax law, whichever is less, the
73.8 issuer must notify the department. If the issuer notifies the department or the time period
73.9 provided under section 474A.061, subdivision 2a, paragraph (a), has expired prior to the
73.10 last Monday in June, the amount of allocation is canceled and returned for reallocation
73.11 through the pool from which it was originally allocated. If the issuer notifies the department
73.12 or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has
73.13 expired on or after the last Monday in June, the amount of the allocation is canceled and
73.14 returned for reallocation through the unified pool. If the issuer notifies the department after
73.15 the last Monday in November, the amount of allocation is canceled and returned for
73.16 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive
73.17 application process, the commissioner shall reserve, for new applications, the amount of
73.18 allocation that is canceled and returned for reallocation under this section for a minimum
73.19 of seven calendar days.

73.20 (b) An issuer that returns for reallocation all or a portion of an allocation received under
73.21 this subdivision within 180 days of allocation shall receive within 30 days a refund equal
73.22 to:

73.23 (1) one-half of the application deposit for the amount of bonding authority returned
73.24 within 45 days of receiving allocation;

73.25 (2) one-fourth of the allocation deposit for the amount of bonding authority returned
73.26 between 46 and 90 days of receiving allocation; and

73.27 (3) one-eighth of the application deposit for the amount of bonding authority returned
73.28 between 91 and 180 days of receiving allocation.

73.29 (c) No refund shall be available for allocations returned 180 or more days after receiving
73.30 the allocation or beyond the last Monday in November.

73.31 Sec. 25. Minnesota Statutes 2016, section 474A.062, is amended to read:

73.32 **474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION 120-DAY ISSUANCE**
73.33 **EXEMPTION.**

74.1 The Minnesota Office of Higher Education is exempt from ~~the 120-day issuance~~
74.2 requirements ~~any time limitation on issuance of bonds set forth~~ in this chapter and may
74.3 carry forward allocations for student loan bonds, subject to carryforward notice requirements
74.4 of section 474A.131, subdivision 2.

74.5 Sec. 26. Minnesota Statutes 2016, section 474A.091, is amended to read:

74.6 **474A.091 ALLOCATION OF UNIFIED POOL.**

74.7 Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any
74.8 bonding authority remaining unallocated from the small issue pool, the housing pool, and
74.9 the public facilities pool is transferred to the unified pool and must be reallocated as provided
74.10 in this section.

74.11 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an
74.12 allocation for residential rental bonds under this section by submitting to the department
74.13 an application on forms provided by the department accompanied by:

74.14 (1) a preliminary resolution;

74.15 (2) a statement of bond counsel that the proposed issue of obligations requires an
74.16 allocation under this chapter and the Internal Revenue Code;

74.17 (3) ~~the type of qualified bonds to be issued~~, (4) an application deposit in the amount of
74.18 two percent of the requested allocation; ~~(5) a public purpose scoring worksheet for~~
74.19 ~~manufacturing and enterprise zone applications~~, and ~~(6) for residential rental projects~~, a
74.20 ~~statement from the applicant or bond counsel as to whether the project preserves existing~~
74.21 ~~federally subsidized housing and whether the project is restricted to persons who are 55~~
74.22 ~~years of age or older~~.

74.23 (4) a sworn statement from the applicant identifying the project as either a preservation
74.24 project, 30 percent AMI residential rental project, 50 percent AMI residential rental project,
74.25 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;
74.26 and

74.27 (5) a certification from the applicant or its accountant stating whether the requested
74.28 allocation exceeds the aggregate bond limitation. Applications for projects requesting bonds
74.29 in excess of the aggregate bond limitation may not apply or be allocated bonding authority
74.30 until after September 1 each year.

74.31 The issuer must pay the application deposit by check. An entitlement issuer may not apply
74.32 for an allocation for ~~public facility bonds~~, residential rental project bonds, ~~or mortgage~~

75.1 bonds under this section unless it has either permanently issued bonds equal to the amount
75.2 of its entitlement allocation for the current year plus any amount carried forward from
75.3 previous years or returned for reallocation all of its unused entitlement allocation. For
75.4 purposes of this subdivision, its entitlement allocation includes an amount obtained under
75.5 section 474A.04, subdivision 6.

75.6 (b) Within 180 days of receiving an allocation under this subdivision, an issuer must
75.7 either begin issuing obligations or submit an additional application deposit equal to one
75.8 percent of the allocation amount; if an additional deposit is submitted, the issuer must begin
75.9 issuing obligations within 18 months of receiving an allocation. If an issuer that receives
75.10 an allocation under this subdivision does not issue obligations equal to all or a portion of
75.11 the allocation received within the 180-day time period provided in this paragraph or returns
75.12 the allocation to the commissioner, the amount of the allocation is canceled and returned
75.13 for reallocation through the unified pool. If an issuer that receives an allocation under this
75.14 subdivision issues obligations within the 180-day time period provided in this paragraph,
75.15 the commissioner shall refund 50 percent of any application deposit previously paid within
75.16 30 days of the issuance of the obligations and the remaining 50 percent of such application
75.17 deposit will be refunded (1) within 30 days after the date on which Internal Revenue Service
75.18 Forms 8609 are issued with respect to projects generating low-income housing tax credits,
75.19 or (2) within 90 days after the issuer provides a certification and any other reasonable
75.20 documentation requested by the commissioner evidencing that construction of the project
75.21 has been completed.

75.22 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
75.23 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
75.24 under this section prior to the first Monday in October, but may be awarded allocations for
75.25 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
75.26 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota
75.27 Rural Finance Authority may apply for and receive an allocation under this section without
75.28 submitting an application deposit.

75.29 Subd. 2a. **Application for all other types of qualified bonds.** Issuers may apply for an
75.30 allocation for all types of qualified bonds other than residential rental bonds under this
75.31 section by submitting to the department an application on forms provided by the department
75.32 accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the
75.33 proposed issue of obligations requires an allocation under this chapter and the Internal
75.34 Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in
75.35 the amount of two percent of the requested allocation, and (5) a public purpose scoring

76.1 worksheet for manufacturing and enterprise zone applications. The issuer must pay the
76.2 application deposit by check. An entitlement issuer may not apply for an allocation for
76.3 public facility bonds or mortgage bonds under this section unless it has either permanently
76.4 issued bonds equal to the amount of its entitlement allocation for the current year plus any
76.5 amount carried forward from previous years or returned for reallocation all of its unused
76.6 entitlement allocation. For purposes of this subdivision, its entitlement allocation includes
76.7 an amount obtained under section 474A.04, subdivision 6.

76.8 Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
76.9 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
76.10 under this section prior to the first Monday in October, but may be awarded allocations for
76.11 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
76.12 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota
76.13 Rural Finance Authority may apply for and receive an allocation under this section without
76.14 submitting an application deposit.

76.15 **Subd. 3. Allocation procedure.** (a) The commissioner shall allocate available bonding
76.16 authority under this section on the Monday of every other week beginning with the first
76.17 Monday in August July through and on the last Monday in November. Applications for
76.18 allocations must be received by the department by 4:30 p.m. on the Monday preceding the
76.19 Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation
76.20 will be made or the applications must be received by the next business day after the holiday.

76.21 (b) Prior to October 1, only the following applications shall be awarded allocations from
76.22 the unified pool. Allocations shall be awarded in the following order of priority:

76.23 (1) applications for residential rental project bonds;
76.24 (2) applications for small issue bonds for manufacturing projects; and
76.25 (3) applications for small issue bonds for agricultural development bond loan projects.

76.26 (c) On the first Monday in October through the last Monday in November, allocations
76.27 shall be awarded from the unified pool in the following order of priority:

76.28 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
76.29 of Higher Education;
76.30 (2) applications for mortgage bonds;
76.31 (3) applications for public facility projects funded by public facility bonds;
76.32 (4) applications for small issue bonds for manufacturing projects;

77.1 (5) applications for small issue bonds for agricultural development bond loan projects;

77.2 (6) applications for residential rental project bonds;

77.3 (7) applications for enterprise zone facility bonds;

77.4 (8) applications for governmental bonds; and

77.5 (9) applications for redevelopment bonds.

77.6 (d) If there are two or more applications for manufacturing projects from the unified
77.7 pool and there is insufficient bonding authority to provide allocations for all manufacturing
77.8 projects in any one allocation period, the available bonding authority shall be awarded based
77.9 on the number of points awarded a project under section 474A.045 with those projects
77.10 receiving the greatest number of points receiving allocation first. If two or more applications
77.11 for manufacturing projects receive an equal amount of points, available bonding authority
77.12 shall be awarded by lot unless otherwise agreed to by the respective issuers.

77.13 (e) If there are two or more applications for enterprise zone facility projects from the
77.14 unified pool and there is insufficient bonding authority to provide allocations for all enterprise
77.15 zone facility projects in any one allocation period, the available bonding authority shall be
77.16 awarded based on the number of points awarded a project under section 474A.045 with
77.17 those projects receiving the greatest number of points receiving allocation first. If two or
77.18 more applications for enterprise zone facility projects receive an equal amount of points,
77.19 available bonding authority shall be awarded by lot unless otherwise agreed to by the
77.20 respective issuers.

77.21 (f) If there are two or more applications for residential rental projects from the unified
77.22 pool and there is insufficient bonding authority to provide allocations for all residential
77.23 rental projects in any one allocation period, the available bonding authority shall be awarded
77.24 in the following order of priority: (1) ~~projects that preserve existing federally subsidized~~
77.25 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~
77.26 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~
77.27 ~~residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;~~
77.28 ~~(6) other residential rental projects for which the amount of bonds requested in their~~
77.29 ~~respective applications do not exceed the aggregate bond limitation; and (7) other residential~~
77.30 ~~rental projects for which the amount of bonds requested in their respective applications~~
77.31 ~~exceeds the aggregate bond limitation and which apply on or after September 1 of a calendar~~
77.32 ~~year. If there are two or more applications for residential rental projects at the same priority~~
77.33 ~~level and there is insufficient bonding authority to provide allocations for all such projects~~
77.34 ~~in any one allocation period, available bonding authority shall be randomly awarded by lot~~

78.1 but only for projects that can receive the full amount of their respective requested allocations.

78.2 If a residential rental project does not receive any of its requested allocation under the

78.3 random award, the remaining bonding authority not allocated to the project shall be reserved

78.4 by the commissioner, or by the Minnesota Housing Finance Agency if the authority is carried

78.5 forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and

78.6 if the project applies in the future to the housing pool or unified pool for additional allocation

78.7 of bonds, the project shall be fully funded up to the remaining amount of its original

78.8 application request for bonding authority before any new project applying in the same

78.9 allocation period that has an equal priority shall receive bonding authority.

78.10 (g) From the first Monday in ~~August~~ July through the last Monday in ~~November~~ August,

78.11 \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding

78.12 authority allocated to the small issue pool under section 474A.03, subdivision 1, less the

78.13 amount allocated to issuers from the small issue pool for that year, whichever is less, is

78.14 reserved within the unified pool for small issue bonds to the extent such amounts are available

78.15 within the unified pool.

78.16 (h) The total amount of allocations for mortgage bonds from the housing pool and the

78.17 unified pool may not exceed:

- 78.18 (1) \$10,000,000 for any one city; or
- 78.19 (2) \$20,000,000 for any number of cities in any one county.

78.20 (i) The total amount of allocations for student loan bonds from the unified pool may not

78.21 exceed \$25,000,000 per year.

78.22 (j) If there is insufficient bonding authority to fund all projects within any qualified bond

78.23 category other than enterprise zone facility projects, manufacturing projects, and residential

78.24 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the

78.25 respective issuers.

78.26 (k) If an application is rejected, the commissioner must notify the applicant and return

78.27 the application deposit to the applicant within 30 days unless the applicant requests in writing

78.28 that the application be resubmitted.

78.29 (l) The granting of an allocation of bonding authority under this section must be evidenced

78.30 by issuance of a certificate of allocation.

78.31 Subd. 3a. **Mortgage bonds.** (a) Bonding authority remaining in the unified pool on

78.32 October 1 is available for single-family housing programs for cities that applied in ~~January~~

78.33 ~~June~~ and received an allocation under section 474A.061, subdivision 2a, in the same calendar

79.1 year. The Minnesota Housing Finance Agency shall receive an allocation for mortgage
79.2 bonds pursuant to this section, minus any amounts for a city or consortium that intends to
79.3 issue bonds on its own behalf under paragraph (c).

79.4 (b) The agency may issue bonds on behalf of participating cities. The agency shall request
79.5 an allocation from the commissioner for all applicants who choose to have the agency issue
79.6 bonds on their behalf and the commissioner shall allocate the requested amount to the
79.7 agency. Allocations shall be awarded by the commissioner each Monday commencing on
79.8 the first Monday in October through the last Monday in November for applications received
79.9 by 4:30 p.m. on the Monday of the week preceding an allocation.

79.10 For cities who choose to have the agency issue bonds on their behalf, allocations will
79.11 be made loan by loan, on a first-come, first-served basis among the cities. The agency shall
79.12 submit an application fee pursuant to section 474A.03, subdivision 4, and an application
79.13 deposit equal to two percent of the requested allocation to the commissioner when requesting
79.14 an allocation from the unified pool. After awarding an allocation and receiving a notice of
79.15 issuance for mortgage bonds issued on behalf of the participating cities, the commissioner
79.16 shall transfer the application deposit to the Minnesota Housing Finance Agency.

79.17 For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local
79.18 government units that agree through a joint powers agreement to apply together for
79.19 single-family housing programs, and has the meaning given it in section 462C.02, subdivision
79.20 6. "Agency" means the Minnesota Housing Finance Agency.

79.21 (c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a,
79.22 paragraph (f), in the current year that wishes to receive an additional allocation from the
79.23 unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall
79.24 notify the Minnesota Housing Finance Agency by the third Monday in September. The total
79.25 amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf
79.26 or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or
79.27 (ii) the product of the total amount available for mortgage bonds from the unified pool,
79.28 multiplied by the ratio of the population of each city that applied in January and received
79.29 an allocation under section 474A.061, subdivision 2a, in the same calendar year, as
79.30 determined by the most recent estimate of the city's population released by the state
79.31 demographer's office to the total of the population of all the cities that applied in January
79.32 and received an allocation under section 474A.061, subdivision 2a, in the same calendar
79.33 year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement
79.34 is located within a county that has also chosen to issue bonds on its own behalf or through

80.1 a joint powers agreement, the city's population will be deducted from the county's population
80.2 in calculating the amount of allocations under this paragraph.

80.3 The Minnesota Housing Finance Agency shall notify each city choosing to issue bonds
80.4 on its own behalf or pursuant to a joint powers agreement of the amount of its allocation
80.5 by October 15. Upon determining the amount of the allocation of each choosing to issue
80.6 bonds on its own behalf or through a joint powers agreement, the agency shall forward a
80.7 list specifying the amounts allotted to each city.

80.8 A city that chooses to issue bonds on its own behalf or through a joint powers agreement
80.9 may request an allocation from the commissioner by forwarding an application with an
80.10 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
80.11 to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the
80.12 Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds
80.13 on their own behalf shall be awarded by the commissioner on the first Monday after October
80.14 15 through the last Monday in November. No city may receive an allocation from the
80.15 commissioner after the last Monday in November. The commissioner shall allocate the
80.16 requested amount to the city or cities subject to the limitations under this subdivision.

80.17 If a city issues mortgage bonds from an allocation received under this paragraph, the
80.18 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
80.19 provide for recycling, the issuer must notify the commissioner in writing of the reason that
80.20 recycling was not possible and the reason the issuer elected not to have the Minnesota
80.21 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
80.22 from the repayment and prepayment of loans for further eligible loans or for the redemption
80.23 of bonds and the issuance of current refunding bonds.

80.24 (d) No entitlement city or county or city in an entitlement county may apply for or be
80.25 allocated authority to issue mortgage bonds or use mortgage credit certificates from the
80.26 unified pool.

80.27 (e) An allocation awarded to the agency for mortgage bonds under this section may be
80.28 carried forward by the agency subject to notice requirements under section 474A.131.

80.29 Subd. 4. **Remaining bonding authority.** All remaining bonding authority available for
80.30 allocation under this section on December 1, is allocated to the Minnesota Housing Finance
80.31 Agency.

80.32 Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation
80.33 under this section determines that it will not issue obligations equal to all or a portion of
80.34 the allocation received under this section within ~~120~~ the applicable number of days of after

81.1 the allocation required in this chapter or within the time period permitted by federal tax law,
81.2 whichever is less, the issuer must notify the department. If the issuer notifies the department
81.3 or the 120-day such period since allocation has expired prior to the last Monday in November,
81.4 the amount of allocation is canceled and returned for reallocation through the unified pool.
81.5 If the issuer notifies the department on or after the last Monday in November, the amount
81.6 of allocation is canceled and returned for reallocation to the Minnesota Housing Finance
81.7 Agency. To encourage a competitive application process, the commissioner shall reserve,
81.8 for new applications, the amount of allocation that is canceled and returned for reallocation
81.9 under this section for a minimum of seven calendar days.

81.10 (b) An issuer that returns for reallocation all or a portion of an allocation for all types
81.11 of bonds other than residential rental project bonds received under this section within 120
81.12 days of the allocation shall receive within 30 days a refund equal to:

81.13 (1) one-half of the application deposit for the amount of bonding authority returned
81.14 within 30 days of receiving the allocation;

81.15 (2) one-fourth of the application deposit for the amount of bonding authority returned
81.16 between 31 and 60 days of receiving the allocation; and

81.17 (3) one-eighth of the application deposit for the amount of bonding authority returned
81.18 between 61 and 120 days of receiving the allocation.

81.19 (e) No refund of the application deposit shall be available for allocations returned on or
81.20 after the last Monday in November.

81.21 (c) An issuer that returns for reallocation all or a portion of an allocation for residential
81.22 rental project bonds received under this section within the earlier of 180 days of the allocation
81.23 or the end of the year shall receive within 30 days a refund equal to:

81.24 (1) one-half of the application deposit for the amount of bonding authority returned
81.25 within 45 days of receiving the allocation;

81.26 (2) one-fourth of the application deposit for the amount of bonding authority returned
81.27 between 46 and 90 days of receiving the allocation; and

81.28 (3) one-eighth of the application deposit for the amount of bonding authority returned
81.29 between 91 and 180 days of receiving the allocation.

81.30 No refund of the application deposit shall be available for allocations returned on or after
81.31 the last Monday in November.

82.1 **Subd. 6. Final allocation; carryforward.** Notwithstanding the notice requirements of
82.2 section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota
82.3 Housing Finance Agency on the last business day in December shall be carried forward
82.4 into the next calendar year by the commissioner for the Minnesota Housing Finance Agency.
82.5 Any authority carried forward shall be allocated to utilize such authority that is closest to
82.6 expiring first, and in all events, Minnesota Housing Finance Agency shall allocate its bonding
82.7 authority to utilize such authority carried forward prior to any current year's allocation.

82.8 Sec. 27. Minnesota Statutes 2016, section 474A.131, is amended to read:

82.9 **474A.131 NOTICE OF ISSUE AND NOTICE OF CARRYFORWARD.**

82.10 Subdivision 1. **Notice of issue.** Each issuer ~~that issues bonds~~ with an allocation received
82.11 under this chapter shall provide a notice of issue to the department on forms provided by
82.12 the department stating:

82.13 (1) the date of issuance of the bonds;

82.14 (2) the title of the issue;

82.15 (3) the principal amount of the bonds;

82.16 (4) the type of qualified bonds under federal tax law;

82.17 (5) the dollar amount of the bonds issued that were subject to the annual volume cap;

82.18 and

82.19 (6) for entitlement issuers, whether the allocation is from current year entitlement
82.20 authority or is from carryforward authority.

82.21 For obligations that are issued as a part of a series of obligations, a notice must be
82.22 provided for each series. A penalty of one-half of the amount of the application deposit not
82.23 to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not
82.24 provided to the department within five business days after issuance or before 4:30 p.m. on
82.25 the last business day in December, whichever occurs first. Within 30 days after receipt of
82.26 a notice of issue the department shall refund a portion of the application deposit equal to
82.27 one percent of the amount of the bonding authority actually issued if a one percent application
82.28 deposit was made, or equal to two percent of the amount of the bonding authority actually
82.29 issued if ~~a two percent~~ the applicable application deposit was made, less any penalty amount.

82.30 Subd. 1a. **Certificate of notice.** If an allocation received under this chapter is used for
82.31 mortgage credit certificates, a certificate notice must be submitted to the department on
82.32 forms provided by the department stating the date of the filing of the election not to issue

83.1 bonds as provided under section 25, paragraph (c), of the Internal Revenue Code and the
83.2 amount of allocation authority to be used under the program.

83.3 A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall
83.4 apply to any mortgage credit certificate program for which a certificate notice is not provided
83.5 to the department within five days of the date of the filing of the election not to issue bonds
83.6 or before the last Monday in December, whichever occurs first. Within 30 days after receipt
83.7 of a certificate notice the department shall refund a portion of the application deposit equal
83.8 to one percent of the amount of the bonding authority to be used for the mortgage credit
83.9 certificate program, less any penalty amount.

83.10 Subd. 1b. **Deadline for issuance of qualified bonds.** (a) If an issuer fails to notify the
83.11 department before 4:30 p.m. on the last business day in December of issuance of obligations
83.12 pursuant to an allocation received for any qualified bond project or issuance of an entitlement
83.13 allocation other than those involving residential rental bonds, the allocation is canceled and
83.14 the bonding authority is allocated to the Minnesota Housing Finance Agency for carryforward
83.15 by the commissioner under section 474A.091, subdivision 6.

83.16 (b) With respect to (1) an allocation received for a residential rental project for which
83.17 such obligations have not been issued before 4:30 p.m. on the last business day in December
83.18 and the time period for issuance of such obligations provided under section 474A.061,
83.19 subdivision 2a, or section 474A.091, subdivision 2, as applicable has not expired, or (2)
83.20 bonding authority reserved for a project for up to 24 months under section 474A.061,
83.21 subdivision 2a, or section 474A.091, subdivision 3, paragraph (f), as of 4:30 p.m. on the
83.22 last business day of December, such bonding authority shall be allocated to the Minnesota
83.23 Housing Finance Agency for carryforward by the commissioner under section 474A.091,
83.24 subdivision 6; provided, however, that such allocation shall remain reserved by the Minnesota
83.25 Housing Finance Agency for the residential rental project described in the original application
83.26 and the Minnesota Housing Finance Agency will have the fiduciary duty to issue such bonds
83.27 as intended by the originally intended issuer. In addition, any obligations issued by the
83.28 Minnesota Housing Finance Agency for a residential rental project that is subject to this
83.29 subdivision shall not be subject to the debt management policies of the Minnesota Housing
83.30 Finance Agency, as adopted and amended from time to time. The Minnesota Housing
83.31 Finance Agency shall not charge any issuer fees for an issuance under this subdivision and
83.32 all issuer fees shall be paid to the original applicant for the bonds. Notwithstanding this
83.33 paragraph, the Minnesota Housing Finance Agency may be reimbursed for its reasonable
83.34 costs to issue the bonds.

84.1 Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received
84.2 under this chapter, it must notify the department in writing before 4:30 p.m. on the last
84.3 business day in December. This notice requirement does not apply to the Minnesota Housing
84.4 Finance Agency for the carryforward of unallocated unified pool balances or for the
84.5 carryforward of allocations of residential rental project bonds pursuant to subdivision 1b.

84.6 Subd. 3. **Irrevocable allocation.** The department may not revoke an allocation received
84.7 under this chapter after receiving a notice of issue or certificate notice from the issuer.

84.8 Subd. 4. Allocation plan. By January 15 of each year, the commissioner of the Minnesota
84.9 Housing Finance Agency shall annually prepare a tax-exempt bond allocation plan that
84.10 identifies the amount of tax-exempt bonds allocated to the Minnesota Housing Finance
84.11 Agency during the previous calendar year, identifies the amount of carryforward bonds and
84.12 the respective issuers pursuant to subdivision 1b, and for all other bond carryforward,
84.13 whether or not the Minnesota Housing Fiance Agency intends to carryforward such bonds
84.14 not otherwise allocated in the previous year as qualified residential rental bonds or qualified
84.15 mortgage bonds or mortgage credit certificates consistent with the requirements of Internal
84.16 Revenue Service Form 8328, identifies the carryforward balance of any tax-exempt bonds
84.17 allocated to the Minnesota Housing Finance Agency including those bonds carried forward
84.18 as qualified residential rental bonds and qualified mortgage bonds or mortgage credit
84.19 certificates. Prior to January 15 of each year, the Minnesota Housing Finance Agency must
84.20 post on its official Web site the tax-exempt bond allocation plan and invite public comment
84.21 until February 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue
84.22 Service Form 8328 until the public comment period had closed on February 1 unless
84.23 otherwise required by federal law.

84.24 Sec. 28. Minnesota Statutes 2016, section 474A.14, is amended to read:

84.25 **474A.14 NOTICE OF AVAILABLE AUTHORITY.**

84.26 The department shall provide at its official Web site a written notice of the amount of
84.27 bonding authority in the housing, small issue, and public facilities pools as soon after January
84.28 1 as possible. The department shall provide at its official Web site a written notice of the
84.29 amount of bonding authority available for allocation in the unified pool as soon after August
84.30 July 1 as possible.

85.1 Sec. 29. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter
85.2 189, article 7, section 8, and Laws 2017, chapter 94, article 6, section 17, is amended to
85.3 read:

85.4 **Sec. 14. ASSIGNED RISK TRANSFER.**

85.5 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of an
85.6 audit that there is an excess surplus in the assigned risk plan created under Minnesota
85.7 Statutes, section 79.252, the commissioner of management and budget shall transfer the
85.8 amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This transfer
85.9 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
85.10 paragraph (a), clause (1). This is a onetime transfer.

85.11 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce
85.12 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
85.13 created under Minnesota Statutes, section 79.252, the commissioner of management and
85.14 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year,
85.15 to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423.
85.16 This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251,
85.17 subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a)
85.18 and (f). The total amount authorized for all transfers under this paragraph must not exceed
85.19 \$24,100,000. This paragraph expires the day following the transfer in which the total amount
85.20 transferred under this paragraph to the Minnesota minerals 21st century fund equals
85.21 \$24,100,000.

85.22 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of an
85.23 audit that there is an excess surplus in the assigned risk plan created under Minnesota
85.24 Statutes, section 79.252, the commissioner of management and budget shall transfer the
85.25 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
85.26 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
85.27 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a
85.28 transfer occurs under this paragraph, the amount transferred is appropriated from the general
85.29 fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section
85.30 15. Both the transfer and appropriation under this paragraph are onetime.

85.31 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of an
85.32 audit that there is an excess surplus in the assigned risk plan created under Minnesota
85.33 Statutes, section 79.252, the commissioner of management and budget shall transfer the
85.34 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer

86.1 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
86.2 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a
86.3 transfer occurs under this paragraph, the amount transferred is appropriated from the general
86.4 fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section
86.5 15. Both the transfer and appropriation under this paragraph are onetime.

86.6 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of
86.7 management and budget shall transfer to the general fund, any unencumbered or unexpended
86.8 balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or
86.9 the date the commissioner of commerce determines that an excess surplus in the assigned
86.10 risk plan does not exist, whichever occurs earlier.

86.11 (f) By June 30, 2017 2018, and each year thereafter, if the commissioner of commerce
86.12 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
86.13 created under Minnesota Statutes, section 79.252, the commissioner of management and
86.14 budget shall transfer the amount of the excess surplus, not to exceed \$2,000,000 \$3,000,000
86.15 each year, to the ~~rural policy and development center fund under Minnesota Statutes, section~~
86.16 ~~116J.4221~~ Minnesota manufactured home relocation trust fund established in Minnesota
86.17 Statutes, section 462A.35, subdivision 1. This transfer occurs prior to any transfer under
86.18 paragraph (b) or under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a),
86.19 clause (1). The total amount authorized for all transfers under this paragraph must not exceed
86.20 \$2,000,000 \$3,000,000. This paragraph expires the day following the transfer in which the
86.21 total amount transferred under this paragraph to the ~~rural policy and development center~~
86.22 ~~fund~~ Minnesota manufactured home relocation trust fund equals \$2,000,000 \$3,000,000.

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

86.24 Sec. 30. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
86.25 **RELOCATION TRUST FUND.**

86.26 (a) Until June 30, 2020, the Minnesota Housing Finance Agency is authorized to advance
86.27 up to \$400,000 from available resources to the Minnesota manufactured home relocation
86.28 trust fund established under Minnesota Statutes, section 462A.35, if the account balance in
86.29 the Minnesota manufactured home relocation trust fund is insufficient to pay the amounts
86.30 claimed under Minnesota Statutes, section 327C.095, subdivision 13.

86.31 (b) The Minnesota Housing Finance Agency shall be reimbursed from the Minnesota
86.32 manufactured home relocation trust fund for any money advanced by the agency under
86.33 paragraph (a) to the fund.

Sec. 31. REPEALER.

Minnesota Statutes 2016, section 471.9996, subdivision 2, is repealed.

Sec. 32. EFFECTIVE DATE.

Except as otherwise noted, sections 11 to 28 are effective the day following final enactment.

ARTICLE 5**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;

- 88.1 (iii) \$7.75 per hour beginning August 1, 2016; and
- 88.2 (iv) the rate established under paragraph (f) beginning January 1, 2018.
- 88.3 (c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment,
- 88.4 an employer may pay an employee under the age of 20 years a wage of at least:
- 88.5 (1) \$6.50 per hour beginning August 1, 2014;
- 88.6 (2) \$7.25 per hour beginning August 1, 2015;
- 88.7 (3) \$7.75 per hour beginning August 1, 2016; and
- 88.8 (4) the rate established under paragraph (f) beginning January 1, 2018.
- 88.9 No employer may take any action to displace an employee, including a partial displacement
- 88.10 through a reduction in hours, wages, or employment benefits, in order to hire an employee
- 88.11 at the wage authorized in this paragraph.
- 88.12 (d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging
- 88.13 establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15,
- 88.14 subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer
- 88.15 that includes the provision by the employer of a food or lodging benefit, if the employee is
- 88.16 working under authority of a summer work travel exchange visitor program (J) nonimmigrant
- 88.17 visa, a wage of at least:
- 88.18 (1) \$7.25 per hour beginning August 1, 2014;
- 88.19 (2) \$7.50 per hour beginning August 1, 2015;
- 88.20 (3) \$7.75 per hour beginning August 1, 2016; and
- 88.21 (4) the rate established under paragraph (f) beginning January 1, 2018.
- 88.22 No employer may take any action to displace an employee, including a partial displacement
- 88.23 through a reduction in hours, wages, or employment benefits, in order to hire an employee
- 88.24 at the wage authorized in this paragraph.
- 88.25 (e) Notwithstanding paragraph (b), a large employer must pay an employee under the
- 88.26 age of 18 at a rate of at least:
- 88.27 (1) \$6.50 per hour beginning August 1, 2014;
- 88.28 (2) \$7.25 per hour beginning August 1, 2015;
- 88.29 (3) \$7.75 per hour beginning August 1, 2016; and
- 88.30 (4) the rate established under paragraph (f) beginning January 1, 2018.

89.1 No employer may take any action to displace an employee, including a partial displacement
89.2 through a reduction in hours, wages, or employment benefits, in order to hire an employee
89.3 at the wage authorized in this paragraph.

89.4 (f) No later than August 31 of each year, beginning in 2017, the commissioner shall
89.5 determine the percentage increase in the rate of inflation, as measured by the implicit price
89.6 deflator, national data for personal consumption expenditures as determined by the United
89.7 States Department of Commerce, Bureau of Economic Analysis during the 12-month period
89.8 immediately preceding that August or, if that data is unavailable, during the most recent
89.9 12-month period for which data is available. The minimum wage rates in paragraphs (b),
89.10 (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded to the nearest cent;
89.11 or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum
89.12 wage rate shall not be reduced under this paragraph. The new minimum wage rates
89.13 determined under this paragraph take effect on the next January 1.

89.14 (g)(1) No later than September 30 of each year, beginning in 2017, the commissioner
89.15 may issue an order that an increase calculated under paragraph (f) not take effect. The
89.16 commissioner may issue the order only if the commissioner, after consultation with the
89.17 commissioner of management and budget, finds that leading economic indicators, including
89.18 but not limited to projections of gross domestic product calculated by the United States
89.19 Department of Commerce, Bureau of Economic Analysis; the Consumer Confidence Index
89.20 issued by the Conference Board; and seasonally adjusted Minnesota unemployment rates,
89.21 indicate the potential for a substantial downturn in the state's economy. Prior to issuing an
89.22 order, the commissioner shall also calculate and consider the ratio of the rate of the calculated
89.23 change in the minimum wage rate to the rate of change in state median income over the
89.24 same time period used to calculate the change in wage rate. Prior to issuing the order, the
89.25 commissioner shall hold a public hearing, notice of which must be published in the State
89.26 Register, on the department's Web site, in newspapers of general circulation, and by other
89.27 means likely to inform interested persons of the hearing, at least ten days prior to the hearing.
89.28 The commissioner must allow interested persons to submit written comments to the
89.29 commissioner before the public hearing and for 20 days after the public hearing.

89.30 (2) The commissioner may in a year subsequent to issuing an order under clause (1),
89.31 make a supplemental increase in the minimum wage rate in addition to the increase for a
89.32 year calculated under paragraph (f). The supplemental increase may be in an amount up to
89.33 the full amount of the increase not put into effect because of the order. If the supplemental
89.34 increase is not the full amount, the commissioner may make a supplemental increase of the
89.35 difference, or any part of a difference, in a subsequent year until the full amount of the

90.1 increase ordered not to take effect has been included in a supplemental increase. In making
90.2 a determination to award a supplemental increase under this clause, the commissioner shall
90.3 use the same considerations and use the same process as for an order under clause (1). A
90.4 supplemental wage increase is not subject to and shall not be considered in determining
90.5 whether a wage rate increase exceeds the limits for annual wage rate increases allowed
90.6 under paragraph (f).

90.7 (h) Notwithstanding paragraph (b), every large employer must pay an employee receiving
90.8 gratuities a wage of at least:

90.9 (1) \$9.65 per hour if the employee earns sufficient gratuities during the workweek so
90.10 that the sum of \$9.65 per hour and gratuities received averages at least the amount established
90.11 for large employers under paragraph (j); or

90.12 (2) the greater of the wage rate under this section or United States Code, title 29, section
90.13 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that
90.14 the sum of \$9.65 per hour and gratuities received averages at least the amount established
90.15 for large employers under paragraph (j).

90.16 (i) Notwithstanding paragraph (b), every small employer must pay an employee receiving
90.17 gratuities a wage of at least:

90.18 (1) \$7.87 per hour if the employee earns sufficient gratuities during the workweek so
90.19 that the sum of \$7.87 per hour and gratuities received averages at least the amount established
90.20 for small employers under paragraph (j); or

90.21 (2) the greater of the wage rate under this section or United States Code, title 29, section
90.22 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that
90.23 the sum of \$7.87 per hour and gratuities received averages at least the amount established
90.24 for small employers under paragraph (j).

90.25 (j)(1) For large employers, the average hourly wage and gratuity amount begins at \$14
90.26 and increases annually by the lesser of:

90.27 (i) two percent, rounded to the nearest cent; or

90.28 (ii) the percentage calculated by the commissioner under paragraph (f), rounded to the
90.29 nearest cent.

90.30 (2) For small employers, the average hourly wage and gratuity amount begins at \$12
90.31 and increases annually by the lesser of:

90.32 (i) two percent, rounded to the nearest cent; or

91.1 (ii) the percentage calculated by the commissioner under paragraph (f), rounded to the
91.2 nearest cent.

91.3 An average hourly wage and gratuity amount shall not be reduced under this paragraph.

91.4 The adjusted average hourly wage and salary amounts determined under this paragraph take
91.5 effect on the next January 1.

91.6 Sec. 2. Minnesota Statutes 2016, section 182.666, subdivision 1, is amended to read:

91.7 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
91.8 violates the requirements of section 182.653, or any standard, rule, or order adopted under
91.9 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
91.10 exceed ~~\$70,000~~ \$126,750 for each violation. The minimum fine for a willful violation is
91.11 ~~\$5,000~~ \$9,055.

91.12 Sec. 3. Minnesota Statutes 2016, section 182.666, subdivision 2, is amended to read:

91.13 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
91.14 violation of its duties under section 182.653, or any standard, rule, or order adopted under
91.15 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
91.16 to exceed ~~\$7,000~~ \$12,675 for each violation. If a serious violation under section 182.653,
91.17 subdivision 2, causes or contributes to the death of an employee, the employer shall be
91.18 assessed a fine of up to \$25,000 for each violation.

91.19 Sec. 4. Minnesota Statutes 2016, section 182.666, subdivision 3, is amended to read:

91.20 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
91.21 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically
91.22 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
91.23 may be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

91.24 Sec. 5. Minnesota Statutes 2016, section 182.666, subdivision 4, is amended to read:

91.25 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
91.26 for which a citation has been issued under section 182.66 within the period permitted for
91.27 its correction, which period shall not begin to run until the date of the final order of the
91.28 commissioner in the case of any review proceedings under this chapter initiated by the
91.29 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
91.30 a fine of not more than ~~\$7,000~~ \$12,675 for each day during which the failure or violation
91.31 continues.

92.1 Sec. 6. Minnesota Statutes 2016, section 182.666, subdivision 5, is amended to read:

92.2 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
92.3 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
92.4 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

92.5 Sec. 7. Minnesota Statutes 2016, section 182.666, is amended by adding a subdivision to
92.6 read:

92.7 Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning
92.8 in 2018, the commissioner shall determine the percentage increase in the rate of inflation,
92.9 as measured by the implicit price deflator, national data for personal consumption
92.10 expenditures as determined by the United States Department of Commerce, Bureau of
92.11 Economic Analysis during the 12-month period immediately preceding that August or, if
92.12 that data is unavailable, during the most recent 12-month period for which data is available.
92.13 The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under
92.14 section 182.653, subdivision 2, that causes or contributes to the death of an employee, are
92.15 increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly
92.16 divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest
92.17 dollar amount evenly divisible by ten.

92.18 (b) The fines increased under paragraph (a) shall not be increased to an amount greater
92.19 than the corresponding federal penalties for the specified violations promulgated in United
92.20 States Code, title 29, section 666, subsections (a)-(d), (i), as amended through November
92.21 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal
92.22 Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

92.23 (c) A fine must not be reduced under this subdivision. A fine increased under this
92.24 subdivision takes effect on the next January 1.

92.25 Sec. 8. **REPEALER.**

92.26 Minnesota Statutes 2016, section 177.24, subdivision 2, is repealed.

92.27 **ARTICLE 6**

92.28 **LAKE WINONA MANAGEMENT**

92.29 Section 1. **LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE**
92.30 **PLANNING.**

93.1 (a) To facilitate implementation of the Lake Winona total maximum daily load, the
93.2 Alexandria Lake Area Sanitary District may fund or perform lake management activities
93.3 in Lake Winona and in Lake Agnes. Lake management activities may include but are not
93.4 limited to carp removal and alum treatment. If the district agrees to fund or perform lake
93.5 management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution
93.6 Control Agency shall do one of the following unless the district chooses another path to
93.7 compliance that conforms to state and federal law, such as facility construction:

93.8 (1) approve an offset of the phosphorous loading proportional to the reduction achievable
93.9 through lake management activities in Lake Winona and Lake Agnes creditable to the
93.10 Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend
93.11 the district's NPDES permit MN004738 to include the offset. The approved offset may be
93.12 related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district
93.13 can achieve compliance with phosphorus effluent limits through wastewater optimization
93.14 techniques without performing capital upgrades to the wastewater treatment facility. The
93.15 lake management activities contemplated under paragraph (a) need not be completed before
93.16 the commissioner approves the offset and related discharge limits or issues the permit, but
93.17 the permit may include a schedule of compliance outlining the required lake management
93.18 activities and requiring that lake management activities in Lake Winona and Lake Agnes
93.19 begin immediately upon permit issuance. The approved offset and related permit language
93.20 must be consistent with Clean Water Act requirements and Minnesota Statutes, section
93.21 115.03, subdivision 10; or

93.22 (2) amend the district's NPDES permit MN004738 in a manner consistent with state and
93.23 federal law to include an integrated and adaptive lake management plan and to extend the
93.24 final compliance deadline for the final phosphorus concentration effluent limit related to
93.25 the site specific standard for Lake Winona contained in the district's permit until such time
93.26 that carp removal in Lake Winona can be completed and the lake can be reassessed. The
93.27 permit may include a schedule of compliance outlining the required lake management
93.28 activities and requiring that lake management activities in Lake Winona and Lake Agnes
93.29 begin immediately upon permit issuance.

93.30 (b) If the district agrees to fund or perform the lake management activities identified in
93.31 paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The
93.32 district's responsibility for lake management activities in Lake Winona and Lake Agnes
93.33 terminates upon completion of the lake management activities identified in the schedule of
93.34 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 7

TELECOMMUNICATIONS

Section 1. [394.38] FEES; WIRELESS FACILITY.

(a) This section applies to an application to install a new or replacement wireless facility on (1) a new or existing structure specifically designed to support wireless facilities, or (2) a water tower, building, or other structure designed primarily for other purposes.

(b) A local government unit must limit an application fee to the actual cost incurred, including the cost of any third-party consultant used to assist with the application review. A local government unit is prohibited from imposing an application fee under this section that exceeds \$3,000.

(c) For the purposes of this section, "wireless facility" means equipment at a fixed location that enables the provision of wireless services between user equipment and a wireless service network. Wireless facility includes an adjacent facility used to store equipment necessary to support the wireless facility, but does not include a small wireless facility as defined in section 237.162.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to an application filed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 462.353, is amended by adding a subdivision to read:

Subd. 4b. Fees; wireless facility. (a) This subdivision applies to an application to install a new or replacement wireless facility on (1) a new or existing structure specifically designed to support wireless facilities, or (2) a water tower, building, or other structure designed primarily for other purposes.

(b) A local government unit must limit an application fee to the actual cost incurred, including the cost of any third-party consultant used to assist with the application review.

A local government unit is prohibited from imposing an application fee under this subdivision that exceeds \$3,000.

(c) For the purposes of this section, "wireless facility" means equipment at a fixed location that enables the provision of wireless services between user equipment and a

95.1 wireless service network. Wireless facility includes an adjacent facility used to store
95.2 equipment necessary to support the wireless facility, but does not include a small wireless
95.3 facility as defined in section 237.162.

95.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
95.5 applies to an application filed on or after that date."

95.6 Amend the title accordingly