

1.1 A bill for an act

1.2 relating to state government; appropriating money to the Departments of
1.3 Employment and Economic Development, Labor and Industry, and Commerce;
1.4 Bureau of Mediation Services; Housing Finance Agency; Explore Minnesota
1.5 Tourism; Workers' Compensation Court of Appeals; Public Utilities Commission;
1.6 making policy changes to the Departments of Employment and Economic
1.7 Development, Labor and Industry, and Commerce; making changes to housing,
1.8 unemployment insurance, and energy provisions; creating a MNvest regulation
1.9 exemption; creating various jobs and workforce development programs;
1.10 regulating insurance; allowing additional unemployment insurance benefits
1.11 for certain workers; modifying a Public Employment Relations Board duty;
1.12 modifying Destination Medical Center taxing authority; making a transfer from
1.13 the closed landfill investment account; requiring reports; appointing task forces;
1.14 modifying fees and penalties; amending Minnesota Statutes 2014, sections
1.15 12A.15, subdivision 1; 45.0135, by adding a subdivision; 60D.215, subdivision
1.16 2; 65B.44, by adding a subdivision; 80A.84; 116J.394; 116J.8738, subdivision 3,
1.17 by adding a subdivision; 116L.17, subdivision 4; 116L.98, subdivisions 1, 3, 5,
1.18 7; 216B.02, by adding subdivisions; 216B.16, subdivisions 6, 7b, 19; 216B.164,
1.19 subdivision 3; 216B.2425; 216B.62, subdivision 3b; 268.035, subdivisions
1.20 6, 21b, 26, 30; 268.051, subdivision 7; 268.07, subdivisions 2, 3b; 268.085,
1.21 subdivisions 1, 2; 268.095, subdivision 10; 268.105, subdivisions 3, 7; 268.136,
1.22 subdivision 1; 268.188; 268.194, subdivision 1; 268A.01, subdivisions 6, 10,
1.23 by adding a subdivision; 268A.03; 268A.06; 268A.07; 268A.085; 326B.092,
1.24 subdivision 7, as amended; 326B.096; 326B.986, subdivisions 5, 8; 327.20,
1.25 subdivision 1; 341.321; 469.40, subdivision 11, as amended; 469.43, by adding a
1.26 subdivision; 469.45, subdivisions 1, 2; 469.47, subdivision 4, as amended; Laws
1.27 1994, chapter 493, section 1; Laws 2014, chapter 211, section 13; Laws 2014,
1.28 chapter 308, article 6, section 14, subdivision 5; Laws 2015, chapter 54, article 5,
1.29 section 16; proposing coding for new law in Minnesota Statutes, chapters 80A;
1.30 116J; 116L; 216B; 216H; proposing coding for new law as Minnesota Statutes,
1.31 chapter 59D; repealing Minnesota Statutes 2014, section 268.042, subdivision 4.

1.32 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

JOBS APPROPRIATIONS

Section 1. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 2017

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation \$ 123,314,000 \$ 105,471,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>96,108,000</u>	<u>79,257,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>26,506,000</u>	<u>25,514,000</u>

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

Subd. 2. Business and Community Development

Appropriations by Fund

<u>General</u>	<u>49,194,000</u>	<u>44,286,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>900,000</u>	<u>900,000</u>

(a)(1) \$15,000,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount,

3.1 the commissioner may use up to three percent
3.2 for administrative expenses and technology
3.3 upgrades. This appropriation is available
3.4 until expended.

3.5 (2) Of the amount appropriated in fiscal
3.6 year 2016, up to \$4,000,000 is for a
3.7 loan to construct a \$10,000,000 aircraft
3.8 manufacturing facility. Funds available
3.9 under this clause may be used for purchases
3.10 of materials and supplies made from July
3.11 1, 2015, through June 30, 2016, and which
3.12 are directly related to the construction of
3.13 the aircraft manufacturing facility. This
3.14 loan is not subject to the limitations under
3.15 Minnesota Statutes, section 116J.8731,
3.16 subdivision 5. The commissioner shall
3.17 forgive the loan after verification that the
3.18 project has satisfied performance goals and
3.19 contractual obligations as required under
3.20 Minnesota Statutes, section 116J.8731,
3.21 subdivision 7. The amount available under
3.22 this clause is available until June 30, 2019.

3.23 (b) \$12,500,000 each year is for the
3.24 Minnesota job creation fund under Minnesota
3.25 Statutes, section 116J.8748. Of this amount,
3.26 the commissioner may use up to three
3.27 percent for administrative expenses. This
3.28 appropriation is available until expended.

3.29 (c) \$1,272,000 each year is from the
3.30 general fund for contaminated site cleanup
3.31 and development grants under Minnesota
3.32 Statutes, sections 116J.551 to 116J.558. This
3.33 appropriation is available until expended.

3.34 (d) \$700,000 each year is from the
3.35 remediation fund for contaminated site

4.1 cleanup and development grants under
4.2 Minnesota Statutes, sections 116J.551 to
4.3 116J.558. This appropriation is available
4.4 until expended.

4.5 (e) \$1,425,000 each year is from the
4.6 general fund for the business development
4.7 competitive grant program. Of this amount,
4.8 up to five percent is for administration and
4.9 monitoring of the business development
4.10 competitive grant program. All grant awards
4.11 shall be for two consecutive years. Grants
4.12 shall be awarded in the first year.

4.13 (f) \$4,195,000 each year is from the general
4.14 fund for the Minnesota job skills partnership
4.15 program under Minnesota Statutes, sections
4.16 116L.01 to 116L.17. If the appropriation for
4.17 either year is insufficient, the appropriation
4.18 for the other year is available. This
4.19 appropriation is available until expended.

4.20 (g) \$12,000 each year is from the general
4.21 fund for a grant to the Upper Minnesota Film
4.22 Office.

4.23 (h) \$325,000 each year is from the general
4.24 fund for the Minnesota Film and TV Board.
4.25 The appropriation in each year is available
4.26 only upon receipt by the board of \$1 in
4.27 matching contributions of money or in-kind
4.28 contributions from nonstate sources for every
4.29 \$3 provided by this appropriation, except that
4.30 each year up to \$50,000 is available on July
4.31 1 even if the required matching contribution
4.32 has not been received by that date.

4.33 (i) \$3,500,000 the first year and \$1,500,000
4.34 the second year are from the general fund for
4.35 a grant to the Minnesota Film and TV Board

5.1 for the film production jobs program under
5.2 Minnesota Statutes, section 116U.26. This
5.3 appropriation is available until expended.

5.4 (j) \$875,000 each year is from the general
5.5 fund for the host community economic
5.6 development program established in
5.7 Minnesota Statutes, section 116J.548.

5.8 (k) \$1,373,000 in fiscal year 2016 is for the
5.9 workforce housing grants pilot program in
5.10 Laws 2014, chapter 308, article 6, section
5.11 14. This appropriation is onetime and is
5.12 available until spent. The commissioner of
5.13 employment and economic development may
5.14 use up to five percent for administrative costs.

5.15 (l) \$2,000,000 each year is for the workforce
5.16 housing grant program in Minnesota Statutes,
5.17 section 116J.549. Of this amount, up to five
5.18 percent is for administration and monitoring
5.19 of the program. This appropriation is
5.20 available until spent.

5.21 (m) \$139,000 each year is from the general
5.22 fund for the Center for Rural Policy and
5.23 Development.

5.24 (n) \$400,000 the first year is from the
5.25 general fund for a grant to develop and
5.26 implement a southern and southwestern
5.27 Minnesota initiative foundation collaborative
5.28 pilot project. Funds available under this
5.29 paragraph must be used to support and
5.30 develop entrepreneurs in diverse populations
5.31 in southern and southwestern Minnesota.
5.32 This is a onetime appropriation.

5.33 (o) \$1,900,000 in fiscal year 2016 and
5.34 \$1,300,000 in fiscal year 2017 are from
5.35 the general fund for the greater Minnesota

6.1 business development public infrastructure
6.2 grant program under Minnesota Statutes,
6.3 section 116J.431. This appropriation is
6.4 available until spent. Funds available
6.5 under this paragraph may be used for site
6.6 preparation of property owned and to be used
6.7 by private entities.

6.8 (1) Notwithstanding any law to the contrary,
6.9 of the amount appropriated in fiscal year
6.10 2016, \$1,800,000 is for a grant to the city
6.11 of Cambridge to fund ongoing development
6.12 and improvement of Trunk Highway 95
6.13 within the city of Cambridge, including
6.14 economic development, land acquisition and
6.15 enhancements, safety improvements, design,
6.16 engineering, environmental studies, corridor
6.17 mappings, right-of-way acquisitions, and
6.18 associated improvements. Notwithstanding
6.19 Minnesota Statutes, section 116J.431,
6.20 subdivision 1, a local match is not required for
6.21 this project. This is a onetime appropriation
6.22 and any unspent funds do not lapse.

6.23 (2) Notwithstanding any law to the contrary,
6.24 of the amount appropriated in fiscal year
6.25 2016, \$100,000 is for a grant to the city of
6.26 Taylor Falls for economic development,
6.27 redevelopment, and job creation programs
6.28 and projects. This appropriation is available
6.29 until expended.

6.30 (p) \$35,000 the first year is for an economic
6.31 development grant for the city of Delano
6.32 to reimburse the Delano Fourth of July
6.33 Committee, Incorporated for unanticipated
6.34 tax liabilities related to past city celebrations.

7.1 (q) \$500,000 the first year is for a grant to
 7.2 the Eastside Enterprise Center for economic
 7.3 development and job creation, including
 7.4 loans, business and workforce training, and
 7.5 business assistance. This appropriation
 7.6 shall be divided equally between African
 7.7 Economic Development Solutions, the Asian
 7.8 Economic Development Association, and the
 7.9 Latino Economic Development Center. This
 7.10 is a onetime appropriation.

7.11 (r) \$900,000 in fiscal year 2016 and \$900,000
 7.12 in fiscal year 2017 are from the workforce
 7.13 development fund for job training grants
 7.14 under Minnesota Statutes, section 116L.42.

7.15 **Subd. 3. Workforce Development**

7.16	<u>Appropriations by Fund</u>		
7.17	<u>General</u>	<u>2,189,000</u>	<u>1,789,000</u>
7.18	<u>Workforce</u>		
7.19	<u>Development</u>	<u>17,567,000</u>	<u>16,767,000</u>

7.20 (a) \$1,039,000 each year from the general
 7.21 fund and \$3,104,000 each year from the
 7.22 workforce development fund are for the adult
 7.23 workforce development competitive grant
 7.24 program. Of this amount, up to five percent
 7.25 is for administration and monitoring of the
 7.26 adult workforce development competitive
 7.27 grant program. All grant awards shall be
 7.28 for two consecutive years. Grants shall be
 7.29 awarded in the first year.

7.30 (b) \$4,050,000 each year is from the
 7.31 workforce development fund for the
 7.32 Minnesota youth program under Minnesota
 7.33 Statutes, sections 116L.56 and 116L.561, to
 7.34 provide employment and career advising to
 7.35 youth, including career guidance in secondary
 7.36 schools, to address the youth career advising

8.1 deficiency, to carry out activities outlined
8.2 in Minnesota Statutes, section 116L.561,
8.3 to provide support services, and to provide
8.4 work experience to youth in the workforce
8.5 service areas. The funds in this paragraph
8.6 may be used for expansion of the pilot
8.7 program combining career and higher
8.8 education advising in Laws 2013, chapter 85,
8.9 article 3, section 27. Activities in workforce
8.10 services areas under this paragraph may
8.11 serve all youth up to age 24.

8.12 (c) \$1,000,000 each year is from the
8.13 workforce development fund for the
8.14 youthbuild program under Minnesota
8.15 Statutes, sections 116L.361 to 116L.366.

8.16 (d) \$450,000 each year is from the workforce
8.17 development fund for a grant to Minnesota
8.18 Diversified Industries, Inc., to provide
8.19 progressive development and employment
8.20 opportunities for people with disabilities.

8.21 (e) \$3,348,000 each year is from the
8.22 workforce development fund for the "Youth
8.23 at Work" youth workforce development
8.24 competitive grant program. Of this amount,
8.25 up to five percent is for administration
8.26 and monitoring of the youth workforce
8.27 development competitive grant program. All
8.28 grant awards shall be for two consecutive
8.29 years. Grants shall be awarded in the first
8.30 year.

8.31 (f) \$500,000 each year is from the workforce
8.32 development fund for the Opportunities
8.33 Industrialization Center programs.

8.34 (g) \$750,000 each year is from the workforce
8.35 development fund for a grant to the

9.1 Minnesota Alliance of Boys and Girls
9.2 Clubs to administer a statewide project
9.3 of youth jobs skills development. This
9.4 project, which may have career guidance
9.5 components, including health and life skills,
9.6 is to encourage, train, and assist youth in
9.7 job-seeking skills, workplace orientation,
9.8 and job-site knowledge through coaching.
9.9 This grant requires a 25 percent match from
9.10 nonstate resources.

9.11 (h) \$250,000 the first year and \$250,000 the
9.12 second year are for pilot programs in the
9.13 workforce service areas to combine career
9.14 and higher education advising.

9.15 (i) \$215,000 each year is from the workforce
9.16 development fund for a grant to Big
9.17 Brothers, Big Sisters of the Greater Twin
9.18 Cities for workforce readiness, employment
9.19 exploration, and skills development for
9.20 youth ages 12 to 21. The grant must serve
9.21 youth in the Twin Cities, Central Minnesota
9.22 and Southern Minnesota Big Brothers, Big
9.23 Sisters chapters.

9.24 (j) \$900,000 in fiscal year 2016 and
9.25 \$1,100,000 in fiscal year 2017 are from the
9.26 workforce development fund for a grant to the
9.27 Minnesota High Tech Association to support
9.28 SciTechsperience, a program that supports
9.29 science, technology, engineering, and math
9.30 (STEM) internship opportunities for two-
9.31 and four-year college students in their field
9.32 of study. The internship opportunities
9.33 must match students with paid internships
9.34 within STEM disciplines at small, for-profit
9.35 companies located in the seven-county

10.1 metropolitan area, having fewer than 150
10.2 total employees; or at small or medium,
10.3 for-profit companies located outside of the
10.4 seven-county metropolitan area, having
10.5 fewer than 250 total employees. At least 200
10.6 students must be matched in the first year
10.7 and at least 250 students must be matched in
10.8 the second year. Selected hiring companies
10.9 shall receive from the grant 50 percent of the
10.10 wages paid to the intern, capped at \$2,500
10.11 per intern. The program must work toward
10.12 increasing the participation among women or
10.13 other underserved populations.

10.14 (k) \$50,000 each year is from the workforce
10.15 development fund for a grant to the St.
10.16 Cloud Area Somali Salvation Organization
10.17 for youth development and crime prevention
10.18 activities. Grant funds may be used to
10.19 train and place mentors in elementary and
10.20 secondary schools; for athletic, social,
10.21 and other activities to foster leadership
10.22 development; to provide a safe place for
10.23 participating youth to gather after school, on
10.24 weekends, and on holidays; and activities to
10.25 improve the organizational and job readiness
10.26 skills of participating youth.

10.27 (l) \$500,000 each year is for rural career
10.28 counseling coordinator positions in the
10.29 workforce service areas and for the purposes
10.30 specified in Minnesota Statutes, section
10.31 116L.667. The commissioner, in consultation
10.32 with local workforce investment boards and
10.33 local elected officials in each of the service
10.34 areas receiving funds, shall develop a method
10.35 of distributing funds to provide equitable
10.36 services across workforce service areas.

11.1 (m) \$400,000 in fiscal year 2016 is for a grant
11.2 to YWCA Saint Paul for training and job
11.3 placement assistance, including commercial
11.4 driver's license training, through the job
11.5 placement and retention program. This is a
11.6 onetime appropriation.

11.7 (n) \$800,000 in fiscal year 2016 is from
11.8 the workforce development fund for
11.9 the customized training program for
11.10 manufacturing industries under article 2,
11.11 section 24. This is a onetime appropriation
11.12 and is available in either year of the
11.13 biennium. Of this amount:

11.14 (1) \$350,000 is for a grant to Central Lakes
11.15 College for the purposes of this paragraph;

11.16 (2) \$250,000 is for Minnesota West
11.17 Community and Technical College for the
11.18 purposes of this paragraph; and

11.19 (3) \$200,000 is for South Central College for
11.20 the purposes of this paragraph.

11.21 (o) \$500,000 each year is from the workforce
11.22 development fund for a grant to Resource,
11.23 Inc. to provide low-income individuals
11.24 career education and job skills training that
11.25 are fully integrated with chemical and mental
11.26 health services.

11.27 (p) \$200,000 in fiscal year 2016 and \$200,000
11.28 in fiscal year 2017 are from the workforce
11.29 development fund for performance grants
11.30 under Minnesota Statutes, section 116J.8747,
11.31 to Twin Cities RISE! to provide training to
11.32 hard-to-train individuals. This is a onetime
11.33 appropriation.

12.1 (q) \$200,000 in fiscal year 2016 is from
12.2 the workforce development fund for the
12.3 foreign-trained health care professionals
12.4 grant program modeled after the pilot
12.5 program conducted under Laws 2006,
12.6 chapter 282, article 11, section 2, subdivision
12.7 12, to encourage state licensure of
12.8 foreign-trained health care professionals,
12.9 including: physicians, with preference given
12.10 to primary care physicians who commit
12.11 to practicing for at least five years after
12.12 licensure in underserved areas of the state;
12.13 nurses; dentists; pharmacists; mental health
12.14 professionals; and other allied health care
12.15 professionals. The commissioner must
12.16 collaborate with health-related licensing
12.17 boards and Minnesota workforce centers to
12.18 award grants to foreign-trained health care
12.19 professionals sufficient to cover the actual
12.20 costs of taking a course to prepare health
12.21 care professionals for required licensing
12.22 examinations and the fee for the state
12.23 licensing examinations. When awarding
12.24 grants, the commissioner must consider the
12.25 following factors:
12.26 (1) whether the recipient's training involves
12.27 a medical specialty that is in high demand in
12.28 one or more communities in the state;
12.29 (2) whether the recipient commits to
12.30 practicing in a designated rural area or an
12.31 underserved urban community, as defined in
12.32 Minnesota Statutes, section 144.1501;
12.33 (3) whether the recipient's language skills
12.34 provide an opportunity for needed health care
12.35 access for underserved Minnesotans; and

13.1 (4) any additional criteria established by the
13.2 commissioner.

13.3 This is a onetime appropriation and is
13.4 available until June 30, 2019.

13.5 **Subd. 4. General Support Services**

13.6	<u>Appropriations by Fund</u>		
13.7	<u>General</u>	<u>3,059,000</u>	<u>3,104,000</u>
13.8	<u>Workforce</u>		
13.9	<u>Development</u>	<u>209,000</u>	<u>17,000</u>

13.10 (a) \$150,000 each year is from the general
13.11 fund for the cost-of-living study required
13.12 under Minnesota Statutes, section 116J.013.

13.13 (b) \$1,300,000 in fiscal year 2016 and
13.14 \$1,300,000 in fiscal year 2017 are for
13.15 operating the Olmstead Implementation
13.16 Office. The base appropriation for the
13.17 office is \$1,269,000 for fiscal year 2018 and
13.18 \$1,269,000 in fiscal year 2019.

13.19 (c) \$150,000 in fiscal year 2016 is for an
13.20 analysis of various options for the delivery
13.21 of a family medical leave insurance program
13.22 and associated costs and benefits. This is a
13.23 onetime appropriation.

13.24 (d) \$200,000 in fiscal year 2016 is from the
13.25 workforce development fund for the uniform
13.26 outcome report card requirements under
13.27 Minnesota Statutes, section 116L.98. This is
13.28 a onetime appropriation.

13.29 (e) \$250,000 the first year and \$250,000 the
13.30 second year are from the general fund for
13.31 the publication, dissemination, and use of
13.32 labor market information under Minnesota
13.33 Statutes, section 116J.4011.

13.34 **Subd. 5. Minnesota Trade Office** 2,292,000 2,292,000

14.1 (a) \$300,000 each year is for the STEP grants
 14.2 in Minnesota Statutes, section 116J.979.

14.3 (b) \$180,000 each year is for the Invest
 14.4 Minnesota Marketing Initiative in Minnesota
 14.5 Statutes, section 116J.9781.

14.6 (c) \$270,000 each year is for the expansion
 14.7 of Minnesota Trade Offices under Minnesota
 14.8 Statutes, section 116J.978.

14.9 (d) \$50,000 each year is for the trade policy
 14.10 advisory group under Minnesota Statutes,
 14.11 section 116J.9661.

14.12 Subd. 6. Vocational Rehabilitation

14.13	<u>Appropriations by Fund</u>		
14.14	<u>General</u>	<u>22,611,000</u>	<u>21,611,000</u>
14.15	<u>Workforce</u>		
14.16	<u>Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

14.17 (a) \$10,800,000 each year is from the general
 14.18 fund for the state's vocational rehabilitation
 14.19 program under Minnesota Statutes, chapter
 14.20 268A.

14.21 (b) \$2,261,000 each year is from the general
 14.22 fund for grants to centers for independent
 14.23 living under Minnesota Statutes, section
 14.24 268A.11.

14.25 (c) \$5,745,000 each year from the general
 14.26 fund and \$6,830,000 each year from the
 14.27 workforce development fund are for extended
 14.28 employment services for persons with severe
 14.29 disabilities under Minnesota Statutes, section
 14.30 268A.15.

14.31 (d) \$250,000 in fiscal year 2016 and \$250,000
 14.32 in fiscal year 2017 are for rate increases to
 14.33 providers of extended employment services
 14.34 for persons with severe disabilities under

15.1 Minnesota Statutes, section 268A.15. This
 15.2 appropriation is added to the agency's base.
 15.3 (e) \$2,555,000 each year is from the general
 15.4 fund for grants to programs that provide
 15.5 employment support services to persons with
 15.6 mental illness under Minnesota Statutes,
 15.7 sections 268A.13 and 268A.14.

15.8 (f) \$1,000,000 each year is from the
 15.9 workforce development fund for grants under
 15.10 Minnesota Statutes, section 268A.16, for
 15.11 employment services for persons, including
 15.12 transition-aged youth, who are deaf,
 15.13 deafblind, or hard-of-hearing. If the amount
 15.14 in the first year is insufficient, the amount in
 15.15 the second year is available in the first year.

15.16 (g) \$1,000,000 in fiscal year 2016 is for a
 15.17 grant to Assistive Technology of Minnesota,
 15.18 a statewide nonprofit organization that is
 15.19 exclusively dedicated to the issues of access
 15.20 to and the acquisition of assistive technology.
 15.21 The purpose of the grant is to acquire assistive
 15.22 technology and to work in tandem with
 15.23 individuals using this technology to create
 15.24 career paths. This is a onetime appropriation.

15.25 (h) For purposes of this subdivision,
 15.26 Minnesota Diversified Industries, Inc. is an
 15.27 eligible provider of services for persons with
 15.28 severe disabilities under Minnesota Statutes,
 15.29 section 268A.15.

15.30 Subd. 7. **Services for the Blind** 5,925,000 5,925,000

15.31 Subd. 8. **Competitive Grant Limitations**
 15.32 An organization that receives a direct
 15.33 appropriation under this section is not eligible
 15.34 to participate in competitive grant programs

16.1 under this section during the fiscal years in
16.2 which the direct appropriations are received.

16.3 **Subd. 9. Broadband Development** 10,838,000 250,000

16.4 (a) \$250,000 each year is for the Broadband
16.5 Development Office.

16.6 (b)(1) \$10,588,000 in fiscal year 2016 is for
16.7 deposit in the border-to-border broadband
16.8 fund account created under Minnesota
16.9 Statutes, section 116J.396, and may be used
16.10 for the purposes provided in Minnesota
16.11 Statutes, section 116J.395. This is a onetime
16.12 appropriation and is available until June 30,
16.13 2017.

16.14 (2) Of the appropriation in clause (1), up
16.15 to three percent of this amount is for costs
16.16 incurred by the commissioner to administer
16.17 Minnesota Statutes, section 116J.395.
16.18 Administrative costs may include the
16.19 following activities related to measuring
16.20 progress toward the state's broadband goals
16.21 established in Minnesota Statutes, section
16.22 237.012:

16.23 (i) collecting broadband deployment data
16.24 from Minnesota providers, verifying its
16.25 accuracy through on-the-ground testing, and
16.26 creating state and county maps available
16.27 to the public showing the availability of
16.28 broadband service at various upload and
16.29 download speeds throughout Minnesota;

16.30 (ii) analyzing the deployment data collected
16.31 to help inform future investments in
16.32 broadband infrastructure; and

18.1 shall be available for any eligible activity
18.2 under Minnesota Statutes, section 462A.33.

18.3 (b)(1) \$2,000,000 the first year is a onetime
18.4 appropriation and is targeted for housing in
18.5 communities and regions that have:

18.6 (i) low housing vacancy rates;

18.7 (ii) cooperatively developed a plan that
18.8 identifies current and future housing needs;

18.9 (iii) evidence of anticipated job expansion; or

18.10 (iv) a significant portion of area employees
18.11 who commute more than 30 miles between
18.12 their residence and their employment.

18.13 (2) Among comparable housing proposals,
18.14 preference must be given to proposals that:

18.15 (i) include a meaningful contribution from
18.16 area employers that reduces the need for
18.17 deferred loan or grant funds from state
18.18 resources; or

18.19 (ii) provide housing opportunities for an
18.20 expanded range of household incomes
18.21 within a community or that provide housing
18.22 opportunities for a wide range of incomes
18.23 within the development.

18.24 (c) The base amount for this program in fiscal
18.25 year 2018 and thereafter is \$12,925,000.

18.26 Subd. 3. **Housing Trust Fund** 13,471,000 11,471,000

18.27 (a) This appropriation is for deposit in the
18.28 housing trust fund account created under
18.29 Minnesota Statutes, section 462A.201, and
18.30 may be used for the purposes provided in
18.31 that section. To the extent that these funds
18.32 are used for the acquisition of housing, the
18.33 agency shall give priority among comparable

19.1 projects to projects that focus on creating
 19.2 safe and stable housing for homeless youth
 19.3 or projects that provide housing to trafficked
 19.4 women and children.

19.5 (b) \$2,000,000 the first year is a onetime
 19.6 appropriation for temporary rental assistance
 19.7 for families with school-age children who
 19.8 have changed their school or home at least
 19.9 once in the last school year. The agency,
 19.10 in consultation with the Department of
 19.11 Education, may establish additional targeting
 19.12 criteria.

19.13 **Subd. 4. Rental Assistance for Mentally Ill** 4,088,000 4,088,000

19.14 This appropriation is for the rental housing
 19.15 assistance program for persons with a mental
 19.16 illness or families with an adult member with
 19.17 a mental illness under Minnesota Statutes,
 19.18 section 462A.2097. Among comparable
 19.19 proposals, the agency shall prioritize those
 19.20 proposals that target, in part, eligible persons
 19.21 who desire to move to more integrated,
 19.22 community-based settings.

19.23 **Subd. 5. Family Homeless Prevention** 8,519,000 8,519,000

19.24 This appropriation is for the family homeless
 19.25 prevention and assistance programs under
 19.26 Minnesota Statutes, section 462A.204.

19.27 **Subd. 6. Home Ownership Assistance Fund** 885,000 885,000

19.28 This appropriation is for the home ownership
 19.29 assistance program under Minnesota
 19.30 Statutes, section 462A.21, subdivision 8.
 19.31 The agency shall continue to strengthen
 19.32 its efforts to address the disparity gap in
 19.33 the homeownership rate between white

20.1 households and indigenous American Indians
20.2 and communities of color.

20.3 **Subd. 7. Affordable Rental Investment Fund** 4,218,000 4,218,000

20.4 (a) This appropriation is for the affordable
20.5 rental investment fund program under
20.6 Minnesota Statutes, section 462A.21,
20.7 subdivision 8b, to finance the acquisition,
20.8 rehabilitation, and debt restructuring of
20.9 federally assisted rental property and
20.10 for making equity take-out loans under
20.11 Minnesota Statutes, section 462A.05,
20.12 subdivision 39.

20.13 (b) The owner of federally assisted rental
20.14 property must agree to participate in
20.15 the applicable federally assisted housing
20.16 program and to extend any existing
20.17 low-income affordability restrictions on the
20.18 housing for the maximum term permitted.
20.19 The owner must also enter into an agreement
20.20 that gives local units of government,
20.21 housing and redevelopment authorities,
20.22 and nonprofit housing organizations the
20.23 right of first refusal if the rental property
20.24 is offered for sale. Priority must be given
20.25 among comparable federally assisted rental
20.26 properties to properties with the longest
20.27 remaining term under an agreement for
20.28 federal assistance. Priority must also be
20.29 given among comparable rental housing
20.30 developments to developments that are or
20.31 will be owned by local government units, a
20.32 housing and redevelopment authority, or a
20.33 nonprofit housing organization.

20.34 (c) The appropriation also may be used to
20.35 finance the acquisition, rehabilitation, and

21.1 debt restructuring of existing supportive
 21.2 housing properties. For purposes of this
 21.3 paragraph, "supportive housing" means
 21.4 affordable rental housing with links to
 21.5 services necessary for individuals, youth, and
 21.6 families with children to maintain housing
 21.7 stability.

21.8 **Subd. 8. Housing Rehabilitation** 6,515,000 6,515,000

21.9 This appropriation is for the housing
 21.10 rehabilitation program under Minnesota
 21.11 Statutes, section 462A.05, subdivision 14. Of
 21.12 this amount, \$2,772,000 each year is for the
 21.13 rehabilitation of owner-occupied housing and
 21.14 \$3,743,000 each year is for the rehabilitation
 21.15 of eligible rental housing. In administering a
 21.16 rehabilitation program for rental housing, the
 21.17 agency may apply the processes and priorities
 21.18 adopted for administration of the economic
 21.19 development and housing challenge program
 21.20 under Minnesota Statutes, section 462A.33.

21.21 **Subd. 9. Homeownership Education,**
 21.22 **Counseling, and Training** 857,000 857,000

21.23 This appropriation is for the homeownership
 21.24 education, counseling, and training program
 21.25 under Minnesota Statutes, section 462A.209.
 21.26 Priority may be given to funding programs
 21.27 that are aimed at culturally specific groups
 21.28 who are providing services to members of
 21.29 their communities.

21.30 **Subd. 10. Capacity Building Grants** 375,000 375,000

21.31 This appropriation is for nonprofit capacity
 21.32 building grants under Minnesota Statutes,
 21.33 section 462A.21, subdivision 3b. Of this
 21.34 amount, \$125,000 each year is for support

23.1	<u>Workers'</u>		
23.2	<u>Compensation</u>	<u>25,419,000</u>	<u>27,975,000</u>
23.3	<u>Workforce</u>		
23.4	<u>Development</u>	<u>1,043,000</u>	<u>1,057,000</u>

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

23.8	<u>Subd. 2. Workers' Compensation</u>	<u>15,226,000</u>	<u>17,782,000</u>
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23.9 This appropriation is from the workers'
 23.10 compensation fund.

23.11 \$4,000,000 in fiscal year 2016 and
 23.12 \$6,000,000 in fiscal year 2017 are for
 23.13 workers' compensation system upgrades.

23.14 The base appropriation for this purpose
 23.15 is \$3,000,000 in fiscal year 2018 and
 23.16 \$3,000,000 in fiscal year 2019. The base
 23.17 appropriation for fiscal year 2020 and beyond
 23.18 is zero.

23.19 This appropriation includes funds for
 23.20 information technology project services
 23.21 and support subject to the provisions of
 23.22 Minnesota Statutes, section 16E.0466. Any
 23.23 ongoing information technology costs will be
 23.24 incorporated into the service level agreement
 23.25 and will be paid to the Office of MN.IT
 23.26 Services by the commissioner of labor and
 23.27 industry under the rates and mechanism
 23.28 specified in that agreement.

23.29 **Subd. 3. Labor Standards and Apprenticeship**

23.30	<u>Appropriations by Fund</u>		
23.31	<u>General</u>	<u>1,184,000</u>	<u>1,202,000</u>
23.32	<u>Workforce</u>		
23.33	<u>Development</u>	<u>1,043,000</u>	<u>1,057,000</u>

23.34 (a) \$1,084,000 in fiscal year 2016 and
 23.35 \$1,102,000 in fiscal year 2017 are from the

24.1 general fund for the labor standards and
 24.2 apprenticeship program.
 24.3 (b) \$879,000 in fiscal year 2016 and \$879,000
 24.4 in fiscal year 2017 are from the workforce
 24.5 development fund for the apprenticeship
 24.6 program under Minnesota Statutes, chapter
 24.7 178. Of this amount, \$100,000 each year
 24.8 is for labor education and advancement
 24.9 program grants and to expand and promote
 24.10 registered apprenticeship training in
 24.11 nonconstruction trade programs.

24.12 (c) \$150,000 the first year and \$150,000
 24.13 the second year are from the workforce
 24.14 development fund for prevailing wage
 24.15 enforcement.

24.16 Subd. 4. **Workplace Safety** 4,154,000 4,154,000

24.17 This appropriation is from the workers'
 24.18 compensation fund.

24.19 Subd. 5. **General Support** 6,039,000 6,039,000

24.20 This appropriation is from the workers'
 24.21 compensation fund.

24.22 Sec. 6. **BUREAU OF MEDIATION**
 24.23 **SERVICES** \$ 2,208,000 \$ 2,234,000

24.24 (a) \$68,000 each year is for grants to area
 24.25 labor management committees. Grants may
 24.26 be awarded for a 12-month period beginning
 24.27 July 1 each year. Any unencumbered balance
 24.28 remaining at the end of the first year does not
 24.29 cancel but is available for the second year.

24.30 (b) \$125,000 each year is for purposes of the
 24.31 Public Employment Relations Board under
 24.32 Minnesota Statutes, section 179A.041.

25.1 (c) \$256,000 each year is for the Office
 25.2 of Collaboration and Dispute Resolution
 25.3 under Minnesota Statutes, section 179.90.
 25.4 Of this amount, \$160,000 each year is
 25.5 for grants under Minnesota Statutes,
 25.6 section 179.91, and \$96,000 each year is
 25.7 for intergovernmental and public policy
 25.8 collaboration and operation of the office.

25.9 **Sec. 7. WORKERS' COMPENSATION**
 25.10 **COURT OF APPEALS** **\$ 1,817,000 \$ 1,913,000**

25.11 This appropriation is from the workers'
 25.12 compensation fund.

25.13 **Sec. 8. DEPARTMENT OF COMMERCE**

25.14 **Subdivision 1. Total Appropriation** **\$ 34,003,000 \$ 34,073,000**

<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
25.16 <u>General</u>	<u>30,960,000</u>	<u>31,030,000</u>
25.17 <u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>
25.18 <u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
25.19 <u>Workers'</u>		
25.20 <u>Compensation</u>	<u>751,000</u>	<u>751,000</u>

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

25.25 **Subd. 2. Financial Institutions** **4,885,000 4,885,000**

25.26 **Subd. 3. Petroleum Tank Release**
 25.27 **Compensation Board** **1,052,000 1,052,000**

25.28 This appropriation is from the petroleum
 25.29 tank fund.

25.30 **Subd. 4. Administrative Services** **7,222,000 7,386,000**

25.31 \$375,000 each year is for additional
 25.32 compliance efforts with unclaimed property.
 25.33 The commissioner may issue contracts for
 25.34 these services.

26.1 \$100,000 each year is for the support of
26.2 broadband development.

26.3 \$162,000 in fiscal year 2016 and \$33,000 in
26.4 fiscal year 2017 are from the general fund
26.5 for rulemaking and administration under
26.6 Minnesota Statutes, section 80A.461.

26.7 \$92,000 in fiscal year 2016 is appropriated
26.8 from the general fund to the commissioner
26.9 of commerce and is transferred to the
26.10 department of administration for the purpose
26.11 of completing the transfer of functions study
26.12 as follows:

26.13 (a) The commissioner of the Department
26.14 of Administration shall contract with the
26.15 Management, Analysis, and Development
26.16 Division of Minnesota Management and
26.17 Budget for a study to examine potential cost
26.18 savings and program efficiencies that may
26.19 result from transferring certain functions
26.20 and staff of the division of energy resources
26.21 in the Department of Commerce to the
26.22 Public Utilities Commission. In conducting
26.23 the study, the Management, Analysis, and
26.24 Development Division must:

26.25 (1) analyze the functions of the various
26.26 offices of both the division of energy
26.27 resources and the commission;

26.28 (2) assess any duplicative functions of staff
26.29 and redundant management positions;

26.30 (3) assess whether transferring specific
26.31 functions and staff would result in a clearer
26.32 and more functional link between authority
26.33 and responsibility for accomplishing various
26.34 activities;

27.1 (4) consider whether any such transfers would
 27.2 make governmental decisions regarding
 27.3 energy more transparent to the public;
 27.4 (5) determine which specific positions,
 27.5 including administrative support, could be
 27.6 eliminated as a result of the transfer without
 27.7 appreciably diminishing the quantity or
 27.8 quality of work produced;
 27.9 (6) calculate the budgetary savings that could
 27.10 be realized as a result of transferring functions
 27.11 and eliminating redundant positions;
 27.12 (7) estimate any cost savings that would
 27.13 accrue to regulated utilities as a result of
 27.14 transferring functions;
 27.15 (8) assess the benefits and costs of various
 27.16 options with respect to transferring functions
 27.17 and staff; and
 27.18 (9) assume that any transfer is subject to the
 27.19 provisions of Minnesota Statutes, section
 27.20 15.039.

27.21 (b) The study must, by January 1, 2016, be
 27.22 submitted to the chairs and ranking minority
 27.23 members of the senate and house committees
 27.24 with jurisdiction over energy policy and state
 27.25 government operations.

27.26 Subd. 5. **Telecommunications**

27.27	<u>Appropriations by Fund</u>		
27.28	<u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
27.29	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>

27.30 \$1,240,000 each year is from the
 27.31 telecommunication access fund for the
 27.32 following transfers. This appropriation is
 27.33 added to the department's base.

28.1 (1) \$800,000 each year is to the commissioner
 28.2 of human services to supplement the ongoing
 28.3 operational expenses of the Commission
 28.4 of Deaf, DeafBlind, and Hard-of-Hearing
 28.5 Minnesotans;

28.6 (2) \$290,000 each year is to the chief
 28.7 information officer for the purpose of
 28.8 coordinating technology accessibility and
 28.9 usability;

28.10 (3) \$100,000 in fiscal year 2016 and \$100,000
 28.11 in fiscal year 2017 are to the Legislative
 28.12 Coordinating Commission for captioning of
 28.13 legislative coverage. This transfer is subject
 28.14 to Minnesota Statutes, section 16A.281; and

28.15 (4) \$50,000 in fiscal year 2016 and \$50,000
 28.16 in fiscal year 2017 are to the Office of MN.IT
 28.17 Services for a consolidated access fund to
 28.18 provide grants to other state agencies related
 28.19 to accessibility of their Web-based services.

28.20 **Subd. 6. Enforcement**

28.21	<u>Appropriations by Fund</u>		
28.22	<u>General</u>	<u>4,901,000</u>	<u>4,901,000</u>
28.23	<u>Workers'</u>		
28.24	<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

28.25 \$279,000 each year is for health care
 28.26 enforcement.

28.27	<u>Subd. 7. Energy Resources</u>	<u>3,848,000</u>	<u>3,845,000</u>
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28.28 \$150,000 each year is for grants to
 28.29 providers of low-income weatherization
 28.30 services to install renewable energy
 28.31 equipment in households that are eligible for
 28.32 weatherization assistance under Minnesota's
 28.33 weatherization assistance program state
 28.34 plan as provided for in Minnesota Statutes,
 28.35 section 216C.264.

29.1 \$424,000 in fiscal year 2016 and \$430,000
 29.2 in fiscal year 2017 are for costs associated
 29.3 with competitive rates for energy-intensive,
 29.4 trade-exposed electric utility customers.
 29.5 All general fund appropriations for costs
 29.6 associated with competitive rates for
 29.7 energy-intensive, trade-exposed electric
 29.8 utility customers are recovered through
 29.9 assessments under Minnesota Statutes,
 29.10 section 216B.62.

29.11 Subd. 8. Insurance

29.12		<u>Appropriations by Fund</u>	
29.13	<u>General</u>	<u>4,095,000</u>	<u>4,004,000</u>
29.14	<u>Workers'</u>		
29.15	<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

29.16 \$642,000 each year is for health insurance
 29.17 rate review staffing.
 29.18 \$91,000 in fiscal year 2016 is for the task
 29.19 force on no-fault auto insurance issues.

29.20 Subd. 9. Propane Prepurchase

29.21 (a) \$5,000,000 in fiscal year 2016 and
 29.22 \$5,000,000 in fiscal year 2017 are
 29.23 appropriated from the general fund to the
 29.24 commissioner of commerce for the purpose
 29.25 of prepurchasing propane under Minnesota
 29.26 Statutes, section 216B.0951. This is a
 29.27 onetime appropriation. Propane may not be
 29.28 distributed to customers before October 1
 29.29 each year. This appropriation is contingent
 29.30 upon the commissioner's receiving approval
 29.31 from the federal Department of Health and
 29.32 Human Services to reserve funds as required
 29.33 under paragraph (b).

29.34 (b) The commissioner shall reserve
 29.35 \$5,000,000 each year from the federal

31.1 (i) "Unserved areas" means areas of Minnesota in which households or businesses
 31.2 lack access to wire-line broadband service at speeds that meet a Federal Communications
 31.3 Commission threshold of four megabits per second download and one megabit per second
 31.4 upload, as defined in section 116J.39.

31.5 Sec. 2. **[116J.549] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

31.6 Subdivision 1. Establishment. The commissioner of employment and economic
 31.7 development shall establish a workforce housing development program to award grants to
 31.8 eligible project areas to be used for qualified expenditures.

31.9 Subd. 2. Definitions. (a) For purposes of this section, the following terms have
 31.10 the meanings given.

31.11 (b) "Eligible project area" means a home rule charter or statutory city located outside
 31.12 of the metropolitan area as defined in section 473.12, subdivision 2, with a population
 31.13 exceeding 500; a community that has a combined population of 1,500 residents located
 31.14 within 15 miles of a home rule charter or statutory city located outside the metropolitan
 31.15 area as defined in section 473.12, subdivision 2; or an area served by a joint county-city
 31.16 economic development authority.

31.17 (c) "Joint county-city economic development authority" means an economic
 31.18 development authority formed under Laws 1988, chapter 516, section 1, as a joint
 31.19 partnership between a city and county and excluding those established by the county only.

31.20 (d) "Market rate residential rental properties" means properties that are rented
 31.21 at market value, including new modular homes, new manufactured homes, and new
 31.22 manufactured homes on leased land or in a manufactured home park, and excludes:

31.23 (1) properties constructed with financial assistance requiring the property to be
 31.24 occupied by residents that meet income limits under federal or state law of initial
 31.25 occupancy; and

31.26 (2) properties constructed with federal, state, or local flood recovery assistance,
 31.27 regardless of whether that assistance imposed income limits as a condition of receiving
 31.28 assistance.

31.29 (e) "Qualified expenditure" means expenditures for market rate residential rental
 31.30 properties including acquisition of property; construction of improvements; and provisions
 31.31 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related
 31.32 financing costs.

31.33 Subd. 3. Application. The commissioner shall develop forms and procedures
 31.34 for soliciting and reviewing application for grants under this section. At a minimum, a

32.1 city must include in its application a resolution of its governing body certifying that the
 32.2 matching amount as required under this section is available and committed.

32.3 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant to
 32.4 an eligible project area under this section until the following determinations are made:

32.5 (1) the average vacancy rate for rental housing located in the eligible project area,
 32.6 and in any other city located within 15 miles or less of the boundaries of the area, has been
 32.7 five percent or less for at least the prior two-year period;

32.8 (2) one or more businesses located in the eligible project area, or within 25 miles
 32.9 of the area, that employs a minimum of 20 full-time equivalent employees in aggregate
 32.10 have provided a written statement to the eligible project area indicating that the lack of
 32.11 available rental housing has impeded their ability to recruit and hire employees; and

32.12 (3) the eligible project area has certified that the grants will be used for qualified
 32.13 expenditures for the development of rental housing to serve employees of businesses
 32.14 located in the eligible project area or surrounding area.

32.15 (b) Preference for grants awarded under this section shall be given to eligible project
 32.16 areas with less than 18,000 people.

32.17 Subd. 5. **Allocation.** The amount of a grant may not exceed 25 percent of the
 32.18 rental housing development project cost. The commissioner shall not award a grant to
 32.19 a city without certification by the city that the amount of the grant shall be matched by
 32.20 a local unit of government, business, or nonprofit organization with \$1 for every \$2
 32.21 provided in grant funds.

32.22 Subd. 6. **Report.** Beginning January 15, 2016, the commissioner must annually
 32.23 submit a report to the chairs and ranking minority members of the senate and house of
 32.24 representatives committees having jurisdiction over taxes and workforce development
 32.25 specifying the projects that received grants under this section and the specific purposes for
 32.26 which the grant funds were used.

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

32.28 Sec. 3. Minnesota Statutes 2014, section 116J.8738, subdivision 3, is amended to read:

32.29 Subd. 3. **Certification of qualified business.** (a) A business may apply to
 32.30 the commissioner for certification as a qualified business under this section. The
 32.31 commissioner shall specify the form of the application, the manner and times for applying,
 32.32 and the information required to be included in the application. The commissioner may
 32.33 impose an application fee in an amount sufficient to defray the commissioner's cost of
 32.34 processing certifications. Application fees are deposited in the greater Minnesota business
 32.35 expansion administration account in the special revenue fund. A business must file a copy

33.1 of its application with the chief clerical officer of the city at the same time it applies to the
33.2 commissioner. For an agricultural processing facility located outside the boundaries of a
33.3 city, the business must file a copy of the application with the county auditor.

33.4 (b) The commissioner shall certify each business as a qualified business that:

33.5 (1) satisfies the requirements of subdivision 2;

33.6 (2) the commissioner determines would not expand its operations in greater
33.7 Minnesota without the tax incentives available under subdivision 4; and

33.8 (3) enters a business subsidy agreement with the commissioner that pledges to
33.9 satisfy the minimum expansion requirements of paragraph (c) within three years or less
33.10 following execution of the agreement.

33.11 The commissioner must act on an application within 90 days after its filing. Failure
33.12 by the commissioner to take action within the 90-day period is deemed approval of the
33.13 application.

33.14 (c) The business must increase the number of full-time equivalent employees
33.15 in greater Minnesota from the time the business subsidy agreement is executed by two
33.16 employees or ten percent, whichever is greater.

33.17 (d) The city, or a county for an agricultural processing facility located outside the
33.18 boundaries of a city, in which the business proposes to expand its operations may file
33.19 comments supporting or opposing the application with the commissioner. The comments
33.20 must be filed within 30 days after receipt by the city of the application and may include a
33.21 notice of any contribution the city or county intends to make to encourage or support the
33.22 business expansion, such as the use of tax increment financing, property tax abatement,
33.23 additional city or county services, or other financial assistance.

33.24 (e) Certification of a qualified business is effective for the seven-year period
33.25 beginning on the first day of the calendar month immediately following the date that the
33.26 commissioner informs the business of the award of the benefit.

33.27 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2014.

33.28 Sec. 4. Minnesota Statutes 2014, section 116J.8738, is amended by adding a
33.29 subdivision to read:

33.30 **Subd. 6. Funds.** Amounts in the greater Minnesota business expansion
33.31 administration account in the special revenue fund are appropriated to the commissioner of
33.32 employment and economic development for costs associated with processing applications
33.33 under subdivisions 3, 4, and 5, and for personnel and administrative expenses related to
33.34 administering the greater Minnesota business expansion program.

34.1 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2014.

34.2 Sec. 5. Minnesota Statutes 2014, section 116L.17, subdivision 4, is amended to read:

34.3 Subd. 4. **Use of funds.** Funds granted by the board under this section may be used
34.4 for any combination of the following, except as otherwise provided in this section:

34.5 (1) employment transition services such as developing readjustment plans for
34.6 individuals; outreach and intake; early readjustment; job or career counseling; testing;
34.7 orientation; assessment of skills and aptitudes; provision of occupational and labor market
34.8 information; job placement assistance; job search; job development; prelayoff assistance;
34.9 relocation assistance; programs provided in cooperation with employers or labor
34.10 organizations to provide early intervention in the event of plant closings or substantial
34.11 layoffs; and entrepreneurial training and business consulting;

34.12 (2) support services, including assistance to help the participant relocate to employ
34.13 existing skills; out-of-area job search assistance; family care assistance, including child
34.14 care; commuting assistance; emergency housing and rental assistance; counseling
34.15 assistance, including personal and financial; health care; emergency health assistance;
34.16 emergency financial assistance; work-related tools and clothing; and other appropriate
34.17 support services that enable a person to participate in an employment and training program
34.18 with the goal of reemployment;

34.19 (3) specific, short-term training to help the participant enhance current skills
34.20 in a similar occupation or industry; entrepreneurial training, customized training, or
34.21 on-the-job training; basic and remedial education to enhance current skills; and literacy
34.22 and work-related English training for non-English speakers; ~~and~~

34.23 (4) long-term training in a new occupation or industry, including occupational skills
34.24 training or customized training in an accredited program recognized by one or more
34.25 relevant industries. Long-term training shall only be provided to dislocated workers whose
34.26 skills are obsolete and who have no other transferable skills likely to result in employment
34.27 at a comparable wage rate. Training shall only be provided for occupations or industries
34.28 with reasonable expectations of job availability based on the service provider's thorough
34.29 assessment of local labor market information where the individual currently resides or
34.30 is willing to relocate. This clause shall not restrict training in personal services or other
34.31 such industries; and

34.32 (5) direct training services to provide a measurable increase in the job-related
34.33 skills of participating incumbent workers, including basic assessment, counseling, and
34.34 preemployment training services requested by the qualifying employer.

35.1 Sec. 6. [116L.40] DEFINITIONS.

35.2 Subdivision 1. **Scope.** When used in sections 116L.40 to 116L.42, the following
35.3 terms have the meanings given them unless the context requires otherwise.

35.4 Subd. 2. **Agreement.** "Agreement" means the agreement between an employer and
35.5 the commissioner for a project.

35.6 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment
35.7 and economic development.

35.8 Subd. 4. **Disability.** "Disability" has the meaning given under United States Code,
35.9 title 42, chapter 126.

35.10 Subd. 5. **Employee.** "Employee" means the individual employed in a new job.

35.11 Subd. 6. **Employer.** "Employer" means the individual, corporation, partnership,
35.12 limited liability company, or association providing new jobs and entering into an agreement.

35.13 Subd. 7. **New job.** "New job" means a job:

35.14 (1) that is provided by a new or expanding business at a location in Minnesota
35.15 outside of the metropolitan area, as defined in section 473.121, subdivision 2;

35.16 (2) that provides at least 32 hours of work per week for a minimum of nine months
35.17 per year and is permanent with no planned termination date;

35.18 (3) that is certified by the commissioner as qualifying under the program before the
35.19 first employee is hired to fill the job; and

35.20 (4) for which an employee hired was not (i) formerly employed by the employer
35.21 in the state, or (ii) a replacement worker, including a worker newly hired as a result of a
35.22 labor dispute.

35.23 Subd. 8. **Program.** "Program" means the project or projects established under
35.24 sections 116L.40 to 116L.42.

35.25 Subd. 9. **Program costs.** "Program costs" means all necessary and incidental
35.26 costs of providing program services, except that program costs are increased by \$1,000
35.27 per employee for an individual with a disability. The term does not include the cost of
35.28 purchasing equipment to be owned or used by the training or educational institution or
35.29 service.

35.30 Subd. 10. **Program services.** "Program services" means training and education
35.31 specifically directed to new jobs that are determined to be appropriate by the commissioner,
35.32 including in-house training; services provided by institutions of higher education and
35.33 federal, state, or local agencies; or private training or educational services. Administrative
35.34 services and assessment and testing costs are included.

36.1 Subd. 11. **Project.** "Project" means a training arrangement that is the subject of an
36.2 agreement entered into between the commissioner and an employer to provide program
36.3 services.

36.4 Sec. 7. **[116L.41] COMMISSIONER'S DUTIES AND POWERS; AGREEMENTS.**

36.5 Subdivision 1. **Service provision.** Upon request, the commissioner shall provide
36.6 or coordinate the provision of program services under sections 116L.40 to 116L.42 to
36.7 a business eligible for grants under section 116L.42. The commissioner shall specify
36.8 the form of and required information to be provided with applications for projects to be
36.9 funded with grants under section 116L.42.

36.10 Subd. 2. **Agreements; required terms.** (a) The commissioner may enter into an
36.11 agreement to establish a project with an employer that:

36.12 (1) identifies program costs to be paid from sources under the program;

36.13 (2) identifies program costs to be paid by the employer;

36.14 (3) provides that on-the-job training costs for employees may not exceed 50 percent
36.15 of the annual gross wages and salaries of the new jobs in the first full year after execution
36.16 of the agreement up to a maximum of \$10,000 per eligible employee;

36.17 (4) provides that each employee must be paid wages at least equal to the median
36.18 hourly wage for the county in which the job is located, as reported in the most recently
36.19 available data from the United States Bureau of the Census, plus benefits, by the earlier of
36.20 the end of the training period or 18 months of employment under the project; and

36.21 (5) provides that job training will be provided and the length of time of training.

36.22 (b) Before entering into a final agreement, the commissioner shall:

36.23 (1) determine that sufficient funds for the project are available under section
36.24 116L.42; and

36.25 (2) investigate the applicability of other training programs and determine whether
36.26 the job skills partnership grant program is a more suitable source of funding for the
36.27 training and whether the training can be completed in a timely manner that meets the
36.28 needs of the business.

36.29 The investigation under clause (2) must be completed within 15 days or as soon
36.30 as reasonably possible after the employer has provided the commissioner with all the
36.31 requested information.

36.32 Subd. 3. **Grant funds sufficient.** The commissioner must not enter into an agreement
36.33 under subdivision 2 unless the commissioner determines that sufficient funds are available.

36.34 Subd. 4. **Allocation.** The commissioner shall allocate grant funds under section
36.35 116L.42 to project applications based on a first-come, first-served basis, determined on the

37.1 basis of the commissioner's receipt of a complete application for the project, including the
37.2 provision of all of the required information. The agreement must specify the amount of
37.3 grant funds available to the employer for each year covered by the agreement.

37.4 Subd. 5. **Application fee.** The commissioner may charge each employer an
37.5 application fee to cover part or all of the administrative and legal costs incurred, not to
37.6 exceed \$500 per employer. The fee is deemed approved under section 16A.1283. The fee
37.7 is deposited in the jobs training account in the special revenue fund and amounts in the
37.8 account are appropriated to the commissioner for the costs of administering the program.
37.9 The commissioner shall refund the fee to the employer if the application is denied because
37.10 program funding is unavailable.

37.11 Sec. 8. **[116L.42] JOBS TRAINING GRANTS.**

37.12 Subdivision 1. **Recovery of program costs.** Amounts paid by employers for
37.13 program costs are repaid by a job training grant equal to the lesser of the following:

- 37.14 (1) the amount of program costs specified in the agreement for the project; or
37.15 (2) the amount of program costs paid by the employer for new employees under
37.16 a project.

37.17 Subd. 2. **Reports.** (a) By February 1, 2018, the commissioner shall report to the
37.18 governor and the legislature on the program. The report must include at least:

- 37.19 (1) the amount of grants issued under the program;
37.20 (2) the number of individuals receiving training under the program, including the
37.21 number of new hires who are individuals with disabilities;
37.22 (3) the number of new hires attributable to the program, including the number of
37.23 new hires who are individuals with disabilities;
37.24 (4) an analysis of the effectiveness of the grant in encouraging employment; and
37.25 (5) any other information the commissioner determines appropriate.

37.26 (b) The report to the legislature must be distributed as provided in section 3.195.

37.27 Sec. 9. **[116L.667] RURAL CAREER COUNSELING COORDINATORS.**

37.28 Subdivision 1. **Requirement.** Each workforce service area located outside of the
37.29 metropolitan area, as defined in section 473.121, subdivision 2, except for a service area
37.30 that serves a single city outside of the metropolitan area, must have a career counseling
37.31 coordinator who is responsible for improving coordination and communication of
37.32 workforce development programs and services within the workforce service area, with
37.33 other workforce service areas and career counseling coordinators, and with administering

38.1 agencies. A career counseling coordinator may serve as the coordinator for up to two
38.2 service areas.

38.3 Subd. 2. **Responsibilities.** A career counseling coordinator is responsible for:

38.4 (1) understanding the needs of existing, new, and prospective service area businesses
38.5 in regard to workforce development programs, resources, and other services;

38.6 (2) connecting job seekers, secondary and higher education institutions, employers,
38.7 and other stakeholders and partners;

38.8 (3) providing services to job seekers including career counseling, training, and
38.9 work experience opportunities;

38.10 (4) assessing and compiling information about all workforce development programs
38.11 and services offered in the assigned workforce service area, including adult basic
38.12 education programs and programs and services at higher education institutions and
38.13 kindergarten through grade 12 schools;

38.14 (5) making recommendations to the commissioner regarding ways to improve
38.15 career counseling coordination, possible program changes, and new workforce programs
38.16 or initiatives;

38.17 (6) sharing best practices and collaborating with other career counseling coordinators
38.18 to promote and enable state-level coordination among workforce development programs
38.19 and administering agencies including, but not limited to, the Departments of Employment
38.20 and Economic Development, Education, and Labor and Industry, and the Office of Higher
38.21 Education; and

38.22 (7) promoting available workforce development and career counseling programs and
38.23 resources in the workforce service area.

38.24 Subd. 3. **Reporting; consolidation.** The workforce council in each of the workforce
38.25 service areas having a career counseling coordinator shall submit an annual report to
38.26 the commissioner that includes, but is not limited to, a narrative of and the number of
38.27 businesses, job seekers, and other stakeholders served by the career counseling coordinator
38.28 function, an accounting of workforce development and career counseling programs
38.29 and services offered in the assigned workforce service area, and any recommendations
38.30 for changes to workforce development efforts in the workforce service area. Beginning
38.31 January 15, 2016, and each year thereafter, the commissioner shall consolidate the reports
38.32 and submit the consolidated report to the legislative committees with jurisdiction over
38.33 economic development and workforce policy and finance.

38.34 Sec. 10. Minnesota Statutes 2014, section 116L.98, subdivision 1, is amended to read:

39.1 Subdivision 1. **Requirements.** The commissioner shall develop and implement a
39.2 uniform outcome measurement and reporting system for adult workforce-related programs
39.3 funded in whole or in part by ~~the workforce development fund.~~ state funds. For the purpose
39.4 of this section, "workforce-related programs" means all education and training programs
39.5 administered by the commissioner and includes programs and services administered by the
39.6 commissioner and provided to individuals enrolled in adult basic education under section
39.7 124D.52 and the Minnesota family investment program under chapter 256J.

39.8 Sec. 11. Minnesota Statutes 2014, section 116L.98, subdivision 3, is amended to read:

39.9 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By
39.10 December 31 of each even-numbered year, the commissioner must report to the chairs
39.11 and ranking minority members of the committees of the house of representatives and the
39.12 senate having jurisdiction over economic development and workforce policy and finance
39.13 the following information separately for each of the previous two fiscal or calendar years,
39.14 for each program subject to the requirements of subdivision 1:

39.15 (1) the total number of participants enrolled;

39.16 (2) the median pre-enrollment wages based on participant wages for the second
39.17 through the fifth calendar quarters immediately preceding the quarter of enrollment
39.18 excluding those with zero income;

39.19 (3) the total number of participants with zero income in the second through fifth
39.20 calendar quarters immediately preceding the quarter of enrollment;

39.21 (4) the total number of participants enrolled in training;

39.22 (5) the total number of participants enrolled in training by occupational group;

39.23 (6) the total number of participants that exited the program and the average
39.24 enrollment duration of participants that have exited the program during the year;

39.25 (7) the total number of exited participants who completed training;

39.26 (8) the total number of exited participants who attained a credential;

39.27 (9) the total number of participants employed during three consecutive quarters
39.28 immediately following the quarter of exit, by industry;

39.29 (10) the median wages of participants employed during three consecutive quarters
39.30 immediately following the quarter of exit;

39.31 (11) the total number of participants employed during eight consecutive quarters
39.32 immediately following the quarter of exit, by industry; ~~and~~

39.33 (12) the median wages of participants employed during eight consecutive quarters
39.34 immediately following the quarter of exit;

39.35 (13) the total cost of the program;

- 40.1 (14) the total cost of the program per participant;
40.2 (15) the cost per credential received by a participant; and
40.3 (16) the administrative cost of the program.

40.4 (b) The report to the legislature must contain participant information by education
40.5 level, race and ethnicity, gender, and geography, and a comparison of exited participants
40.6 who completed training and those who did not.

40.7 (c) The requirements of this section apply to programs administered directly by the
40.8 commissioner or administered by other organizations under a grant made by the department.

40.9 Sec. 12. Minnesota Statutes 2014, section 116L.98, subdivision 5, is amended to read:

40.10 Subd. 5. **Information.** (a) The information collected and reported under
40.11 subdivisions 3 and 4 shall be made available on the department's Web site.

40.12 (b) The commissioner must provide analysis of the data required under subdivision 3.

40.13 (c) The analysis under paragraph (b) must also include an executive summary of
40.14 program outcomes, including but not limited to enrollment, training, credentials, pre-
40.15 and post-program employment and wages, and a comparison of program outcomes by
40.16 participant characteristics.

40.17 (d) The data required in the comparative analysis under paragraph (c) must be
40.18 presented in both written and graphic format.

40.19 Sec. 13. Minnesota Statutes 2014, section 116L.98, subdivision 7, is amended to read:

40.20 Subd. 7. **Workforce program net impact analysis.** (a) By January 15, 2015, the
40.21 commissioner must report to the committees of the house of representatives and the senate
40.22 having jurisdiction over economic development and workforce policy and finance on
40.23 the results of the net impact pilot project already underway as of the date of enactment
40.24 of this section.

40.25 (b) The commissioner shall contract with an independent entity to conduct an
40.26 ongoing net impact analysis of the programs included in the net impact pilot project under
40.27 paragraph (a), career pathways programs, and any other programs deemed appropriate
40.28 by the commissioner. The net impact methodology used by the independent entity under
40.29 this paragraph must be based on the methodology and evaluation design used in the net
40.30 impact pilot project under paragraph (a).

40.31 (c) By January 15, 2017, and every four years thereafter, the commissioner must
40.32 report to the committees of the house of representatives and the senate having jurisdiction
40.33 over economic development and workforce policy and finance the following information
40.34 for each program subject to paragraph (b):

41.1 (1) the net impact of workforce services on individual employment, earnings, and
41.2 public benefit usage outcomes; and

41.3 (2) a cost-benefit analysis for understanding the monetary impacts of workforce
41.4 services from the participant and taxpayer points of view.

41.5 The report under this paragraph must be made available to the public in an electronic
41.6 format on the Department of Employment and Economic Development's Web site.

41.7 (d) The department is authorized to create and maintain data-sharing agreements
41.8 with other departments, including corrections, human services, and any other department
41.9 that are necessary to complete the analysis. The department shall supply the information
41.10 collected for use by the independent entity conducting net impact analysis pursuant to the
41.11 data practices requirements under chapters 13, 13A, 13B, and 13C.

41.12 Sec. 14. Minnesota Statutes 2014, section 268A.01, subdivision 6, is amended to read:

41.13 Subd. 6. **Community rehabilitation facility provider.** "Community rehabilitation
41.14 facility provider" means an entity which meets the definition of community rehabilitation
41.15 program in the federal Rehabilitation Act of 1973, as amended. However, for the
41.16 purposes of sections 268A.03, clause (1), 268A.06, 268A.085, and 268A.15, community
41.17 rehabilitation facility provider means an a nonprofit or public entity which is operated for
41.18 the primary purpose of providing or facilitating employment for persons with a severe
41.19 disability that provides at least one extended employment subprogram for persons with
41.20 the most significant disabilities.

41.21 **EFFECTIVE DATE.** This section is effective July 1, 2015.

41.22 Sec. 15. Minnesota Statutes 2014, section 268A.01, subdivision 10, is amended to read:

41.23 Subd. 10. **Extended employment program.** "Extended employment program"
41.24 means ~~the center-based~~ noncompetitive employment and supported employment
41.25 subprograms.

41.26 Sec. 16. Minnesota Statutes 2014, section 268A.01, is amended by adding a
41.27 subdivision to read:

41.28 Subd. 15. **Noncompetitive employment.** "Noncompetitive employment" means
41.29 paid work:

41.30 (1) that is performed on a full-time or part-time basis, including self-employment,
41.31 for which the person is compensated at a rate that is less than the higher rate specified in
41.32 the Fair Labor Standards Act of 1938, United States Code, title 29, section 206, subsection
41.33 (a)(1), or the rate specified in the applicable state or local minimum wage law; and

- 42.1 (2)(i) for which the person is paid less than the customary rate paid by the employer
 42.2 for the same or similar work performed by other nondisabled employees who are similarly
 42.3 situated in similar occupations by the same employer and who have similar training,
 42.4 experience, and skills; or
 42.5 (ii) which is performed at a location where the employee does not interact with
 42.6 nondisabled persons, not including supervisory personnel or persons who are providing
 42.7 services to the employee, to the same extent that nondisabled persons who are in
 42.8 comparable positions interact with other persons.

42.9 Sec. 17. Minnesota Statutes 2014, section 268A.03, is amended to read:

42.10 **268A.03 POWERS AND DUTIES.**

42.11 The commissioner shall:

42.12 (1) certify the community rehabilitation facilities providers to offer extended
 42.13 employment programs, grant funds to the extended employment programs, and perform
 42.14 the duties as specified in section 268A.15;

42.15 (2) provide vocational rehabilitation services to persons with disabilities in
 42.16 accordance with the federal Rehabilitation Act of 1973, Public Law 93-112, as amended.
 42.17 Persons with a disability are entitled to free choice of vendor for any medical, dental,
 42.18 prosthetic, or orthotic services provided under this paragraph;

42.19 (3) expend funds and provide technical assistance for the establishment,
 42.20 improvement, maintenance, or extension of public and other nonprofit rehabilitation
 42.21 facilities or centers;

42.22 (4) maintain a contractual or regulatory relationship with the United States as
 42.23 authorized by the Social Security Act, as amended. Under this relationship, the state will
 42.24 undertake to make determinations referred to in those public laws with respect to all
 42.25 individuals in Minnesota, or with respect to a class or classes of individuals in this state that
 42.26 is designated in the agreement at the state's request. It is the purpose of this relationship to
 42.27 permit the citizens of this state to obtain all benefits available under federal law;

42.28 (5) provide an in-service training program for rehabilitation services employees by
 42.29 paying for its direct costs with state and federal funds;

42.30 (6) conduct research and demonstration projects; provide training and instruction,
 42.31 including establishment and maintenance of research fellowships and traineeships, along
 42.32 with all necessary stipends and allowances; disseminate information to persons with a
 42.33 disability and the general public; and provide technical assistance relating to vocational
 42.34 rehabilitation and independent living;

43.1 (7) receive and disburse pursuant to law money and gifts available from
 43.2 governmental and private sources including, but not limited to, the federal Department
 43.3 of Education and the Social Security Administration, for the purpose of vocational
 43.4 rehabilitation or independent living;

43.5 (8) design all state plans for vocational rehabilitation or independent living services
 43.6 required as a condition to the receipt and disbursement of any money available from
 43.7 the federal government;

43.8 (9) cooperate with other public or private agencies or organizations for the purpose
 43.9 of vocational rehabilitation or independent living. Money received from school districts,
 43.10 governmental subdivisions, mental health centers or boards, and private nonprofit
 43.11 organizations is appropriated to the commissioner for conducting joint or cooperative
 43.12 vocational rehabilitation or independent living programs;

43.13 (10) enter into contractual arrangements with instrumentalities of federal, state, or
 43.14 local government and with private individuals, organizations, agencies, or facilities with
 43.15 respect to providing vocational rehabilitation or independent living services;

43.16 (11) take other actions required by state and federal legislation relating to vocational
 43.17 rehabilitation, independent living, and disability determination programs;

43.18 (12) hire staff and arrange services and facilities necessary to perform the duties
 43.19 and powers specified in this section; and

43.20 (13) adopt, amend, suspend, or repeal rules necessary to implement or make
 43.21 specific programs that the commissioner by sections 268A.01 to 268A.15 is empowered
 43.22 to administer.

43.23 Sec. 18. Minnesota Statutes 2014, section 268A.06, is amended to read:

43.24 **268A.06 COMMUNITY REHABILITATION FACILITIES PROVIDERS.**

43.25 Subdivision 1. **Application.** Any city, town, county, nonprofit corporation,
 43.26 ~~regional treatment center,~~ or any combination thereof, may apply to the commissioner for
 43.27 assistance in establishing or operating a ~~community rehabilitation facility~~ an extended
 43.28 employment program. Application for assistance must be on forms prescribed by the
 43.29 commissioner. ~~An applicant is not eligible for a grant under this section unless its audited~~
 43.30 ~~financial statements of the prior fiscal year have been approved by the commissioner.~~

43.31 Subd. 2. **Funding.** In order to provide the necessary funds for extended employment
 43.32 programs offered by a community rehabilitation facility provider, the governing body of
 43.33 any city, town, or county may expend money which may be available for such purposes in
 43.34 the general fund, and may levy a tax on the taxable property in the city, town, or county. Any
 43.35 city, town, county, or nonprofit corporation may accept gifts or grants from any source for

44.1 the ~~rehabilitation facility~~ extended employment program. Any money appropriated, taxed,
44.2 or received as a gift or grant may be used to match funds available on a matching basis.

44.3 Sec. 19. Minnesota Statutes 2014, section 268A.07, is amended to read:

44.4 **268A.07 REQUIREMENTS FOR CERTIFICATION.**

44.5 Subdivision 1. **Benefits.** A community rehabilitation facility provider must, as
44.6 a condition for receiving program certification, provide employees in ~~center-based~~
44.7 noncompetitive employment with personnel benefits prescribed in rules adopted by the
44.8 commissioner of the ~~Department of~~ employment and economic development.

44.9 Subd. 2. **Grievance procedure.** A community rehabilitation facility provider must,
44.10 as a condition for receiving program certification, provide to employees in ~~center-based~~
44.11 noncompetitive employment subprograms, a grievance procedure which has as its final
44.12 step provisions for final and binding arbitration.

44.13 Sec. 20. Minnesota Statutes 2014, section 268A.085, is amended to read:

44.14 **268A.085 COMMUNITY REHABILITATION FACILITY PROVIDER**
44.15 **GOVERNING BOARDS.**

44.16 Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit
44.17 corporation, or combination thereof establishing a ~~rehabilitation facility~~ an extended
44.18 employment program shall appoint a ~~rehabilitation facility~~ governing board of no fewer
44.19 than seven voting members before becoming eligible for the assistance provided by
44.20 sections 268A.06 to 268A.15. When any city, town, or county singly establishes ~~such a~~
44.21 ~~rehabilitation facility~~ an extended employment program, the governing board shall be
44.22 appointed by the chief executive officer of the city or the chair of the governing board
44.23 of the county or town. When any combination of cities, towns, counties, or nonprofit
44.24 corporations establishes a ~~rehabilitation facility~~ an extended employment program, the
44.25 chief executive officers of the cities, nonprofit corporations, and the chairs of the governing
44.26 bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly
44.27 establishes a ~~rehabilitation facility~~ an extended employment program, the corporation
44.28 shall appoint the board of directors. Membership on a board shall be representative of
44.29 the community served and shall include a person with a disability. If a county establishes
44.30 an extended employment program and manages the program with county employees, the
44.31 governing board shall be the county board of commissioners, and other provisions of this
44.32 chapter pertaining to membership on the governing board do not apply.

44.33 Subd. 2. **Duties.** Subject to the provisions of sections 268A.06 to 268A.15 and the
44.34 rules of the department, each ~~rehabilitation facility~~ governing board shall:

45.1 (1) review and evaluate the need for extended employment programs offered by the
45.2 ~~rehabilitation facility~~ provided under sections 268A.06 to 268A.15;

45.3 (2) recruit and promote local financial support for extended employment programs
45.4 from private sources including: the United Way; business, industrial, and private
45.5 foundations; voluntary agencies; and other lawful sources, and promote public support
45.6 for municipal and county appropriations;

45.7 (3) promote, arrange, and implement working agreements with other educational
45.8 and social service agencies, both public and private, and any other allied agencies; and

45.9 (4) when an extended employment program offered by the ~~rehabilitation facility~~ is
45.10 certified, act as the its administrator of the ~~rehabilitation facility~~ and its programs for
45.11 purposes of this chapter.

45.12 Sec. 21. Laws 2014, chapter 308, article 6, section 14, subdivision 5, is amended to read:

45.13 Subd. 5. **Allocation.** The amount of a grant may not exceed the lesser of \$400,000
45.14 \$1,000,000 or ~~ten~~ 25 percent of the rental housing development project cost. The
45.15 commissioner shall not award a grant to a city without certification by the city that the
45.16 amount of the grant shall be matched by a local unit of government, business, or nonprofit
45.17 organization with \$1 for every \$2 provided in grant funds.

45.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
45.19 and applies retroactively to grants that have been previously received or awarded.

45.20 Sec. 22. **MECHANISMS AND COSTS; MINNESOTA PAID FAMILY AND**
45.21 **MEDICAL LEAVE PROGRAM.**

45.22 The Department of Employment and Economic Development, in collaboration with
45.23 the Departments of Labor and Industry and Health and Human Services, shall report on
45.24 the most efficient and effective mechanisms that would provide partial wage replacement
45.25 for workers taking parental, family, or medical leave.

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

45.27 Sec. 23. **SKILLED MANUFACTURING REPORT.**

45.28 The commissioner shall coordinate and monitor customized training programs for
45.29 skilled manufacturing industries at participating MnSCU institutions. By January 15,
45.30 2017, the commissioner, in conjunction with each participating MnSCU institution, shall
45.31 report to the standing committees of the house of representatives and the senate having
45.32 jurisdiction over employment and workforce development. The report must address the

46.1 progress and success of the implementation of a customized training program for skilled
 46.2 manufacturing industries at each participating MnSCU institution. The report must
 46.3 give recommendations on where a skilled manufacturing customized training program
 46.4 should next be implemented, taking into consideration all current and potential skilled
 46.5 manufacturing training providers available.

46.6 Sec. 24. **CUSTOMIZED TRAINING FOR SKILLED MANUFACTURING**
 46.7 **INDUSTRIES.**

46.8 Subdivision 1. **Program.** The commissioner of employment and economic
 46.9 development, in consultation with the commissioner of labor and industry, shall collaborate
 46.10 with Minnesota State Colleges and Universities (MnSCU) institutions and employers to
 46.11 develop and administer a customized training program for skilled manufacturing industries
 46.12 that integrates academic instruction and job-related learning in the workplace and MnSCU
 46.13 institutions. The commissioner shall actively recruit participants in a customized training
 46.14 program for skilled manufacturing industries from the following groups: secondary and
 46.15 postsecondary school systems, individuals with disabilities, dislocated workers, retired
 46.16 and disabled veterans, individuals enrolled in MFIP under Minnesota Statutes, chapter
 46.17 256J, minorities, previously incarcerated individuals, individuals residing in labor surplus
 46.18 areas as defined by the United States Department of Labor, and any other disadvantaged
 46.19 group as determined by the commissioner.

46.20 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
 46.21 subdivision have the meanings given them.

46.22 (b) "Commissioner" means the commissioner of employment and economic
 46.23 development.

46.24 (c) "Employer" means an employer in Minnesota in the skilled manufacturing
 46.25 industry who employs no more than 50 employees and who enters into the agreements
 46.26 with MnSCU institutions and the commissioner under subdivisions 3 to 5.

46.27 (d) "MnSCU institution" means an institution designated by the commissioner
 46.28 unless otherwise specified by the legislature.

46.29 (e) "Participant" means an employee who enters into a customized training program
 46.30 for skilled manufacturing industries participation agreement under subdivision 4.

46.31 (f) "Related instruction" means classroom instruction or technical or vocational
 46.32 training required to perform the duties of the skilled manufacturing job.

46.33 (g) "Skilled manufacturing" means occupations in manufacturing industry sectors 31
 46.34 to 33 as defined by the North American Industry Classification System (NAICS).

47.1 Subd. 3. Skilled manufacturing customized training program employer

47.2 **agreement.** (a) The commissioner, employer, and MnSCU institution shall enter into a
47.3 skilled manufacturing customized training program employer agreement that is specific to
47.4 the identified skilled manufacturing training needs of an employer.

47.5 (b) The agreement must contain the following:

47.6 (1) the name of the employer;

47.7 (2) a statement showing the number of hours to be spent by a participant in work and
47.8 the number of hours to be spent, if any, in concurrent, supplementary instruction in related
47.9 subjects. The maximum number of hours of work per week, not including time spent in
47.10 related instruction, for any participant shall not exceed either the number prescribed by
47.11 law or the customary regular number of hours per week for the employees of the employer.

47.12 A participant may be allowed to work overtime provided that the overtime work does not
47.13 conflict with supplementary instruction course attendance. All time spent by the participant
47.14 in excess of the number of hours of work per week as specified in the skilled manufacturing
47.15 customized training program participation agreement shall be considered overtime;

47.16 (3) the hourly wage to be paid to the participant and requirements for reporting to
47.17 the commissioner on actual wages paid to the participant;

47.18 (4) an explanation of how the employer agreement or participant agreement may
47.19 be terminated;

47.20 (5) a statement setting forth a schedule of the processes of the occupation in which
47.21 the participant is to be trained and the approximate time to be spent at each process;

47.22 (6) a statement by the MnSCU institution and the employer describing the related
47.23 instruction that will be offered, if any, under subdivision 5, paragraph (c); and

47.24 (7) any other provision the commissioner deems necessary to carry out the purposes
47.25 of this section.

47.26 (c) The commissioner may periodically review the adherence to the terms of the
47.27 customized training program employer agreement. If the commissioner determines that
47.28 an employer or employee has failed to comply with the terms of the agreement, the
47.29 commissioner shall terminate the agreement. An employer must report to the commissioner
47.30 any change in status for the participant within 30 days of the change in status.

47.31 Subd. 4. Skilled manufacturing customized training program participation

47.32 **agreement.** (a) The commissioner, the prospective participant, and the employer shall
47.33 enter into a skilled manufacturing customized training program participation agreement
47.34 that is specific to the training to be provided to the participant.

47.35 (b) The participation agreement must contain the following:

47.36 (1) the name of the employer;

- 48.1 (2) the name of the participant;
- 48.2 (3) a statement setting forth a schedule of the processes of the occupation in which
- 48.3 the participant is to be trained and the approximate time to be spent at each process;
- 48.4 (4) a description of any related instruction;
- 48.5 (5) a statement showing the number of hours to be spent by a participant in work and
- 48.6 the number of hours to be spent, if any, in concurrent, supplementary instruction in related
- 48.7 subjects. The maximum number of hours of work per week, not including time spent in
- 48.8 related instruction, for any participant shall not exceed either the number prescribed
- 48.9 by law or the customary regular number of hours per week for the employees of the
- 48.10 employer. A participant may be allowed to work overtime provided that the overtime
- 48.11 work does not conflict with supplementary instruction course attendance. All time spent
- 48.12 by the participant in excess of the number of hours of work per week as specified in the
- 48.13 customized training program participation agreement shall be considered overtime;
- 48.14 (6) the hourly wage to be paid to the participant; and
- 48.15 (7) an explanation of how the parties may terminate the participation agreement.
- 48.16 (c) The commissioner may periodically review the adherence to the terms of the
- 48.17 customized training program participation agreement. If the commissioner determines
- 48.18 that an employer or participant has failed to comply with the terms of the agreement, the
- 48.19 commissioner shall terminate the agreement. An employer must report to the commissioner
- 48.20 any change in status for the participant within 30 days of the change in status.
- 48.21 Subd. 5. **MnSCU instruction.** (a) The MnSCU institution shall collaborate
- 48.22 with an employer to provide related instruction that the employer deems necessary to
- 48.23 instruct participants of a skilled manufacturing customized training program. The related
- 48.24 instruction provided must be, for the purposes of this section, career-level, as negotiated
- 48.25 by the commissioner and the MnSCU institution. The related instruction may be for credit
- 48.26 or noncredit, and credit earned may be transferable to a degree program, as determined by
- 48.27 the MnSCU institution. The MnSCU institution shall provide a summary of the related
- 48.28 instruction to the commissioner prior to disbursement of any funds.
- 48.29 (b) The commissioner, in conjunction with the MnSCU institution, shall issue a
- 48.30 certificate of completion to a participant who completes all required components of the
- 48.31 skilled manufacturing customized training program participation agreement.
- 48.32 (c) As part of the skilled manufacturing customized training program, an employer
- 48.33 shall collaborate with the MnSCU institution for any related instruction required to
- 48.34 perform the skilled manufacturing job. The agreement shall include:
- 48.35 (1) a detailed explanation of the related instruction; and

49.1 (2) the number of hours of related instruction needed to receive a certificate of
49.2 completion.

49.3 (d) The commissioner shall follow the requirements of Minnesota Statutes, section
49.4 116L.98, regardless of the funding source. The MnSCU institution shall provide the
49.5 commissioner with the data needed for the commissioner to fulfill the requirements of
49.6 Minnesota Statutes, section 116L.98.

49.7 **ARTICLE 3**

49.8 **DEPARTMENT OF COMMERCE**

49.9 Section 1. Minnesota Statutes 2014, section 12A.15, subdivision 1, is amended to read:

49.10 Subdivision 1. **State cost-share for federal assistance.** State appropriations may be
49.11 used to pay 100 percent of the nonfederal share for state agencies and₂ local governments,
49.12 and utility cooperatives under section 12.221. An appropriation from the bond proceeds
49.13 fund may be used as cost-share for federal disaster assistance for publicly owned capital
49.14 improvement projects.

49.15 Sec. 2. Minnesota Statutes 2014, section 45.0135, is amended by adding a subdivision
49.16 to read:

49.17 Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

49.18 (1) impose an administrative penalty against any person in an amount as set forth in
49.19 paragraph (b) for each intentional act of insurance fraud committed by that person; and

49.20 (2) order restitution to any person suffering loss as a result of the insurance fraud.

49.21 (b) The administrative penalty for each violation described in paragraph (a) may be
49.22 no more than:

49.23 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained
49.24 exceeds \$5,000;

49.25 (2) \$10,000 if the funds or value of the property or services wrongfully obtained
49.26 exceeds \$1,000, but not more than \$5,000;

49.27 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is
49.28 more than \$500, but not more than \$1,000; and

49.29 (4) \$1,000 if the funds or value of the property or services wrongfully obtained
49.30 is \$500 or less.

49.31 (c) If an administrative penalty is not paid after all rights of appeal have been
49.32 waived or exhausted, the commissioner may bring a civil action in a court of competent
49.33 jurisdiction to collect the administrative penalty, including expenses and litigation costs,
49.34 reasonable attorney fees, and interest.

50.1 (d) This section does not affect a person's right to seek recovery, including expenses
50.2 and litigation costs, reasonable attorney fees, and interest, against any person that commits
50.3 insurance fraud.

50.4 (e) For purposes of this subdivision, "insurance fraud" has the meaning given in
50.5 section 60A.951, subdivision 4.

50.6 (f) Hearings under this subdivision must be conducted in accordance with chapter
50.7 14 and any other applicable law.

50.8 (g) All revenues from penalties, expenses, costs, fees, and interest collected under
50.9 paragraphs (a) to (c) shall be deposited in the insurance fraud prevention account under
50.10 section 45.0135, subdivision 6.

50.11 **EFFECTIVE DATE.** This section is effective the day following final enactment
50.12 and applies with respect to acts committed on or after that date.

50.13 Sec. 3. **[59D.01] APPLICATION.**

50.14 (a) This chapter does not apply to:

50.15 (1) a policy of insurance offered in compliance with chapters 60A to 79A;

50.16 (2) a debt cancellation or debt suspension contract, including a guaranteed asset
50.17 protection waiver, being offered by a banking institution or credit union in compliance
50.18 with chapter 48 or 52; and

50.19 (3) a debt cancellation or debt suspension contract being offered in compliance with
50.20 Code of Federal Regulations, title 12, parts 37, 721, or other federal law.

50.21 (b) Guaranteed asset protection waivers regulated under this chapter are not
50.22 insurance and are not subject to chapters 60A to 79A. Persons selling, soliciting, or
50.23 negotiating guaranteed asset protection waivers to borrowers in compliance with this
50.24 chapter are exempt from chapter 60K.

50.25 (c) The commissioner of commerce has the full investigatory authority of chapter 45
50.26 to enforce the terms of this chapter.

50.27 Sec. 4. **[59D.02] DEFINITIONS.**

50.28 Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in subdivisions
50.29 2 to 10 have the meanings given them.

50.30 Subd. 2. **Administrator.** "Administrator" means a person, other than an insurer
50.31 or creditor who performs administrative or operational functions pursuant to guaranteed
50.32 asset protection waiver programs.

50.33 Subd. 3. **Borrower.** "Borrower" means a debtor, retail buyer, or lessee under a
50.34 finance agreement.

51.1 Subd. 4. **Creditor.** "Creditor" means:

51.2 (1) the lender in a loan or credit transaction;

51.3 (2) the lessor in a lease transaction;

51.4 (3) a dealer or seller of motor vehicles that provides credit to purchasers of the motor
 51.5 vehicles provided that the entities comply with this section;

51.6 (4) the seller in commercial retail installment transactions; or

51.7 (5) the assignees of any of the forgoing to whom the credit obligation is payable.

51.8 Subd. 5. **Finance agreement.** "Finance agreement" means a loan, lease, or retail
 51.9 installment sales contract for the purchase or lease of a motor vehicle.

51.10 Subd. 6. **Free look period.** "Free look period" means the period of time from the
 51.11 effective date of the GAP waiver until the date the borrower may cancel the contract without
 51.12 penalty, fees, or costs to the borrower. This period of time must not be shorter than 30 days.

51.13 Subd. 7. **Guaranteed asset protection waiver.** "Guaranteed asset protection waiver"
 51.14 or "GAP waiver" means a contractual agreement wherein a creditor agrees for a separate
 51.15 charge to cancel or waive all or part of amounts due on a borrower's finance agreement in
 51.16 the event of a total physical damage loss or unrecovered theft of the motor vehicle.

51.17 Subd. 8. **Insurer.** "Insurer" means an insurance company licensed, registered, or
 51.18 otherwise authorized to do business under Minnesota law.

51.19 Subd. 9. **Motor vehicle.** "Motor vehicle" means self-propelled or towed vehicles
 51.20 designed for personal or commercial use, including, but not limited to, automobiles;
 51.21 trucks; motorcycles; recreational vehicles; all-terrain vehicles; snowmobiles; campers;
 51.22 boats; personal watercraft; and motorcycle, boat, camper, and personal watercraft trailers.
 51.23 A creditor is prohibited from selling a GAP waiver in conjunction with the sale or lease of
 51.24 any used motor vehicle that is an automobile or truck that is valued at less than \$5,000.

51.25 Subd. 10. **Person.** "Person" includes an individual, company, association,
 51.26 organization, partnership, business trust, corporation, and every form of legal entity.

51.27 **Sec. 5. [59D.03] COMMERCIAL TRANSACTIONS EXEMPTED.**

51.28 Sections 59D.04, subdivision 3, and 59D.06 do not apply to a guaranteed asset
 51.29 protection waiver offered in connection with a lease or retail installment sale associated
 51.30 with any transaction not for personal, family, or household purposes.

51.31 **Sec. 6. [59D.04] GUARANTEED ASSET PROTECTION WAIVER**
 51.32 **REQUIREMENTS.**

51.33 Subdivision 1. **Authorization.** GAP waivers may be offered, sold, or provided to
 51.34 borrowers in Minnesota in compliance with this chapter.

52.1 Subd. 2. **Payment options.** GAP waivers may, at the option of the creditor, be sold
 52.2 for a single payment or may be offered with a monthly or periodic payment option.

52.3 Subd. 3. **Certain costs not considered finance charge or interest.** Notwithstanding
 52.4 any other provision of law, any cost to the borrower for a guaranteed asset protection
 52.5 waiver entered into in compliance with United States Code, title 15, sections 1601 to
 52.6 1667F, and its implementing regulations under Code of Federal Regulations, title 12, part
 52.7 226, as they may be amended from time to time, must be separately stated and is not to
 52.8 be considered a finance charge or interest.

52.9 Subd. 4. **Insurance.** A retail seller must insure its GAP waiver obligations under a
 52.10 contractual liability or other insurance policy issued by an insurer. A creditor, other than a
 52.11 retail seller, may insure its GAP waiver obligations under a contractual liability policy or
 52.12 other such policy issued by an insurer. The insurance policy may be directly obtained by a
 52.13 creditor or retail seller, or may be procured by an administrator to cover a creditor's or
 52.14 retail seller's obligations. Retail sellers that are lessors on motor vehicles are not required
 52.15 to insure obligations related to GAP waivers on leased vehicles.

52.16 Subd. 5. **Financing agreement.** The GAP waiver must be part of, or a separate
 52.17 addendum to, the finance agreement and must remain a part of the finance agreement upon
 52.18 the assignment, sale, or transfer of the finance agreement by the creditor.

52.19 Subd. 6. **Purchase restriction.** The extension of credit, the terms of the credit, or
 52.20 the terms and conditions of the related motor vehicle sale or lease must not be conditioned
 52.21 upon the purchase of a GAP waiver.

52.22 Subd. 7. **Reporting.** A creditor that offers a GAP waiver must report the sale of, and
 52.23 forward funds received on, all such waivers to the designated party, if any, as prescribed
 52.24 in any applicable administrative services agreement, contractual liability policy, other
 52.25 insurance policy, or other specified program documents.

52.26 Subd. 8. **Fiduciary responsibilities.** Funds received or held by a creditor or
 52.27 administrator and belonging to an insurer, creditor, or administrator, pursuant to the terms
 52.28 of a written agreement, must be held by the creditor or administrator in a fiduciary capacity.

52.29 Subd. 9. **Defined terms.** The terms defined in section 59D.02 are not intended to
 52.30 provide actual terms that are required in guaranteed asset protection waivers.

52.31 Sec. 7. **[59D.05] CONTRACTUAL LIABILITY OR OTHER INSURANCE**
 52.32 **POLICIES.**

52.33 Subdivision 1. **Reimbursement or payment statement.** Contractual liability or
 52.34 other insurance policies insuring GAP waivers must state the obligation of the insurer to

53.1 reimburse or pay to the creditor any sums the creditor is legally obligated to waive under
53.2 the GAP waivers issued by the creditor and purchased or held by the borrower.

53.3 Subd. 2. **Coverage of assignee.** Coverage under a contractual liability or other
53.4 insurance policy insuring a GAP waiver must also cover a subsequent assignee upon the
53.5 assignment, sale, or transfer of the finance agreement.

53.6 Subd. 3. **Term.** Coverage under a contractual liability or other insurance policy
53.7 insuring a GAP waiver must remain in effect unless canceled or terminated in compliance
53.8 with applicable laws.

53.9 Subd. 4. **Effect of cancellation or termination.** The cancellation or termination of
53.10 a contractual liability or other insurance policy must not reduce the insurer's responsibility
53.11 for GAP waivers issued by the creditor before the date of cancellation or termination and
53.12 for which a premium has been received by the insurer.

53.13 Sec. 8. **[59D.06] DISCLOSURES.**

53.14 (a) Guaranteed asset protection waivers must disclose, as applicable, in writing and
53.15 in clear, understandable language that is easy to read, the following:

53.16 (1) the name and address of the initial creditor and the borrower at the time of sale,
53.17 and the identity of any administrator if different from the creditor;

53.18 (2) the purchase price and the terms of the GAP waiver, including without limitation,
53.19 the requirements for protection, conditions, or exclusions associated with the GAP waiver;

53.20 (3) that the borrower may cancel the GAP waiver within a free look period as
53.21 specified in the waiver, and will be entitled to a full refund of the purchase price, so
53.22 long as no benefits have been provided;

53.23 (4) the procedure the borrower must follow, if any, to obtain GAP waiver benefits
53.24 under the terms and conditions of the waiver, including a telephone number and address
53.25 where the borrower may apply for waiver benefits;

53.26 (5) whether or not the GAP waiver is cancelable after the free look period and the
53.27 conditions under which it may be canceled or terminated including the procedures for
53.28 requesting a refund due;

53.29 (6) that in order to receive a refund due in the event of a borrower's cancellation of
53.30 the GAP waiver agreement or early termination of the finance agreement after the free
53.31 look period of the GAP waiver, the borrower, in accordance with the terms of the waiver,
53.32 must provide a written cancellation request to the creditor, administrator, or other party.
53.33 If such a request is being made because of the termination of the finance agreement,
53.34 notice must be provided to the creditor, administrator, or other party within 90 days of the
53.35 occurrence of the event terminating the finance agreement;

54.1 (7) the methodology for calculating a refund of the unearned purchase price of the
54.2 GAP waiver due in the event of cancellation of the GAP waiver or early termination of the
54.3 finance agreement; and

54.4 (8) that the extension of credit, the terms of the credit, or the terms and conditions
54.5 of the related motor vehicle sale or lease are not conditioned upon the purchase of the
54.6 GAP waiver.

54.7 (b) The creditor or any person offering a GAP waiver must provide the following
54.8 verbatim disclosure in bold, 14-point type, either in a separate writing or as part of
54.9 the agreement: "THE GAP WAIVER IS OPTIONAL. YOU DO NOT HAVE TO
54.10 PURCHASE THIS PRODUCT IN ORDER TO BUY [OR LEASE] THIS MOTOR
54.11 VEHICLE. YOU ALSO HAVE A LIMITED RIGHT TO CANCEL."

54.12 **Sec. 9. [59D.07] CANCELLATION; REFUNDS.**

54.13 **Subdivision 1. Refund requirements during free look period.** A GAP waiver must
54.14 provide that, if a borrower cancels a waiver within the free look period, the borrower will
54.15 be entitled to a full refund of the purchase price, so long as no benefits have been provided.

54.16 **Subd. 2. Refund requirements after free-look period.** (a) Guaranteed asset
54.17 protection waivers may be cancelable or noncancelable after the free-look period.

54.18 (b) In the event of a borrower's cancellation of the GAP waiver or early termination
54.19 of the finance agreement, after the agreement has been in effect beyond the free-look
54.20 period, the borrower may be entitled to a refund of any unearned portion of the purchase
54.21 price of the waiver unless the waiver provides otherwise. In order to receive a refund,
54.22 the borrower, in accordance with any applicable terms of the waiver, must provide a
54.23 written request to the creditor, administrator, or other party. If such a request is being
54.24 made because of the termination of the finance agreement, notice must be provided to
54.25 the creditor, administrator, or other party within 90 days of the occurrence of the event
54.26 terminating the finance agreement.

54.27 (c) If the cancellation of a GAP waiver occurs as a result of a default under the
54.28 finance agreement or the repossession of the motor vehicle associated with the finance
54.29 agreement, or any other termination of the finance agreement, any refund due may be paid
54.30 directly to the creditor or administrator and applied as set forth in subdivision 3.

54.31 **Subd. 3. How applied.** A refund under subdivision 1 or 2 may be applied by the
54.32 creditor as a reduction of the amount owed under the finance agreement, unless the
54.33 borrower can show that the finance agreement has been paid in full.

54.34 **Sec. 10.** Minnesota Statutes 2014, section 60D.215, subdivision 2, is amended to read:

55.1 Subd. 2. **Expenses.** Each registered insurer subject to this section is liable for and
55.2 shall pay the reasonable expenses of the commissioner's participation in a supervisory
55.3 college in accordance with subdivision 3, including reasonable travel expenses. For
55.4 purposes of this section, a supervisory college may be convened as either a temporary
55.5 or permanent forum for communication and cooperation between the regulators charged
55.6 with the supervision of the insurer or its affiliates, and the commissioner may establish a
55.7 regular assessment to the insurer for the payment of these expenses. A registered insurer's
55.8 liability for expenses under this subdivision is limited to the actual, incurred costs of the
55.9 commissioner's participation in their supervisory college.

55.10 Sec. 11. Minnesota Statutes 2014, section 65B.44, is amended by adding a subdivision
55.11 to read:

55.12 Subd. 2a. **Person convicted of insurance fraud.** (a) A person convicted of
55.13 insurance fraud under section 609.611 in a case related to this chapter or of employment of
55.14 runners under section 609.612 may not enforce a contract for payment of services eligible
55.15 for reimbursement under subdivision 2, against an insured or reparation obligor.

55.16 (b) After a period of five years from the date of conviction, a person described in
55.17 paragraph (a) may apply to district court to extinguish the collateral sanction set forth in
55.18 paragraph (a), which the court may grant in its reasonable discretion.

55.19 **EFFECTIVE DATE.** This section is effective the day following final enactment,
55.20 and applies with respect to acts committed on or after that date.

55.21 Sec. 12. **[80A.461] MNVEST REGISTRATION EXEMPTION.**

55.22 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
55.23 paragraphs (b) through (e) have the meanings given them.

55.24 (b) "MNvest issuer" means an entity organized under the laws of Minnesota, other
55.25 than a general partnership, that satisfies the requirements of Code of Federal Regulations,
55.26 title 17, part 230.147, and the following requirements:

55.27 (1) the principal office of the entity is located in Minnesota;

55.28 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
55.29 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
55.30 230.147, of the entity's assets were located in Minnesota;

55.31 (3) except in the case of an entity whose gross revenue during the most recent period
55.32 of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other
55.33 threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's
55.34 gross revenues from the operation of a business in Minnesota during (i) the previous fiscal

56.1 year, if the MNvest offering begins during the first six months of the entity's fiscal year; or
56.2 (ii) during the 12 months ending on the last day of the sixth month of the entity's current
56.3 fiscal year, if the MNvest offering begins following the last day;

56.4 (4) the entity does not attempt to limit its liability, or the liability of any other
56.5 person, for fraud or intentional misrepresentation in connection with the offering of its
56.6 securities in a MNvest offering; and

56.7 (5) the entity is not:

56.8 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
56.9 securities, except that the entity may hold securities of one class in an entity that is not
56.10 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
56.11 securities; or

56.12 (ii) subject to the reporting requirements of the Securities and Exchange Act of
56.13 1934, section 13 or 15(d), United States Code, title 15, sections 78m and 78o(d).

56.14 (c) "MNvest offering" means an offer, or an offer and sale, of securities by a MNvest
56.15 issuer that: (1) is conducted exclusively through a MNvest portal, and (2) satisfies the
56.16 requirements of this section and other requirements the administrator imposes by rule.

56.17 (d) "MNvest portal" means an Internet Web site that is operated by a portal operator
56.18 for the offer or sale of MNvest offerings under this section or registered securities under
56.19 section 80A.50, paragraph (b), and satisfies the requirements of subdivision 6.

56.20 (e) "Portal operator" means an entity, including an issuer, that:

56.21 (1) is authorized to do business in Minnesota;

56.22 (2) is a broker-dealer registered under this chapter or otherwise registers with the
56.23 administrator as a portal operator in accordance with subdivision 7, paragraph (a), and is
56.24 therefore excluded from broker-dealer registration; and

56.25 (3) satisfies such other conditions as the administrator may determine.

56.26 Subd. 2. **Generally.** The offer, sale, and issuance of securities in a MNvest offering
56.27 is exempt from the requirements of sections 80A.49 to 80A.54, except 80A.50, paragraph
56.28 (a), clause (3), and 80A.71, if the issuer meets the qualifications under this section.

56.29 Subd. 3. **MNvest offering.** A MNvest offering must satisfy the following
56.30 requirements:

56.31 (1) the issuer must be a MNvest issuer on the date that its securities are first offered
56.32 for sale in the offering and continuously through the closing of the offering;

56.33 (2) the offering must meet the requirements of the federal exemption for intrastate
56.34 offerings in section 3(a)(11) of the Securities Act of 1933, United States Code, title 15,
56.35 section 77c(a)(11), and Rule 147 adopted under the Securities Act of 1933, Code of
56.36 Federal Regulations, title 17, part 230.147;

57.1 (3) the sale of securities must be conducted exclusively through a MNvest portal;

57.2 (4) the MNvest issuer shall require the portal operator to provide or make available
57.3 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
57.4 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
57.5 was in existence. For offerings beginning more than 90 days after the issuer's most recent
57.6 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
57.7 MNvest issuer must provide or make available a balance sheet as of a date not more than
57.8 90 days before the commencement of the MNvest offering for the MNvest issuer's most
57.9 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
57.10 during that period, and the year-to-date period, or inception-to-date period, if shorter,
57.11 corresponding with the more recent balance sheet required by this clause;

57.12 (5) in any 12-month period, the MNvest issuer shall not raise more than the
57.13 aggregate amounts set forth in item (i) or (ii), either in cash or other consideration, in
57.14 connection with one or more MNvest offerings:

57.15 (i) \$2,000,000 if the financial statements described in clause (4) have been (A)
57.16 audited by a certified public accountant firm licensed under chapter 326A using auditing
57.17 standards issued by either the American Institute of Certified Public Accountants or the
57.18 Public Company Oversight Board, or (B) reviewed by a certified public accountant
57.19 firm licensed under chapter 326A using the Statements on Standards for Accounting
57.20 and Review Services issued by the Accounting and Review Services Committee of the
57.21 American Institute of Certified Public Accountants; or

57.22 (ii) \$1,000,000 if the financial statements described in clause (4) have not been
57.23 audited or reviewed as described in item (i);

57.24 (6) the MNvest issuer must use at least 80 percent of the net proceeds of the offering
57.25 in connection with the operation of its business within Minnesota;

57.26 (7) no single purchaser may purchase more than \$10,000 in securities of the MNvest
57.27 issuer under this exemption in connection with a single MNvest offering unless the
57.28 purchaser is an accredited investor;

57.29 (8) all payments for the purchase of securities must be held in escrow until the
57.30 aggregate capital deposited into escrow from all purchasers is equal to or greater than the
57.31 stated minimum offering amount. Purchasers will receive a return of all their subscription
57.32 funds if the minimum offering amount is not raised by the stipulated expiration date
57.33 required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust
57.34 company, savings bank, savings association, or credit union authorized to do business
57.35 in Minnesota. Prior to the execution of the escrow agreement between the issuer and
57.36 the escrow agent, the escrow agent must conduct searches of the issuer, its executive

58.1 officers, directors, governors, and managers, as provided to the escrow agent by the portal
58.2 operator, against the Specially Designated Nationals list maintained by the Office of
58.3 Foreign Assets Control. The escrow agent is only responsible to act at the direction of the
58.4 party establishing the escrow account and does not have a duty or liability, contractual
58.5 or otherwise, to an investor or other person except as set forth in the applicable escrow
58.6 agreement or other contract;

58.7 (9) the MNvest issuer shall require the portal operator to make available to the
58.8 prospective purchaser through the MNvest portal a disclosure document that meets the
58.9 requirements set forth in subdivision 4;

58.10 (10) before selling securities to a prospective purchaser on a MNvest portal, the
58.11 MNvest issuer shall require the portal operator to obtain from the prospective purchaser
58.12 the certification required under subdivision 5;

58.13 (11) not less than ten days before the beginning of an offering of securities in reliance
58.14 on the exemption under this section, the MNvest issuer shall provide the following to
58.15 the administrator:

58.16 (i) a notice of claim of exemption from registration, specifying that the MNvest
58.17 issuer will be conducting an offering in reliance on the exemption under this section;

58.18 (ii) a copy of the disclosure document to be provided to prospective purchasers in
58.19 connection with the offering, as described in subdivision 4; and

58.20 (iii) a filing fee of \$300; and

58.21 (12) the MNvest issuer and the portal operator may engage in solicitation and
58.22 advertising of the MNvest offering provided that:

58.23 (i) the advertisement contains disclaiming language which clearly states:

58.24 (A) the advertisement is not the offer and is for informational purposes only;

58.25 (B) the offering is being made in reliance on the exemption under this section;

58.26 (C) the offering is directed only to residents of the state;

58.27 (D) all offers and sales are made through a MNvest portal; and

58.28 (E) the Department of Commerce is the securities regulator in Minnesota;

58.29 (ii) along with the disclosures required under item (i), the advertisement may contain
58.30 no more than the following information:

58.31 (A) the name and contact information of the MNvest issuer;

58.32 (B) a brief description of the general type of business of the MNvest issuer;

58.33 (C) the minimum offering amount the MNvest issuer is attempting to raise through
58.34 its offering;

58.35 (D) a description of how the issuer will use the funds raised through the MNvest
58.36 offering;

59.1 (E) the duration that the MNvest offering will remain open;

59.2 (F) the MNvest issuer's logo; and

59.3 (G) a link to the MNvest issuer's Web site and the MNvest portal in which the
59.4 MNvest offering is being made;

59.5 (iii) the advertisement complies with all applicable state and federal laws.

59.6 **Subd. 4. Required disclosures to prospective MNvest offering purchasers.**

59.7 The MNvest issuer shall require the portal operator to make available to the prospective
59.8 purchaser through the MNvest portal a printable or downloadable disclosure document
59.9 containing the following:

59.10 (1) the MNvest issuer's type of entity, the address and telephone number of its
59.11 principal office, its formation history for the previous five years, a summary of the material
59.12 facts of its business plan and its capital structure, and its intended use of the offering
59.13 proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as
59.14 compensation or otherwise, to an owner, executive officer, director, governor, manager,
59.15 member, or other person occupying a similar status or performing similar functions on
59.16 behalf of the MNvest issuer;

59.17 (2) the MNvest offering must stipulate the date on which the offering will expire,
59.18 which must not be longer than 12 months from the date the MNvest offering commenced;

59.19 (3) a copy of the escrow agreement between the escrow agent, the MNvest issuer,
59.20 and, if applicable, the portal operator, as described in subdivision 3, clause (8);

59.21 (4) the financial statements required under subdivision 3, clause (4);

59.22 (5) the identity of all persons owning more than ten percent of any class of equity
59.23 interests in the company;

59.24 (6) the identity of the executive officers, directors, governors, managers, members,
59.25 and other persons occupying a similar status or performing similar functions in the name of
59.26 and on the behalf of the MNvest issuer, including their titles and their relevant experience;

59.27 (7) the terms and conditions of the securities being offered, a description of investor
59.28 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
59.29 maximum amount of securities being offered; either the percentage economic ownership
59.30 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
59.31 applicable, maximum number of securities being offered is sold, or the valuation of the
59.32 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
59.33 interest of the securities being offered; any restrictions on transfer of the securities being
59.34 offered; and a disclosure that any future issuance of securities might dilute the value of
59.35 securities being offered;

60.1 (8) the identity of and consideration payable to a person who has been or will be
60.2 retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and
60.3 sale of the securities, including a portal operator, but excluding (i) persons acting primarily
60.4 as accountants or attorneys, and (ii) employees whose primary job responsibilities involve
60.5 operating the business of the MNvest issuer rather than assisting the MNvest issuer in
60.6 raising capital;

60.7 (9) a description of any pending material litigation, legal proceedings, or regulatory
60.8 action involving the MNvest issuer or any executive officers, directors, governors,
60.9 managers, members, and other persons occupying a similar status or performing similar
60.10 functions in the name of and on behalf of the MNvest issuer;

60.11 (10) a statement of the material risks unique to the MNvest issuer and its business
60.12 plans;

60.13 (11) a statement that the securities have not been registered under federal or state
60.14 securities law and that the securities are subject to limitations on resale; and

60.15 (12) the following legend must be displayed conspicuously in the disclosure
60.16 document:

60.17 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
60.18 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
60.19 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
60.20 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
60.21 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
60.22 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
60.23 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
60.24 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
60.25 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
60.26 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
60.27 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
60.28 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
60.29 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
60.30 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
60.31 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD
60.32 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
60.33 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

60.34 Subd. 5. **Required certification from MNvest offering purchasers.** Before
60.35 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
60.36 shall require the portal operator to obtain from the prospective purchaser through the

61.1 applicable MNvest portal a written or electronic certification that includes, at a minimum,
61.2 the following statements:

61.3 "I UNDERSTAND AND ACKNOWLEDGE THAT:

61.4 If I make an investment in an offering through this MNvest portal, it is very likely
61.5 that I am investing in a high-risk, speculative business venture that could result in the
61.6 complete loss of my investment, and I need to be able to afford such a loss.

61.7 This offering has not been reviewed or approved by any state or federal securities
61.8 commission or division or other regulatory authority and that no such person or authority
61.9 has confirmed the accuracy or determined the adequacy of any disclosure made to me
61.10 relating to this offering.

61.11 If I make an investment in an offering through this MNvest portal, it is very likely
61.12 that the investment will be difficult to transfer or sell and, accordingly, I may be required
61.13 to hold the investment indefinitely.

61.14 By entering into this transaction with the company, I am affirmatively representing
61.15 myself as being a Minnesota resident at the time that this contract is formed, and if this
61.16 representation is subsequently shown to be false, the contract is void."

61.17 Subd. 6. **MNvest portal.** A MNvest portal must satisfy the requirements of clauses
61.18 (1) through (4):

61.19 (1) the Web site does not contain the word "MNvest" in its URL address;

61.20 (2) the Web site implements steps to limit Web site access to the offer or sale of
61.21 securities to only Minnesota residents when conducting MNvest offerings; and

61.22 (3) MNvest offerings may not be viewed on the MNvest portal by a prospective
61.23 purchaser until:

61.24 (i) the portal operator verifies, through its exercise of reasonable steps, such as using
61.25 a third-party verification service or as otherwise approved by the administrator, that the
61.26 prospective purchaser is a Minnesota resident; and

61.27 (ii) the prospective purchaser makes an affirmative acknowledgment, electronically
61.28 through the MNvest portal, that:

61.29 (A) I am a Minnesota resident;

61.30 (B) the securities and investment opportunities listed on this Web site involve
61.31 high-risk, speculative business ventures. If I choose to invest in any securities or
61.32 investment opportunity listed on this Web site, I may lose all of my investment, and
61.33 I can afford such a loss;

61.34 (C) the securities and investment opportunities listed on this Web site have not
61.35 been reviewed or approved by any state or federal securities commission or division or
61.36 other regulatory authority, and no such person or authority, including this Web site, has

62.1 confirmed the accuracy or determined the adequacy of any disclosure made to prospective
62.2 investors relating to any offering; and

62.3 (D) if I choose to invest in any securities or investment opportunity listed on this
62.4 Web site, I understand that the securities I will acquire may be difficult to transfer or sell,
62.5 that there is no ready market for the sale of such securities, that it may be difficult or
62.6 impossible for me to sell or otherwise dispose of this investment at any price, and that,
62.7 accordingly, I may be required to hold this investment indefinitely; and

62.8 (4) the Web site complies with all other rules adopted by the administrator.

62.9 Subd. 7. **Portal operator.** (a) An entity, other than a registered broker-dealer,
62.10 wishing to become a portal operator shall file with the administrator:

62.11 (1) form [to be approved by the administrator], including all applicable
62.12 schedules and supplemental information;

62.13 (2) a copy of the articles of incorporation or other documents that indicate the
62.14 entity's form of organization; and

62.15 (3) a filing fee of \$200.

62.16 (b) A portal operator's registration expires 12 months from the date the administrator
62.17 has approved the entity as a portal operator, and subsequent registration for the succeeding
62.18 12-month period shall be issued upon written application and upon payment of a renewal
62.19 fee of \$200, without filing of further statements or furnishing any further information,
62.20 unless specifically requested by the administrator. This section is not applicable to a
62.21 registered broker-dealer functioning as a portal operator.

62.22 (c) A portal operator that is not a broker-dealer registered under this chapter shall not:

62.23 (1) offer investment advice or recommendations, provided that a portal operator
62.24 shall not be deemed to be offering investment advice or recommendations merely because
62.25 it (i) selects, or may perform due diligence with respect to, issuers or offerings to be listed,
62.26 or (ii) provides general investor educational materials;

62.27 (2) provide transaction-based compensation for securities sold under this chapter to
62.28 employees, agents, or other persons unless the employees, agents, or other persons are
62.29 registered with the administrator and permitted to receive such compensation;

62.30 (3) charge a fee to the issuer for an offering of securities on a MNvest portal unless
62.31 the fee is (i) a fixed amount for each offering, (ii) a variable amount based on the length of
62.32 time that the securities are offered on the MNvest portal, or (iii) a combination of such
62.33 fixed and variable amounts; or

62.34 (4) hold, manage, possess, or otherwise handle purchaser funds or securities. This
62.35 restriction does not apply if the issuer is the portal operator.

63.1 (d) A portal operator shall provide the administrator with read-only access to
63.2 administrative sections of the MNvest portal.

63.3 (e) A portal operator shall comply with the record-keeping requirements of this
63.4 paragraph, provided that the failure of a portal operator that is not an issuer to maintain
63.5 records in compliance with this paragraph shall not affect the MNvest issuer's exemption
63.6 from registration afforded by this section:

63.7 (1) a portal operator shall maintain and preserve, for a period of five years from either
63.8 the date of the closing or termination of the securities offering, the following records:

63.9 (i) the name of each issuer whose securities have been listed on its MNvest portal;

63.10 (ii) the full name, residential address, Social Security number, date of birth, and
63.11 copy of a state-issued identification for all owners with greater than ten percent voting
63.12 equity in an issuer;

63.13 (iii) copies of all offering materials that have been displayed on its MNvest portal;

63.14 (iv) the names and other personal information of each purchaser who has registered
63.15 at its MNvest portal;

63.16 (v) any agreements and contracts between the portal operator and the issuer; and

63.17 (vi) any information used to establish that a MNvest issuer, prospective MNvest
63.18 purchaser, or MNvest purchaser is a Minnesota resident;

63.19 (2) a portal operator shall, upon written request of the administrator, furnish to the
63.20 administrator any records required to be maintained and preserved under this subdivision;

63.21 (3) the records required to be kept and preserved under this subdivision must be
63.22 maintained in a manner, including by any electronic storage media, that will permit the
63.23 immediate location of any particular document so long as such records are available for
63.24 immediate and complete access by representatives of the administrator. Any electronic
63.25 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
63.26 format; verify automatically the quality and accuracy of the storage media recording
63.27 process; serialize the original and, if applicable, duplicate units storage media, and
63.28 time-date for the required period of retention the information placed on such electronic
63.29 storage media; and be able to download indexes and records preserved on electronic
63.30 storage media to an acceptable medium. In the event that a records retention system
63.31 commingles records required to be kept under this subdivision with records not required to
63.32 be kept, representatives of the administrator may review all commingled records; and

63.33 (4) a portal operator shall maintain such other records as the administrator shall
63.34 determine by rule.

63.35 Subd. 8. **Portal operator; privacy of purchaser information.** (a) For purposes of
63.36 this subdivision, "personal information" means information provided to a portal operator

64.1 by a prospective purchaser or purchaser that identifies, or can be used to identify, the
64.2 prospective purchaser or purchaser.

64.3 (b) Except as provided in paragraph (c), a portal operator must not disclose personal
64.4 information without written or electronic consent from the prospective purchaser or
64.5 purchaser that authorizes the disclosure.

64.6 (c) Paragraph (b) does not apply to:

64.7 (1) records required to be provided to the administrator under subdivision 7,
64.8 paragraph (e);

64.9 (2) the disclosure of personal information to a MNvest issuer relating to its MNvest
64.10 offering; or

64.11 (3) the disclosure of personal information to the extent required or authorized under
64.12 other law.

64.13 Subd. 9. **Bad actor disqualification.** (a) An exemption under this section is not
64.14 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
64.15 issuer; any affiliated issuer; any director, executive officer, other officer participating in
64.16 the MNvest offering, general partner, or managing member of the MNvest issuer; any
64.17 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
64.18 securities, calculated on the basis of voting power; any promoter connected with the
64.19 MNvest issuer in any capacity at the time of the sale; any investment manager of an
64.20 issuer that is a pooled investment fund; any general partner or managing member of any
64.21 investment manager; or any director, executive officer, or other officer participating in
64.22 the offering of any investment manager or general partner or managing member of the
64.23 investment manager:

64.24 (1) has been convicted, within ten years before the offering, or five years, in the case
64.25 of MNvest issuers, their predecessors, and affiliated issuers, of any felony or misdemeanor:

64.26 (i) in connection with the purchase or sale of any security;

64.27 (ii) involving the making of any false filing with the Securities and Exchange
64.28 Commission or a state administrator; or

64.29 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
64.30 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;

64.31 (2) is subject to any order, judgment, or decree of any court of competent jurisdiction,
64.32 entered within five years before the sale, that, at the time of the sale, restrains or enjoins
64.33 the person from engaging or continuing to engage in any conduct or practice:

64.34 (i) in connection with the purchase or sale of any security;

64.35 (ii) involving the making of any false filing with the Securities and Exchange
64.36 Commission or a state administrator; or

65.1 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
65.2 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;
65.3 (3) is subject to a final order of a state securities commission or an agency or officer
65.4 of a state performing like functions; a state authority that supervises or examines banks,
65.5 savings associations, or credit unions; a state insurance commission or an agency or
65.6 officer of a state performing like functions; an appropriate federal banking agency; the
65.7 United States Commodity Futures Trading Commission; or the National Credit Union
65.8 Administration that:

65.9 (i) at the time of the offering, bars the person from:

65.10 (A) association with an entity regulated by the commission, authority, agency, or
65.11 officer;

65.12 (B) engaging in the business of securities, insurance, or banking; or
65.13 (C) engaging in savings association or credit union activities; or

65.14 (ii) constitutes a final order based on a violation of any law or regulation that prohibits
65.15 fraudulent, manipulative, or deceptive conduct entered within ten years before the offering;

65.16 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
65.17 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
65.18 15, section 78o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
65.19 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering:

65.20 (i) suspends or revokes the person's registration as a broker, dealer, municipal
65.21 securities dealer, or investment adviser;

65.22 (ii) places limitations on the activities, functions, or operations of the person; or
65.23 (iii) bars the person from being associated with any entity or from participating in
65.24 the offering of any penny stock;

65.25 (5) is subject to any order of the Securities and Exchange Commission or a state
65.26 administrator entered within five years before the sale that, at the time of the sale, orders
65.27 the person to cease and desist from committing or causing a violation or future violation of:

65.28 (i) any scienter-based antifraud provision of the federal securities laws, including
65.29 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
65.30 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
65.31 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
65.32 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
65.33 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
65.34 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or
65.35 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;

66.1 (6) is suspended or expelled from membership in, or suspended or barred from
66.2 association with a member of, a registered national securities exchange or a registered
66.3 national or affiliated securities association for any act or omission to act constituting
66.4 conduct inconsistent with just and equitable principles of trade;

66.5 (7) has filed as a registrant or issuer, or was or was named as an underwriter in, any
66.6 registrations statement or Regulation A offering statement filed with the Securities and
66.7 Exchange Commission or a state administrator that, within five years before the sale, was
66.8 the subject of a refusal order, stop order, or order suspending the Regulation A exemption,
66.9 or is, at the time of the sale, the subject of an investigation or proceeding to determine
66.10 whether a stop order or suspension order should be issued; or

66.11 (8) is subject to a United States Postal Service false representation order entered
66.12 within five years before the offering, or is, at the time of the offering, subject to a
66.13 temporary restraining order or preliminary injunction with respect to conduct alleged by
66.14 the United States Postal Service to constitute a scheme or device for obtaining money or
66.15 property through the mail by means of false representations.

66.16 (b) Paragraph (a) does not apply:

66.17 (1) with respect to any conviction, order, judgment, decree, suspension, expulsion,
66.18 or bar that occurred or was issued before September 23, 2013;

66.19 (2) upon a showing of good cause and without prejudice to any other action by
66.20 the Securities and Exchange Commission or a state administrator, if the Securities and
66.21 Exchange Commission or a state administrator determines that it is not necessary under
66.22 the circumstances that an exemption be denied;

66.23 (3) if, before the relevant offering, the court of regulatory authority that entered the
66.24 relevant order, judgment, or decree advises in writing, whether contained in the relevant
66.25 judgment, order, or decree or separately to the Securities and Exchange Commission or a
66.26 state administrator or their staff, that disqualification under paragraph (a) should not arise
66.27 as a consequence of the order, judgment, or decree; or

66.28 (4) if the MNvest issuer establishes that it did not know and, in the exercise of
66.29 reasonable care, could not have known that a disqualification existed under paragraph (a).

66.30 (c) For purposes of paragraph (a), events relating to any affiliated issuer that occurred
66.31 before the affiliation arose will not be considered disqualifying if the affiliated entity is not:

66.32 (1) in control of the issuer; or

66.33 (2) under common control with the issuer by a third party that was in control of the
66.34 affiliated entity at the time of the events.

66.35 **EFFECTIVE DATE.** This section is effective the day following final enactment
66.36 and applies with respect to acts committed on or after that date.

67.1 Sec. 13. Minnesota Statutes 2014, section 80A.84, is amended to read:

67.2 **80A.84 SECTION 607; PUBLIC RECORDS; CONFIDENTIALITY.**

67.3 (a) **Presumption of public records.** Except as otherwise provided in subsection
67.4 (b), records obtained by the administrator or filed under this chapter, including a record
67.5 contained in or filed with a registration statement, application, notice filing, or report, are
67.6 public records and are available for public examination.

67.7 (b) **Nonpublic records.** The following records are not public records and are not
67.8 available for public examination under subsection (a):

67.9 (1) a record obtained by the administrator in connection with an audit or inspection
67.10 under section 80A.66(d) or an investigation under section 80A.79;

67.11 (2) a part of a record filed in connection with a registration statement under sections
67.12 80A.49 and 80A.51 through 80A.53 or a record under section 80A.66(d) that contains
67.13 trade secrets or confidential information if the person filing the registration statement or
67.14 report has asserted a claim of confidentiality or privilege that is authorized by law;

67.15 (3) a record that is not required to be provided to the administrator or filed under this
67.16 chapter and is provided to the administrator only on the condition that the record will not
67.17 be subject to public examination or disclosure;

67.18 (4) a nonpublic record received from a person specified in section 80A.85(a);

67.19 (5) any social security number, residential address unless used as a business address,
67.20 and residential telephone number contained in a record that is filed; ~~and~~

67.21 (6) a record obtained by the administrator through a designee of the administrator
67.22 that a rule or order under this chapter determines has been:

67.23 (A) expunged from the administrator's records by the designee; or

67.24 (B) determined to be nonpublic or nondisclosable by that designee if the administrator
67.25 finds the determination to be in the public interest and for the protection of investors; and

67.26 (7) a record furnished to the administrator by a portal operator under section
67.27 80A.461, subdivision 7, paragraph (e).

67.28 (c) **Administrator discretion to disclose.** If disclosure is for the purpose of a civil,
67.29 administrative, or criminal investigation, action, or proceeding or to a person specified
67.30 in section 80A.85(a), the administrator may disclose a record obtained in connection
67.31 with an audit or inspection under section 80A.66(d) or a record obtained in connection
67.32 with an investigation under section 80A.79.

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

68.1 Sec. 14. Minnesota Statutes 2014, section 216B.02, is amended by adding a
68.2 subdivision to read:

68.3 Subd. 3a. **Propane.** "Propane" means a gas made of primarily propane and butane,
68.4 and stored in liquid form in pressurized tanks.

68.5 Sec. 15. Minnesota Statutes 2014, section 216B.02, is amended by adding a
68.6 subdivision to read:

68.7 Subd. 3b. **Propane storage facility.** "Propane storage facility" means a facility
68.8 designed to store or capable of storing propane in liquid form in pressurized tanks.

68.9 Sec. 16. Minnesota Statutes 2014, section 216B.02, is amended by adding a
68.10 subdivision to read:

68.11 Subd. 6b. **Synthetic gas.** "Synthetic gas" means flammable gas created from (1)
68.12 gaseous, liquid, or solid hydrocarbons, or (2) other organic or inorganic matter. Synthetic
68.13 gas includes hydrogen or methane produced through processing, but does not include
68.14 propane.

68.15 Sec. 17. Minnesota Statutes 2014, section 216B.16, subdivision 6, is amended to read:

68.16 **Subd. 6. Factors considered, generally.** The commission, in the exercise of its
68.17 powers under this chapter to determine just and reasonable rates for public utilities, shall
68.18 give due consideration to the public need for adequate, efficient, and reasonable service
68.19 and to the need of the public utility for revenue sufficient to enable it to meet the cost of
68.20 furnishing the service, including adequate provision for depreciation of its utility property
68.21 used and useful in rendering service to the public, and to earn a fair and reasonable return
68.22 upon the investment in such property. In determining the rate base upon which the utility
68.23 is to be allowed to earn a fair rate of return, the commission shall give due consideration to
68.24 evidence of the cost of the property when first devoted to public use, to prudent acquisition
68.25 cost to the public utility less appropriate depreciation on each, to construction work in
68.26 progress, to offsets in the nature of capital provided by sources other than the investors,
68.27 and to other expenses of a capital nature. For purposes of determining rate base, the
68.28 commission shall consider the original cost of utility property included in the base and
68.29 shall make no allowance for its estimated current replacement value. If the commission
68.30 orders a generating facility to terminate its operations before the end of the facility's
68.31 physical life in order to comply with a specific state or federal energy statute or policy,
68.32 the commission may allow the public utility to recover any positive net book value of the
68.33 facility as determined by the commission.

69.1 Sec. 18. Minnesota Statutes 2014, section 216B.16, subdivision 7b, is amended to read:

69.2 Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision
69.3 of this chapter, the commission may approve a tariff mechanism for the automatic annual
69.4 adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

69.5 (i) new transmission facilities that have been separately filed and reviewed and
69.6 approved by the commission under section 216B.243 or new transmission or distribution
69.7 facilities that are certified as a priority project or deemed to be a priority transmission
69.8 project under section 216B.2425;

69.9 (ii) new transmission facilities approved by the regulatory commission of the state
69.10 in which the new transmission facilities are to be constructed, to the extent approval
69.11 is required by the laws of that state, and determined by the Midcontinent Independent
69.12 System Operator to benefit the utility or integrated transmission system; and

69.13 (iii) charges incurred by a utility under a federally approved tariff that accrue
69.14 from other transmission owners' regionally planned transmission projects that have been
69.15 determined by the Midcontinent Independent System Operator to benefit the utility or
69.16 integrated transmission system.

69.17 (b) Upon filing by a public utility or utilities providing transmission service, the
69.18 commission may approve, reject, or modify, after notice and comment, a tariff that:

69.19 (1) allows the utility to recover on a timely basis the costs net of revenues of
69.20 facilities approved under section 216B.243 or certified or deemed to be certified under
69.21 section 216B.2425 or exempt from the requirements of section 216B.243;

69.22 (2) allows the utility to recover charges incurred under a federally approved tariff that
69.23 accrue from other transmission owners' regionally planned transmission projects that have
69.24 been determined by the Midcontinent Independent System Operator to benefit the utility
69.25 or integrated transmission system. These charges must be reduced or offset by revenues
69.26 received by the utility and by amounts the utility charges to other regional transmission
69.27 owners, to the extent those revenues and charges have not been otherwise offset;

69.28 (3) allows the utility to recover on a timely basis the costs net of revenues of facilities
69.29 approved by the regulatory commission of the state in which the new transmission
69.30 facilities are to be constructed and determined by the Midcontinent Independent System
69.31 Operator to benefit the utility or integrated transmission system;

69.32 (4) allows the utility to recover costs associated with distribution planning required
69.33 under section 216B.2425;

69.34 (5) allows the utility to recover costs associated with investments in distribution
69.35 facilities to modernize the utility's grid that have been certified by the commission under
69.36 section 216B.2425;

70.1 (6) allows a return on investment at the level approved in the utility's last general
70.2 rate case, unless a different return is found to be consistent with the public interest;

70.3 ~~(5)~~ (7) provides a current return on construction work in progress, provided that
70.4 recovery from Minnesota retail customers for the allowance for funds used during
70.5 construction is not sought through any other mechanism;

70.6 ~~(6)~~ (8) allows for recovery of other expenses if shown to promote a least-cost project
70.7 option or is otherwise in the public interest;

70.8 ~~(7)~~ (9) allocates project costs appropriately between wholesale and retail customers;

70.9 ~~(8)~~ (10) provides a mechanism for recovery above cost, if necessary to improve the
70.10 overall economics of the project or projects or is otherwise in the public interest; and

70.11 ~~(9)~~ (11) terminates recovery once costs have been fully recovered or have otherwise
70.12 been reflected in the utility's general rates.

70.13 (c) A public utility may file annual rate adjustments to be applied to customer bills
70.14 paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

70.15 (1) a description of and context for the facilities included for recovery;

70.16 (2) a schedule for implementation of applicable projects;

70.17 (3) the utility's costs for these projects;

70.18 (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for
70.19 the project; and

70.20 (5) calculations to establish that the rate adjustment is consistent with the terms
70.21 of the tariff established in paragraph (b).

70.22 (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in
70.23 paragraph (b), the commission shall approve the annual rate adjustments provided that,
70.24 after notice and comment, the costs included for recovery through the tariff were or are
70.25 expected to be prudently incurred and achieve transmission system improvements at the
70.26 lowest feasible and prudent cost to ratepayers.

70.27 Sec. 19. Minnesota Statutes 2014, section 216B.16, subdivision 19, is amended to read:

70.28 Subd. 19. **Multiyear rate plan.** (a) A public utility may propose, and the
70.29 commission may approve, approve as modified, or reject, a multiyear rate plan as provided
70.30 in this subdivision. The term "multiyear rate plan" refers to a plan establishing the rates the
70.31 utility may charge for each year of the specified period of years, which cannot exceed ~~three~~
70.32 five years, to be covered by the plan. A utility proposing a multiyear rate plan shall provide
70.33 a general description of the utility's major planned investments over the plan period.
70.34 The commission may also require the utility to provide a set of reasonable performance
70.35 measures and incentives that are quantifiable, verifiable, and consistent with state energy

71.1 policies. The commission may allow the utility to adjust recovery of its cost of capital or
 71.2 other costs in a reasonable manner within the plan period. The utility may propose:

71.3 (1) recovery of the utility's forecasted rate base, based on a formula, a budget forecast,
 71.4 or a fixed escalation rate, individually or in combination. The forecasted rate base must
 71.5 include the utility's planned capital investments and investment-related costs, including
 71.6 income tax impacts, depreciation and property taxes, as well as forecasted capacity-related
 71.7 costs from purchased power agreements that are not recovered through subdivision 7;

71.8 (2) recovery of operations and maintenance expenses, based on an electricity-related
 71.9 price index or other formula;

71.10 (3) tariffs that expand the products and services available to customers, including,
 71.11 but not limited to, an affordability rate for low-income residential customers; and

71.12 (4) adjustments to the rates approved under the multiyear plan for rate changes
 71.13 that the commission determines to be just and reasonable, including, but not limited
 71.14 to, changes in the utility's cost of operating its nuclear facilities, or other significant
 71.15 investments not addressed in the plan.

71.16 (b) A utility that has filed a petition with the commission to approve a multiyear
 71.17 rate plan may request to be allowed to implement interim rates for the first and second
 71.18 years of the multiyear plan. If the commission approves the request, interim rates shall be
 71.19 implemented in the same manner as allowed under subdivision 3.

71.20 (c) The commission may approve a multiyear rate plan only if it finds that the plan
 71.21 establishes just and reasonable rates for the utility, applying the factors described in
 71.22 subdivision 6. Consistent with subdivision 4, the burden of proof to demonstrate that the
 71.23 multiyear rate plan is just and reasonable is on the public utility proposing the plan.

71.24 ~~(b)~~ (d) Rates charged under the multiyear rate plan must be based only upon the
 71.25 utility's reasonable and prudent costs of service over the term of the plan, as determined
 71.26 by the commission, provided that the costs are not being recovered elsewhere in rates.
 71.27 Rate adjustments authorized under subdivisions 6b and 7 may continue outside of a plan
 71.28 authorized under this subdivision.

71.29 ~~(e)~~ (e) The commission may, by order, establish terms, conditions, and procedures
 71.30 for a multiyear rate plan necessary to implement this section and ensure that rates remain
 71.31 just and reasonable during the course of the plan, including terms and procedures for rate
 71.32 adjustment. At any time prior to conclusion of a multiyear rate plan, the commission,
 71.33 upon its own motion or upon petition of any party, has the discretion to examine the
 71.34 reasonableness of the utility's rates under the plan, and adjust rates as necessary.

71.35 ~~(d)~~ (f) In reviewing a multiyear rate plan proposed in a general rate case under
 71.36 this section, the commission may extend the time requirements for issuance of a final

72.1 determination prescribed in this section by an additional 90 days beyond its existing
72.2 authority under subdivision 2, paragraph (f).

72.3 (e) (g) A utility may not file a multiyear rate plan that would establish rates under the
72.4 terms of the plan until after May 31, 2012.

72.5 (h) The commission may initiate a proceeding to determine a set of performance
72.6 measures that can be used to assess a utility operating under a multiyear rate plan.

72.7 **Sec. 20. [216B.1638] RECOVERY OF NATURAL GAS EXTENSION PROJECT**
72.8 **COSTS.**

72.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in
72.10 this subdivision have the meanings given them.

72.11 (b) "Contribution in aid of construction" means a monetary contribution, paid by
72.12 a developer or local unit of government to a utility providing natural gas service to a
72.13 community receiving that service as the result of a natural gas extension project, that
72.14 reduces or offsets the difference between the total revenue requirement of the project and
72.15 the revenue generated from the customers served by the project.

72.16 (c) "Developer" means a developer of the project or a person that owns or will own
72.17 the property served by the project.

72.18 (d) "Local unit of government" means a city, county, township, commission, district,
72.19 authority, or other political subdivision or instrumentality of this state.

72.20 (e) "Natural gas extension project" or "project" means the construction of new
72.21 infrastructure or upgrades to existing natural gas facilities necessary to serve currently
72.22 unserved or inadequately served areas.

72.23 (f) "Revenue deficiency" means the deficiency in funds that results when projected
72.24 revenues from customers receiving natural gas service as the result of a natural gas
72.25 extension project, plus any contributions in aid of construction paid by these customers,
72.26 fall short of the total revenue requirement of the natural gas extension project.

72.27 (g) "Total revenue requirement" means the total cost of extending and maintaining
72.28 natural gas service to a currently unserved or inadequately served area.

72.29 (h) "Transport customer" means a customer for whom a natural gas utility transports
72.30 gas the customer has purchased from another natural gas supplier.

72.31 (i) "Unserved or inadequately served area" means an area in this state lacking
72.32 adequate natural gas pipeline infrastructure to meet the demand of existing or potential
72.33 end-use customers.

73.1 Subd. 2. **Filing.** (a) A public utility may petition the commission outside of a
73.2 general rate case for a rider that shall include all of the utility's customers, including
73.3 transport customers, to recover the revenue deficiency from a natural gas extension project.

73.4 (b) The petition shall include:

73.5 (1) a description of the natural gas extension project, including the number and
73.6 location of new customers to be served and the distance over which natural gas will be
73.7 distributed to serve the unserved or inadequately served area;

73.8 (2) the project's construction schedule;

73.9 (3) the proposed project budget;

73.10 (4) the amount of any contributions in aid of construction;

73.11 (5) a description of efforts made by the public utility to offset the revenue deficiency
73.12 through contributions in aid to construction;

73.13 (6) the amount of the revenue deficiency, and how recovery of the revenue deficiency
73.14 will be allocated among industrial, commercial, residential, and transport customers;

73.15 (7) the proposed method to be used to recover the revenue deficiency from each
73.16 customer class, such as a flat fee, a volumetric charge, or another form of recovery;

73.17 (8) the proposed termination date of the rider to recover the revenue deficiency; and

73.18 (9) a description of benefits to the public utility's existing natural gas customers that
73.19 will accrue from the natural gas extension project.

73.20 Subd. 3. **Review; approval.** (a) The commission shall allow opportunity for
73.21 comment on the petition.

73.22 (b) The commission shall approve a public utility's petition for a rider to recover the
73.23 costs of a natural gas extension project if it determines that:

73.24 (1) the project is designed to extend natural gas service to an unserved or
73.25 inadequately served area; and

73.26 (2) project costs are reasonable and prudently incurred.

73.27 (c) The commission must not approve a rider under this section that allows a utility
73.28 to recover more than 33 percent of the costs of a natural gas extension project.

73.29 (d) The revenue deficiency from a natural gas extension project recoverable through
73.30 a rider under this section must include the currently authorized rate of return, incremental
73.31 income taxes, incremental property taxes, incremental depreciation expenses, and any
73.32 incremental operation and maintenance costs.

73.33 Subd. 4. **Commission authority; order.** The commission may issue orders
73.34 necessary to implement and administer this section.

73.35 Subd. 5. **Implementation.** Nothing in this section commits a public utility to
73.36 implement a project approved by the commission. The public utility seeking to provide

74.1 natural gas service shall notify the commission whether it intends to proceed with the
 74.2 project as approved by the commission.

74.3 Subd. 6. **Evaluation and report.** By January 15, 2017, and every three years
 74.4 thereafter, the commission shall report to the chairs and ranking minority members of the
 74.5 senate and house of representatives committees having jurisdiction over energy policy:

74.6 (1) the number of public utilities and projects proposed and approved under this
 74.7 section;

74.8 (2) the total cost of each project;

74.9 (3) rate impacts of the cost recovery mechanism; and

74.10 (4) an assessment of the effectiveness of the cost recovery mechanism in realizing
 74.11 increased natural gas service to unserved or inadequately served areas from natural gas
 74.12 extension projects.

74.13 Sec. 21. Minnesota Statutes 2014, section 216B.164, subdivision 3, is amended to read:

74.14 Subd. 3. **Purchases; small facilities.** (a) This paragraph applies to cooperative
 74.15 electric associations and municipal utilities. For a qualifying facility having less than
 74.16 40-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility
 74.17 according to the applicable rate schedule for sales to that class of customer. A cooperative
 74.18 electric association or municipal utility may charge an additional fee to recover the
 74.19 fixed costs not already paid for by the customer through the customer's existing billing
 74.20 arrangement. Any additional charge by the utility must be reasonable and appropriate
 74.21 for that class of customer based on the most recent cost of service study. The cost of
 74.22 service study must be made available for review by a customer of the utility upon request.

74.23 In the case of net input into the utility system by a qualifying facility having less than
 74.24 40-kilowatt capacity, compensation to the customer shall be at a per kilowatt-hour rate
 74.25 determined under paragraph (c) or (d), or (f).

74.26 (b) This paragraph applies to public utilities. For a qualifying facility having less
 74.27 than 1,000-kilowatt capacity, the customer shall be billed for the net energy supplied by
 74.28 the utility according to the applicable rate schedule for sales to that class of customer. In
 74.29 the case of net input into the utility system by a qualifying facility having: (1) more than
 74.30 40-kilowatt but less than 1,000-kilowatt capacity, compensation to the customer shall be
 74.31 at a per kilowatt-hour rate determined under paragraph (c); or (2) less than 40-kilowatt
 74.32 capacity, compensation to the customer shall be at a per-kilowatt rate determined under
 74.33 paragraph (c) or (d).

74.34 (c) In setting rates, the commission shall consider the fixed distribution costs to the
 74.35 utility not otherwise accounted for in the basic monthly charge and shall ensure that the

75.1 costs charged to the qualifying facility are not discriminatory in relation to the costs
 75.2 charged to other customers of the utility. The commission shall set the rates for net
 75.3 input into the utility system based on avoided costs as defined in the Code of Federal
 75.4 Regulations, title 18, section 292.101, paragraph (b)(6), the factors listed in Code of
 75.5 Federal Regulations, title 18, section 292.304, and all other relevant factors.

75.6 (d) Notwithstanding any provision in this chapter to the contrary, a qualifying
 75.7 facility having less than 40-kilowatt capacity may elect that the compensation for net input
 75.8 by the qualifying facility into the utility system shall be at the average retail utility energy
 75.9 rate. "Average retail utility energy rate" is defined as the average of the retail energy rates,
 75.10 exclusive of special rates based on income, age, or energy conservation, according to the
 75.11 applicable rate schedule of the utility for sales to that class of customer.

75.12 (e) If the qualifying facility or net metered facility is interconnected with a
 75.13 nongenerating utility which has a sole source contract with a municipal power agency or a
 75.14 generation and transmission utility, the nongenerating utility may elect to treat its purchase
 75.15 of any net input under this subdivision as being made on behalf of its supplier and shall
 75.16 be reimbursed by its supplier for any additional costs incurred in making the purchase.
 75.17 Qualifying facilities or net metered facilities having less than 1,000-kilowatt capacity if
 75.18 interconnected to a public utility, or less than 40-kilowatt capacity if interconnected to a
 75.19 cooperative electric association or municipal utility may, at the customer's option, elect to
 75.20 be governed by the provisions of subdivision 4.

75.21 (f) A customer with a qualifying facility or net metered facility having a capacity
 75.22 below 40 kilowatts that is interconnected to a cooperative electric association or a
 75.23 municipal utility may elect to be compensated for the customer's net input into the utility
 75.24 system in the form of a kilowatt-hour credit on the customer's energy bill carried forward
 75.25 and applied to subsequent energy bills. Any kilowatt-hour credits carried forward by the
 75.26 customer cancel at the end of the calendar year with no additional compensation.

75.27 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to
 75.28 customers installing net metered systems after that day.

75.29 Sec. 22. Minnesota Statutes 2014, section 216B.2425, is amended to read:

75.30 **216B.2425 STATE TRANSMISSION AND DISTRIBUTION PLAN.**

75.31 Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage
 75.32 transmission line projects.

76.1 Subd. 2. **List development; transmission projects report.** (a) By November
76.2 1 of each odd-numbered year, a transmission projects report must be submitted to the
76.3 commission by each utility, organization, or company that:

76.4 (1) is a public utility, a municipal utility, a cooperative electric association, the
76.5 generation and transmission organization that serves each utility or association, or a
76.6 transmission company; and

76.7 (2) owns or operates electric transmission lines in Minnesota, except a company or
76.8 organization that owns a transmission line that serves a single customer or interconnects a
76.9 single generating facility.

76.10 (b) The report may be submitted jointly or individually to the commission.

76.11 (c) The report must:

76.12 (1) list specific present and reasonably foreseeable future inadequacies in the
76.13 transmission system in Minnesota;

76.14 (2) identify alternative means of addressing each inadequacy listed;

76.15 (3) identify general economic, environmental, and social issues associated with
76.16 each alternative; and

76.17 (4) provide a summary of public input related to the list of inadequacies and the role
76.18 of local government officials and other interested persons in assisting to develop the list
76.19 and analyze alternatives.

76.20 (d) To meet the requirements of this subdivision, reporting parties may rely on
76.21 available information and analysis developed by a regional transmission organization
76.22 or any subgroup of a regional transmission organization and may develop and include
76.23 additional information as necessary.

76.24 (e) In addition to providing the information required under this subdivision, a utility
76.25 operating under a multiyear rate plan approved by the commission under section 216B.16,
76.26 subdivision 19, shall identify in its report investments that it considers necessary to
76.27 modernize the transmission and distribution system by enhancing reliability, improving
76.28 security against cyber and physical threats, and by increasing energy conservation
76.29 opportunities by facilitating communication between the utility and its customers
76.30 through the use of two-way meters, control technologies, energy storage and microgrids,
76.31 technologies to enable demand response, and other innovative technologies.

76.32 Subd. 3. **Commission approval.** By June 1 of each even-numbered year, the
76.33 commission shall adopt a state transmission project list and shall certify, certify as
76.34 modified, or deny certification of the transmission and distribution projects proposed
76.35 under subdivision 2. The commission may only certify a project that is a high-voltage

77.1 transmission line as defined in section 216B.2421, subdivision 2, that the commission
77.2 finds is:

77.3 (1) necessary to maintain or enhance the reliability of electric service to Minnesota
77.4 consumers;

77.5 (2) needed, applying the criteria in section 216B.243, subdivision 3; and

77.6 (3) in the public interest, taking into account electric energy system needs and
77.7 economic, environmental, and social interests affected by the project.

77.8 Subd. 4. **List; effect.** Certification of a project as a priority electric transmission
77.9 project satisfies section 216B.243. A certified project on which construction has not begun
77.10 more than six years after being placed on the list, must be reapproved by the commission.

77.11 Subd. 5. **Transmission inventory.** The Department of Commerce shall create,
77.12 maintain, and update annually an inventory of transmission lines in the state.

77.13 Subd. 6. **Exclusion.** This section does not apply to any transmission line proposal
77.14 that has been approved by, or was pending before, a local unit of government, the
77.15 Environmental Quality Board, or the Public Utilities Commission on August 1, 2001.

77.16 Subd. 7. **Transmission needed to support renewable resources.** (a) Each entity
77.17 subject to this section shall determine necessary transmission upgrades to support
77.18 development of renewable energy resources required to meet objectives under section
77.19 216B.1691 and shall include those upgrades in its report under subdivision 2.

77.20 (b) MS 2008 [Expired]

77.21 Subd. 8. **Distribution study for distributed generation.** Each entity subject to
77.22 this section that is operating under a multiyear rate plan approved under section 216B.16,
77.23 subdivision 19, shall conduct a distribution study to identify interconnection points on
77.24 its distribution system for small-scale distributed generation resources and shall identify
77.25 necessary distribution upgrades to support the continued development of distributed
77.26 generation resources, and shall include the study in its report required under subdivision 2.

77.27 Sec. 23. Minnesota Statutes 2014, section 216B.62, subdivision 3b, is amended to read:

77.28 Subd. 3b. **Assessment for department regional and national duties.** In addition
77.29 to other assessments in subdivision 3, the department may assess up to \$1,000,000 per
77.30 fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount
77.31 in this subdivision shall be assessed to energy utilities in proportion to their respective
77.32 gross operating revenues from retail sales of gas or electric service within the state
77.33 during the last calendar year and shall be deposited into an account in the special revenue
77.34 fund and is appropriated to the commissioner of commerce for the purposes of section
77.35 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to

78.1 the cap on assessments provided in subdivision 3 or any other law. For the purpose of
 78.2 this subdivision, an "energy utility" means public utilities, generation and transmission
 78.3 cooperative electric associations, and municipal power agencies providing natural gas or
 78.4 electric service in the state. This subdivision expires June 30, ~~2015~~ 2017.

78.5 Sec. 24. **[216H.077] LEGISLATIVE REVIEW.**

78.6 By March 15, 2016, the commissioners of commerce and the Pollution Control
 78.7 Agency shall jointly submit to the senate and house committees with primary jurisdiction
 78.8 over energy and environmental policy for review and comment the draft plan the state is
 78.9 required to submit to the federal Environmental Protection Agency to comply with the
 78.10 proposed rule for the federal Clean Power Plan for Existing Power Plants, as published in
 78.11 the Federal Register on June 18, 2014, Docket No. EPA-HQ-OAR-2013-0602, or any
 78.12 final rule issued in that docket or federal order pertaining thereto.

78.13 Sec. 25. **TASK FORCE ON NO-FAULT AUTO INSURANCE ISSUES.**

78.14 Subdivision 1. Establishment. The task force on no-fault auto insurance is
 78.15 established to review certain issues related to no-fault automobile insurance reform.

78.16 Subd. 2. Membership; meetings; staff. (a) The task force shall be composed of
 78.17 the following 19 members, who must be appointed by July 1, 2015, and who serve at the
 78.18 pleasure of their appointing authorities:

78.19 (1) the commissioner of commerce or a designee;

78.20 (2) two members of the house of representatives, one appointed by the speaker of the
 78.21 house and one appointed by the minority leader;

78.22 (3) two members of the senate, one appointed by the Subcommittee on Committees
 78.23 of the Committee on Rules and Administration and one appointed by the minority leader;

78.24 (4) a person appointed by the Minnesota Chiropractic Association;

78.25 (5) a person appointed by the Insurance Federation of Minnesota;

78.26 (6) a person appointed by the Insurance Federation of Minnesota who is not a
 78.27 member of the Federation;

78.28 (7) a person appointed by the Minnesota Association for Justice;

78.29 (8) a person appointed by the Minnesota Medical Association;

78.30 (9) a person appointed by the Minnesota Glass Association;

78.31 (10) a person appointed by the Minnesota Hospital Association;

78.32 (11) a person appointed by the Minnesota Ambulance Association;

78.33 (12) a person appointed by the Minnesota Physical Therapy Association;

79.1 (13) a person appointed by the Academy of Emergency Physicians-Minnesota

79.2 Chapter;

79.3 (14) a person appointed by the Medical Group Management Association of

79.4 Minnesota;

79.5 (15) a representative of a medical consulting company specializing in the delivery of

79.6 independent medical examinations, appointed by the commissioner;

79.7 (16) a person appointed by the Minnesota Defense Lawyers Association; and

79.8 (17) a person appointed by the Minnesota Ambulatory Surgery Center Association.

79.9 (b) Compensation and expense reimbursement must be as provided under Minnesota

79.10 Statutes, section 15.059, subdivision 3, to members of the task force.

79.11 (c) The commissioner of commerce shall convene the task force by August 1, 2015,

79.12 and shall appoint a chair from the membership of the task force. Staffing and technical

79.13 assistance must be provided by the Department of Commerce.

79.14 Subd. 3. **Duties.** The task force shall review and evaluate the following issues

79.15 related to no-fault automobile insurance reform:

79.16 (1) no-fault arbitration process;

79.17 (2) independent medical exam process; and

79.18 (3) treatment standards and fee schedules.

79.19 Subd. 4. **Report.** By February 1, 2016, the task force must submit to the

79.20 chairs and ranking minority members of the house of representatives and senate

79.21 committees and divisions with primary jurisdiction over commerce and transportation its

79.22 written recommendations, including any draft legislation necessary to implement the

79.23 recommendations.

79.24 Subd. 5. **Expiration.** The task force expires the day after submitting the report

79.25 under subdivision 4, or February 2, 2016, whichever is earlier.

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

79.27 Sec. 26. **COMPETITIVE RATE FOR ENERGY-INTENSIVE,**

79.28 **TRADE-EXPOSED ELECTRIC UTILITY CUSTOMER.**

79.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms

79.30 have the meanings given them.

79.31 (b) "Clean energy technology" is energy technology that generates electricity from a

79.32 carbon neutral generating resource including, but not limited to, solar, wind, hydroelectric,

79.33 and biomass.

79.34 (c) "Energy-intensive trade-exposed customer" is defined to include:

80.1 (1) an iron mining extraction and processing facility, including a scam mining
80.2 facility as defined in Minnesota Rules, part 6130.0100, subpart 16;

80.3 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
80.4 manufacturer;

80.5 (3) a steel mill and related facilities; and

80.6 (4) a retail customer of an investor-owned electric utility that has facilities under a
80.7 single electric service agreement that: (i) collectively imposes a peak electrical demand
80.8 of at least 10,000 kilowatts on the electric utility's system, (ii) has a combined annual
80.9 average load factor in excess of 80 percent, and (iii) is subject to globally competitive
80.10 pressures and whose electric energy costs are at least ten percent of the customer's overall
80.11 cost of production.

80.12 (d) "EITE rate schedule" means a rate schedule under which an investor-owned
80.13 electric utility may set terms of service to an individual or group of energy-intensive
80.14 trade-exposed customers.

80.15 (e) "EITE rate" means the rate or rates offered by the investor-owned electric utility
80.16 under an EITE rate schedule.

80.17 **Subd. 2. Rates and terms of EITE rate schedule.** (a) It is the energy policy of the
80.18 state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed
80.19 customers. To achieve this objective, an investor-owned electric utility that has at least
80.20 50,000 retail electric customers, but no more than 200,000 retail electric customers, shall
80.21 have the ability to propose various EITE rate options within their service territory under
80.22 an EITE rate schedule that include, but are not limited to, fixed-rates, market-based rates,
80.23 and rates to encourage utilization of new clean energy technology.

80.24 (b) Notwithstanding Minnesota Statutes, section 216B.03, 216B.05, 216B.06,
80.25 216B.07, or 216B.16, the commission shall, upon a finding of net benefit to the utility or
80.26 the state, approve an EITE rate schedule and any corresponding EITE rate.

80.27 (c) The commission shall make a final determination in a proceeding begun under
80.28 this section within 90 days of a miscellaneous rate filing by the electric utility.

80.29 (d) Upon approval of any EITE rate schedule, the utility shall create a separate
80.30 account to track the difference in revenue between what would have been collected under
80.31 the electric utility's applicable standard tariff and the EITE rate schedule. In its next
80.32 general rate case or through an EITE cost recovery rate rider between general rate cases,
80.33 the commission shall allow the utility to recover any costs, including reduced revenues, or
80.34 refund any savings, including increased revenues, associated with providing service to a
80.35 customer under an EITE rate schedule. The utility shall not recover any costs or refund
80.36 any savings under this section from any energy-intensive trade-exposed customer or any

81.1 low-income residential ratepayers as defined in Minnesota Statutes, section 216B.16,
 81.2 subdivision 15.

81.3 Subd. 3. **Low-income funding.** Upon the filing of a utility for approval of an EITE
 81.4 rate schedule under this section, the filing utility must deposit \$10,000 into an account
 81.5 devoted to funding a program approved by the commission under Minnesota Statutes,
 81.6 section 216B.16, subdivision 15. The funds shall be used to expand the outreach of the
 81.7 commission-approved affordability program.

81.8 Subd. 4. **Assessment.** The commissioner of commerce shall assess reasonable costs
 81.9 it incurs for services it provides to implement this section to the utility proposing an EITE
 81.10 rate schedule to the commission. The department must not assess more than \$854,000 per
 81.11 biennium under this subdivision.

81.12 **ARTICLE 4**

81.13 **HOUSING**

81.14 Section 1. Minnesota Statutes 2014, section 327.20, subdivision 1, is amended to read:

81.15 Subdivision 1. **Rules.** No domestic animals or house pets of occupants of
 81.16 manufactured home parks or recreational camping areas shall be allowed to run at large,
 81.17 or commit any nuisances within the limits of a manufactured home park or recreational
 81.18 camping area. Each manufactured home park or recreational camping area licensed under
 81.19 the provisions of sections 327.10, 327.11, and 327.14 to 327.28 shall, among other things,
 81.20 provide for the following:

81.21 (1) A responsible attendant or caretaker shall be in charge of every manufactured
 81.22 home park or recreational camping area at all times, who shall maintain the park or
 81.23 area, and its facilities and equipment in a clean, orderly and sanitary condition. In any
 81.24 manufactured home park containing more than 50 lots, the attendant, caretaker, or other
 81.25 responsible park employee, shall be readily available at all times in case of emergency.

81.26 (2) All manufactured home parks shall be well drained and be located so that the
 81.27 drainage of the park area will not endanger any water supply. No wastewater from
 81.28 manufactured homes or recreational camping vehicles shall be deposited on the surface of
 81.29 the ground. All sewage and other water carried wastes shall be discharged into a municipal
 81.30 sewage system whenever available. When a municipal sewage system is not available, a
 81.31 sewage disposal system acceptable to the state commissioner of health shall be provided.

81.32 (3) No manufactured home shall be located closer than three feet to the side lot lines
 81.33 of a manufactured home park, if the abutting property is improved property, or closer than
 81.34 ten feet to a public street or alley. Each individual site shall abut or face on a driveway
 81.35 or clear unoccupied space of not less than 16 feet in width, which space shall have

82.1 unobstructed access to a public highway or alley. There shall be ~~an open~~ a space of at least
82.2 ten feet between the sides of adjacent manufactured homes including their attachments
82.3 and at least three feet between manufactured homes when parked end to end. The space
82.4 between manufactured homes may be used for the parking of motor vehicles and other
82.5 property, ~~if the vehicle or other property is parked at least ten feet from the nearest~~
82.6 ~~adjacent manufactured home position~~. The requirements of this paragraph shall not apply
82.7 to recreational camping areas and variances may be granted by the state commissioner
82.8 of health in manufactured home parks when the variance is applied for in writing and in
82.9 the opinion of the commissioner the variance will not endanger the health, safety, and
82.10 welfare of manufactured home park occupants.

82.11 (4) An adequate supply of water of safe, sanitary quality shall be furnished at each
82.12 manufactured home park or recreational camping area. The source of the water supply
82.13 shall first be approved by the state Department of Health.

82.14 (5) All plumbing shall be installed in accordance with the rules of the state
82.15 commissioner of labor and industry and the provisions of the Minnesota Plumbing Code.

82.16 (6) In the case of a manufactured home park with less than ten manufactured homes,
82.17 a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of
82.18 the park in times of severe weather conditions, such as tornadoes, high winds, and floods.
82.19 The shelter or evacuation plan shall be developed with the assistance and approval of
82.20 the municipality where the park is located and shall be posted at conspicuous locations
82.21 throughout the park. The park owner shall provide each resident with a copy of the
82.22 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.
82.23 Nothing in this paragraph requires the Department of Health to review or approve any
82.24 shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan
82.25 submitted by a park shall not be grounds for action against the park by the Department of
82.26 Health if the park has made a good faith effort to develop the plan and obtain municipal
82.27 approval.

82.28 (7) A manufactured home park with ten or more manufactured homes, licensed prior
82.29 to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the
82.30 evacuation of park residents to a safe place of shelter within a reasonable distance of the
82.31 park for use by park residents in times of severe weather, including tornadoes and high
82.32 winds. The shelter or evacuation plan must be approved by the municipality by March 1,
82.33 1989. The municipality may require the park owner to construct a shelter if it determines
82.34 that a safe place of shelter is not available within a reasonable distance from the park. A
82.35 copy of the municipal approval and the plan shall be submitted by the park owner to the

83.1 Department of Health. The park owner shall provide each resident with a copy of the
83.2 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.

83.3 (8) A manufactured home park with ten or more manufactured homes, receiving
83.4 an initial license after March 1, 1988, must provide the type of shelter required by
83.5 section 327.205, except that for manufactured home parks established as temporary,
83.6 emergency housing in a disaster area declared by the President of the United States or
83.7 the governor, an approved evacuation plan may be provided in lieu of a shelter for a
83.8 period not exceeding 18 months.

83.9 (9) For the purposes of this subdivision, "park owner" and "resident" have the
83.10 meanings given them in section 327C.01.

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

83.12 Sec. 2. Laws 1994, chapter 493, section 1, is amended to read:

83.13 Section 1. **OLMSTED COUNTY HOUSING AND REDEVELOPMENT**
83.14 **AUTHORITY; MEMBERS.**

83.15 **Subdivision 1. City and county appointees as housing and redevelopment**
83.16 **authority.** Notwithstanding Minnesota Statutes, section 469.006, the Olmsted County
83.17 Housing and Redevelopment Authority has seven members, four appointed by the city
83.18 council of the city of Rochester and three appointed by the county board of Olmsted
83.19 county. Of the first four appointees of the city council under this act, one must be
83.20 appointed for a one-year term, two for two-year terms, and one for a three-year term. Of
83.21 the first three appointees of the county board under this act, one must be appointed for a
83.22 one-year term, one for a two-year term, and one for a three-year term. Later appointments
83.23 to fill terms are for five years. An appointment to a vacancy is for the unexpired term.

83.24 **Subd. 2. County board may serve as housing and redevelopment authority.**
83.25 **Notwithstanding subdivision 1, the county board may, by resolution, provide that the**
83.26 **Olmsted County Board will constitute the county housing and redevelopment authority**
83.27 **and that the appointment procedures in subdivision 1 shall not apply. If the Olmsted**
83.28 **County Board acts under this subdivision, it must also provide in the resolution for any**
83.29 **additional members needed to comply with Code of Federal Regulations, title 24, part 964.**

83.30 **EFFECTIVE DATE; TRANSITION.** This section is effective the day after the
83.31 **latter of the city council of the city of Rochester and the Olmsted County Board of**
83.32 **Commissioners and their respective chief clerical officers timely complete their compliance**
83.33 **with Minnesota Statutes, section 645.021, subdivisions 2 and 3. Terms of members of the**

84.1 Olmsted County Housing and Redevelopment Authority serving on or after the effective
 84.2 date of this section terminate as provided in the resolution adopted by the county board.

84.3 **ARTICLE 5**

84.4 **LABOR AND INDUSTRY**

84.5 Section 1. Minnesota Statutes 2014, section 326B.092, subdivision 7, as amended by
 84.6 Laws 2015, chapter 54, article 5, section 7, is amended to read:

84.7 Subd. 7. **License fees and license renewal fees.** (a) The license fee for each
 84.8 license is the base license fee plus any applicable board fee, continuing education fee, and
 84.9 contractor recovery fund fee and additional assessment, as set forth in this subdivision.

84.10 (b) For purposes of this section, "license duration" means the number of years for
 84.11 which the license is issued except that

84.12 if the initial license is not issued for a whole number of years, the license duration
 84.13 shall be rounded up to the next whole number.

84.14 (c) The base license fee shall depend on whether the license is classified as an entry
 84.15 level, master, journeyman, or business license, and on the license duration. The base
 84.16 license fee shall be:

License Classification	License Duration		
	1 Year	2 Years	3 Years
Entry level	\$10	\$20	\$30
<u>Journeyman</u> <u>Journeyworker</u>	\$20	\$40	\$60
Master	\$40	\$80	\$120
Business	\$90	\$180	\$270

84.24 (d) If there is a continuing education requirement for renewal of the license, then
 84.25 a continuing education fee must be included in the renewal license fee. The continuing
 84.26 education fee for all license classifications shall be: \$10 if the renewal license duration
 84.27 is one year; and \$20 if the renewal license duration is two years; ~~and \$30 if the renewal~~
 84.28 ~~license duration is three years.~~

84.29 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
 84.30 326B.93, then a board fee must be included in the license fee and the renewal license fee.
 84.31 The board fee for all license classifications shall be: \$4 if the license duration is one year;
 84.32 and \$8 if the license duration is two years; ~~and \$12 if the license duration is three years.~~

84.33 (f) If the application is for the renewal of a license issued under sections 326B.802
 84.34 to 326B.885, then the contractor recovery fund fee required under section 326B.89,
 84.35 subdivision 3, and any additional assessment required under section 326B.89, subdivision
 84.36 16, must be included in the license renewal fee.

85.1 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period
 85.2 July 1, 2015, through June 30, 2017, the following fees apply:

85.3	<u>License Classification</u>	<u>License Duration</u>	
85.4		<u>1 year</u>	<u>2 years</u>
85.5	<u>Entry level</u>	<u>\$10</u>	<u>\$20</u>
85.6	<u>Journeyworker</u>	<u>\$15</u>	<u>\$35</u>
85.7	<u>Master</u>	<u>\$30</u>	<u>\$75</u>
85.8	<u>Business</u>		<u>\$160</u>

85.9 If there is a continuing education requirement for renewal of the license, then a
 85.10 continuing education fee must be included in the renewal license fee. The continuing
 85.11 education fee for all license classifications shall be \$5.

85.12 Sec. 2. Minnesota Statutes 2014, section 326B.096, is amended to read:

85.13 **326B.096 REINSTATEMENT OF LICENSES.**

85.14 Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under
 85.15 this chapter and if an applicant for a license needs to pass an examination administered by
 85.16 the commissioner before becoming licensed, then, in order to have the license reinstated,
 85.17 the person who holds the revoked license must:

85.18 (1) retake the examination and achieve a passing score; and

85.19 (2) meet all other requirements for an initial license, including payment of the
 85.20 application and examination fee and the license fee. The person holding the revoked
 85.21 license is not eligible for Minnesota licensure without examination based on reciprocity.

85.22 (b) If a license is revoked under a chapter other than this chapter, then, in order to
 85.23 have the license reinstated, the person who holds the revoked license must:

85.24 (1) apply for reinstatement to the commissioner no later than two years after the
 85.25 effective date of the revocation;

85.26 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
 85.27 fee; and

85.28 (3) meet all applicable requirements for licensure, except that, unless required by the
 85.29 order revoking the license, the applicant does not need to retake any examination and does
 85.30 not need to repay a license fee that was paid before the revocation.

85.31 Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order
 85.32 to have the license reinstated, the person who holds the suspended license must:

85.33 (1) apply for reinstatement to the commissioner no later than two years after the
 85.34 completion of the suspension period;

85.35 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
 85.36 fee; and

86.1 (3) meet all applicable requirements for licensure, except that, unless required by the
 86.2 order suspending the license, the applicant does not need to retake any examination and
 86.3 does not need to repay a license fee that was paid before the suspension.

86.4 Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an
 86.5 individual may voluntarily terminate a license issued to the person under this chapter. If a
 86.6 licensee has voluntarily terminated a license under this subdivision, then, in order to have
 86.7 the license reinstated, the person who holds the terminated license must:

86.8 (1) apply for reinstatement to the commissioner no later than the date that the license
 86.9 would have expired if it had not been terminated;

86.10 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
 86.11 fee; and

86.12 (3) meet all applicable requirements for licensure, except that the applicant does not
 86.13 need to repay a license fee that was paid before the termination.

86.14 **EFFECTIVE DATE.** The amendments to this section are effective July 1, 2015,
 86.15 and expire July 1, 2017.

86.16 Sec. 3. Minnesota Statutes 2014, section 326B.986, subdivision 5, is amended to read:

86.17 Subd. 5. **Boiler engineer license fees.** (a) For purposes of calculating license fees
 86.18 and renewal license fees required under section 326B.092:

86.19 (1) the boiler special engineer license is an entry level license;

86.20 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
 86.21 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade
 86.22 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
 86.23 license; and

86.24 (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler
 86.25 chief engineer, Grade B; boiler chief engineer, Grade C; boiler ~~commissioner~~ inspector
 86.26 certificate of competency; and traction or hobby boiler engineer.

86.27 (b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license
 86.28 duration for steam traction and hobby engineer licenses are one year only for the purpose
 86.29 of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

86.30 Sec. 4. Minnesota Statutes 2014, section 326B.986, subdivision 8, is amended to read:

86.31 Subd. 8. **Certificate of competency.** ~~The fee for issuance of the original certificate~~
 86.32 ~~of competency is \$85 for inspectors who did not pay the national board examination fee~~
 86.33 ~~specified in subdivision 6, or \$35 for inspectors who paid that examination fee.~~ (a) Each

87.1 applicant for a certificate of competency must complete an interview with the chief boiler
87.2 inspector before issuance of the certificate of competency.

87.3 (b) All initial certificates of competency shall be effective for more than one calendar
87.4 year and shall expire on December 31 of the year after the year in which the application
87.5 is made. ~~The commissioner shall in a manner determined by the commissioner, without~~
87.6 ~~the need for any rulemaking under chapter 14, phase in the renewal of certificates of~~
87.7 ~~competency from one calendar year to two calendar years. By June 30, 2011,~~

87.8 (c) All renewed certificates of competency shall be valid for two calendar years. The
87.9 fee for renewal of the state of Minnesota certificate of competency is \$35 for one year or
87.10 \$70 for two years, and is due the day after the certificate expires.

87.11 **EFFECTIVE DATE.** The amendments to paragraphs (a) and (c) are effective July
87.12 1, 2015, and expire July 1, 2017.

87.13 Sec. 5. Minnesota Statutes 2014, section 341.321, is amended to read:

87.14 **341.321 FEE SCHEDULE.**

87.15 (a) The fee schedule for professional and amateur licenses issued by the
87.16 commissioner is as follows:

- 87.17 (1) referees, \$80 for each initial license and each renewal;
87.18 (2) promoters, \$700 for each initial license and each renewal;
87.19 (3) judges and knockdown judges, \$80 for each initial license and each renewal;
87.20 (4) trainers and seconds, \$80 for each initial license and each renewal;
87.21 (5) ring announcers, \$80 for each initial license and each renewal;
87.22 ~~(6) seconds, \$80 for each initial license and each renewal;~~
87.23 ~~(7) (6) timekeepers, \$80 for each initial license and each renewal;~~
87.24 ~~(8) (7) professional combatants, \$100 for each initial license and each renewal \$70;~~
87.25 (8) amateur combatants, \$50;
87.26 (9) managers, \$80 for each initial license and each renewal; and
87.27 (10) ringside physicians, \$80 for each initial license and each renewal.

87.28 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision
87.29 2, if applicable, an individual who applies for a professional license ~~on the same day~~
87.30 within the 48 hours preceding when the combative sporting event is held shall pay a late
87.31 fee of \$100 plus the original license fee of \$120 at the time the application is submitted.

87.32 (b) The fee schedule for amateur licenses issued by the commissioner is as follows:

- 87.33 (1) referees, \$80 for each initial license and each renewal;
87.34 (2) promoters, \$700 for each initial license and each renewal;

- 88.1 ~~(3) judges and knockdown judges, \$80 for each initial license and each renewal;~~
 88.2 ~~(4) trainers, \$80 for each initial license and each renewal;~~
 88.3 ~~(5) ring announcers, \$80 for each initial license and each renewal;~~
 88.4 ~~(6) seconds, \$80 for each initial license and each renewal;~~
 88.5 ~~(7) timekeepers, \$80 for each initial license and each renewal;~~
 88.6 ~~(8) combatant, \$60 for each initial license and each renewal;~~
 88.7 ~~(9) managers, \$80 for each initial license and each renewal; and~~
 88.8 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

88.9 ~~(e) (b)~~ The commissioner shall establish a contest fee for each combative sport
 88.10 contest and shall consider the size and type of venue when establishing a contest fee. The
 88.11 professional combative sport contest fee is \$1,500 per event or not more than four percent
 88.12 of the gross ticket sales, whichever is greater, as determined by the commissioner when
 88.13 the combative sport contest is scheduled. The amateur combative sport contest fee shall
 88.14 be \$1,500 or not more than four percent of the gross ticket sales, whichever is greater.
 88.15 ~~The commissioner shall consider the size and type of venue when establishing a contest~~
 88.16 ~~fee. The commissioner may establish the maximum number of complimentary tickets~~
 88.17 ~~allowed for each event by rule.~~

88.18 ~~(c)~~ A professional or amateur combative sport contest fee is nonrefundable; and
 88.19 shall be paid as follows:

- 88.20 (1) \$500 at the time the combative sport contest is scheduled; and
 88.21 (2) \$1,000 at the weigh-in prior to the contest.

88.22 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the
 88.23 commissioner within 24 hours of the completed contest.

88.24 (d) The commissioner may establish the maximum number of complimentary tickets
 88.25 allowed for each event by rule.

88.26 ~~(d)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
 88.27 commissioner account in the special revenue fund.

88.28 Sec. 6. Laws 2015, chapter 54, article 5, section 16, is amended to read:

88.29 Sec. 16. **REPEALER.**

88.30 Subdivision 1. **Labor standards.** Minnesota Statutes 2014, section 181.12, is
 88.31 repealed.

88.32 Subd. 2. **Fee employment agencies.** (a) Minnesota Statutes 2014, sections 184.22,
 88.33 subdivision 1; 184.25; 184.26; 184.27; 184.28; 184.29; 184.30, subdivision 1; 184.32;
 88.34 184.33; 184.34; 184.35; 184.36; 184.38, subdivisions 2; and 16; ~~and 17~~; and 184.40, are
 88.35 repealed.

89.1 (b) Minnesota Rules, parts 5200.0510; 5200.0520; 5200.0530; 5200.0540;
89.2 5200.0550; ~~5200.0560~~; 5200.0570; 5200.0750; and 5200.0760, are repealed.

89.3 Subd. 3. **Construction codes and licensing.** Minnesota Statutes 2014, sections
89.4 326B.091, subdivision 6; 326B.106, subdivision 10; 326B.169; and 326B.181, are
89.5 repealed.

89.6 Subd. 4. **Municipal rights, powers, duties.** Minnesota Statutes 2014, sections
89.7 471.465; 471.466; 471.467; and 471.468, are repealed.

89.8 Subd. 5. **State procurement.** Minnesota Statutes 2014, section 16C.0745, is
89.9 repealed.

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

89.11 ARTICLE 6

89.12 UNEMPLOYMENT INSURANCE

89.13 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 6, is amended to read:

89.14 Subd. 6. **Benefit year.** "Benefit year" means the period of 52 calendar weeks
89.15 beginning the date a benefit account is effective. For a benefit account established
89.16 effective any January 1, April 1, July 1, or October 1, ~~or January 2, 2000, or October 2,~~
89.17 ~~2011~~, the benefit year will be a period of 53 calendar weeks.

89.18 **EFFECTIVE DATE.** This section is effective August 2, 2015.

89.19 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 21b, is amended to read:

89.20 Subd. 21b. **Preponderance of the evidence.** "Preponderance of the evidence"
89.21 means evidence in substantiation support of a fact that, ~~when weighed against the evidence~~
89.22 ~~opposing the fact~~, is more convincing and has a greater probability of truth than the
89.23 evidence opposing the fact.

89.24 **EFFECTIVE DATE.** This section is effective August 2, 2015.

89.25 Sec. 3. Minnesota Statutes 2014, section 268.035, subdivision 26, is amended to read:

89.26 Subd. 26. **Unemployed.** An applicant is considered "unemployed" (~~+~~) in any week
89.27 that:

89.28 (1) the applicant performs less than 32 hours of service in employment, covered
89.29 employment, noncovered employment, self-employment, or volunteer work; and

89.30 (2) any earnings with respect to that week are less than the applicant's weekly
89.31 unemployment benefit amount.

90.1 **EFFECTIVE DATE.** This section is effective August 2, 2015.

90.2 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 30, is amended to read:

90.3 Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

90.4 (1) that have been actually paid; or

90.5 (2) that have been credited to or set apart so that payment and disposition is under
90.6 the control of the employee.

90.7 (b) Wage payments delayed beyond the regularly scheduled pay date are considered
90.8 "wages paid" on the missed pay date. Back pay is considered "wages paid" on the date
90.9 of actual payment. Any wages earned but not paid with no scheduled date of payment is
90.10 considered "wages paid" on the last day of employment.

90.11 ~~(b)~~ (c) Wages paid does not include wages earned but not paid except as provided
90.12 for in this subdivision.

90.13 **EFFECTIVE DATE.** This section is effective August 2, 2015.

90.14 Sec. 5. Minnesota Statutes 2014, section 268.051, subdivision 7, is amended to read:

90.15 Subd. 7. **Tax rate buydown.** (a) Any taxpaying employer that has been assigned
90.16 a tax rate based upon an experience rating, and has no amounts past due under this
90.17 chapter, may, upon the payment of an amount equivalent to any portion or all of the
90.18 unemployment benefits used in computing the experience rating plus a surcharge of 25
90.19 percent, obtain a cancellation of unemployment benefits used equal to the payment made,
90.20 less the surcharge. The payment is applied to the most recent unemployment benefits paid
90.21 that are used in computing the experience rating. Upon the payment, the commissioner
90.22 must compute a new experience rating for the employer, and compute a new tax rate.

90.23 (b) Payments for a tax rate buydown may be made only by electronic payment
90.24 and must be received within 120 calendar days from the beginning of the calendar year
90.25 for which the tax rate is effective.

90.26 ~~(c) For calendar years 2011, 2012, and 2013, the surcharge of 25 percent provided~~
90.27 ~~for in paragraph (a) does not apply.~~

90.28 **EFFECTIVE DATE.** This section is effective August 2, 2015.

90.29 Sec. 6. Minnesota Statutes 2014, section 268.07, subdivision 2, is amended to read:

90.30 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to
90.31 establish a benefit account an applicant must have total wage credits in the applicant's four

91.1 quarter base period of at least: ~~(1) \$2,400; or (2) 5.3 percent of the state's average annual~~
 91.2 wage rounded down to the next lower \$100, ~~whichever is higher.~~

91.3 (b) To establish a new benefit account ~~within 52 calendar weeks~~ following the
 91.4 expiration of the benefit year on a prior benefit account, an applicant must have performed
 91.5 ~~services~~ actual work in subsequent covered employment and have been paid wages in one
 91.6 or more completed calendar quarters that started after the effective date of the prior benefit
 91.7 account. The wages paid for ~~those services~~ that employment must be at least enough to
 91.8 meet the requirements of paragraph (a). A benefit account under this paragraph may not
 91.9 be established effective earlier than the Sunday following the end of the most recent
 91.10 completed calendar quarter in which the requirements of paragraph (a) were met. ~~One~~
 91.11 ~~of the reasons for this paragraph is to prevent~~ An applicant ~~from establishing~~ may not
 91.12 establish a second benefit account as a result of one loss of employment.

91.13 **EFFECTIVE DATE.** This section is effective August 2, 2015, except the amendment
 91.14 striking "within 52 calendar weeks" is effective the day following final enactment.

91.15 Sec. 7. Minnesota Statutes 2014, section 268.07, subdivision 3b, is amended to read:

91.16 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
 91.17 unemployment benefits is effective the Sunday of the calendar week that the application
 91.18 was filed. An application for unemployment benefits may be backdated one calendar week
 91.19 before the Sunday of the week the application was actually filed if the applicant requests
 91.20 the backdating at the time the application is filed. An application may be backdated only
 91.21 if the applicant was unemployed during the period of the backdating. If an individual
 91.22 attempted to file an application for unemployment benefits, but was prevented from filing
 91.23 an application by the department, the application is effective the Sunday of the calendar
 91.24 week the individual first attempted to file an application.

91.25 (b) A benefit account established under subdivision 2 is effective the date the
 91.26 application for unemployment benefits was effective.

91.27 (c) A benefit account, once established, may later be withdrawn only if:

91.28 (1) the applicant has not been paid any unemployment benefits on that benefit
 91.29 account; and

91.30 (2) a new application for unemployment benefits is filed and a new benefit account is
 91.31 established at the time of the withdrawal.

91.32 A determination or amended determination of eligibility or ineligibility issued under
 91.33 section 268.101, that was sent before the withdrawal of the benefit account, remains in
 91.34 effect and is not voided by the withdrawal of the benefit account.

92.1 (d) An application for unemployment benefits is not allowed before the Sunday
 92.2 following the expiration of the benefit year on a prior benefit account. Except as allowed
 92.3 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
 92.4 weeks. This paragraph applies to benefit accounts established under any federal law or
 92.5 the law of any other state.

92.6 **EFFECTIVE DATE.** This section is effective August 2, 2015.

92.7 Sec. 8. Minnesota Statutes 2014, section 268.085, subdivision 1, is amended to read:

92.8 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
 92.9 unemployment benefits for any week if:

92.10 (1) the applicant has filed a continued request for unemployment benefits for that
 92.11 week under section 268.0865;

92.12 (2) the week for which unemployment benefits are requested is in the applicant's
 92.13 benefit year;

92.14 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

92.15 (4) the applicant was available for suitable employment as defined in subdivision
 92.16 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each
 92.17 day the applicant is unavailable for suitable employment. This clause does not apply to
 92.18 an applicant who is in reemployment assistance training, or each day the applicant is on
 92.19 jury duty or serving as an election judge;

92.20 (5) the applicant was actively seeking suitable employment as defined in subdivision
 92.21 16. This clause does not apply to an applicant who is in reemployment assistance training
 92.22 or who was on jury duty throughout the week;

92.23 (6) the applicant has served a nonpayable period of one week that the applicant is
 92.24 otherwise entitled to some amount of unemployment benefits. This clause does not apply
 92.25 if the applicant would have been entitled to federal disaster unemployment assistance
 92.26 because of a disaster in Minnesota, but for the applicant's establishment of a benefit
 92.27 account under section 268.07; and

92.28 (7) the applicant has been participating in reemployment assistance services, such as
 92.29 job development of, and adherence to, a work search and resume writing classes plan, if
 92.30 the applicant has been ~~determined in need of reemployment assistance services directed~~
 92.31 to participate by the commissioner, ~~unless~~. This clause does not apply if the applicant
 92.32 has good cause for failing to participate.

92.33 **EFFECTIVE DATE.** This section is effective August 2, 2015.

93.1 Sec. 9. Minnesota Statutes 2014, section 268.085, subdivision 2, is amended to read:

93.2 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
93.3 any week:

93.4 (1) that occurs before the effective date of a benefit account;

93.5 (2) that the applicant, at the beginning of the week, has an outstanding fraud
93.6 overpayment balance under section 268.18, subdivision 2, including any penalties and
93.7 interest;

93.8 (3) that occurs in a period when the applicant is a student in attendance at, or on
93.9 vacation from a secondary school including the period between academic years or terms;

93.10 (4) that the applicant is incarcerated or performing court-ordered community service.
93.11 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
93.12 the applicant is incarcerated or performing court-ordered community service;

93.13 (5) that the applicant fails or refuses to provide information on an issue of
93.14 ineligibility required under section 268.101;

93.15 (6) that the applicant is performing services 32 hours or more, in employment,
93.16 covered employment, noncovered employment, volunteer work, or self-employment
93.17 regardless of the amount of any earnings; or

93.18 (7) with respect to which the applicant ~~is receiving, has received, or has filed an~~
93.19 application for unemployment benefits under any federal law or the law of any other
93.20 state. If the appropriate agency finally determines that the applicant is not entitled to ~~the~~
93.21 unemployment benefits establish a benefit account under federal law or the law of any
93.22 other state, this clause does not apply.

93.23 **EFFECTIVE DATE.** This section is effective August 2, 2015.

93.24 Sec. 10. Minnesota Statutes 2014, section 268.095, subdivision 10, is amended to read:

93.25 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
93.26 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
93.27 unemployment and until the end of the calendar week that the applicant had total wages
93.28 paid for actual work performed in subsequent covered employment sufficient to meet
93.29 one-half of the requirements of section 268.07, subdivision 2, paragraph (a).

93.30 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
93.31 week that the applicant became separated from employment.

93.32 (c) In addition to paragraph (a), if the applicant was discharged from employment
93.33 because of aggravated employment misconduct, wage credits from that employment are
93.34 canceled and cannot be used for purposes of a benefit account under section 268.07,
93.35 subdivision 2.

94.1 **EFFECTIVE DATE.** This section is effective August 2, 2015.

94.2 Sec. 11. Minnesota Statutes 2014, section 268.105, subdivision 3, is amended to read:

94.3 Subd. 3. **Withdrawal of an appeal.** (a) ~~Any~~ An appeal that is pending before
94.4 an unemployment law judge may be withdrawn by the appealing ~~person~~ party, or an
94.5 authorized representative of that ~~person~~ party, ~~upon~~ by filing of a notice of withdrawal. A
94.6 notice of withdrawal may be filed by mail or by electronic transmission.

94.7 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless
94.8 an unemployment law judge directs that further ~~adjudication is~~ proceedings are required
94.9 for a proper result. An order of dismissal issued as a result of a notice of withdrawal is
94.10 not subject to reconsideration or appeal.

94.11 (c) ~~A notice of withdrawal may be filed by mail or by electronic transmission.~~ A
94.12 party may file a new appeal after the order of dismissal, but the original 20-calendar-day
94.13 period for appeal begins from the date of issuance of the determination and that time
94.14 period is not suspended or restarted by the notice of withdrawal and order of dismissal.
94.15 The new appeal may only be filed by mail or facsimile transmission.

94.16 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
94.17 filed under subdivision 2.

94.18 **EFFECTIVE DATE.** This section is effective August 2, 2015.

94.19 Sec. 12. Minnesota Statutes 2014, section 268.105, subdivision 7, is amended to read:

94.20 Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ
94.21 of certiorari to the department, review the unemployment law judge's decision on
94.22 reconsideration, provided a petition for the writ is filed with the court and a copy is served
94.23 upon the unemployment law judge or the commissioner and any other party within 30
94.24 calendar days of the sending of the unemployment law judge's decision on reconsideration
94.25 under subdivision 2. Three days are added to the 30-calendar-day period if the decision on
94.26 reconsideration was mailed to the parties.

94.27 (b) Any employer petitioning for a writ of certiorari must pay to the court the
94.28 required filing fee in accordance with the Rules of Civil Appellate Procedure. If the
94.29 employer requests a written transcript of the testimony received at the hearing conducted
94.30 under subdivision 1, the employer must pay to the department the cost of preparing the
94.31 transcript. That money is credited to the administration account.

94.32 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a
94.33 result of an applicant's petition, the department must furnish to the applicant at no cost a
94.34 written transcript of any testimony received at the hearing conducted under subdivision 1,

95.1 and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is
 95.2 required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

95.3 (d) The Minnesota Court of Appeals may affirm the decision of the unemployment
 95.4 law judge or remand the case for further proceedings; or it may reverse or modify the
 95.5 decision if the substantial rights of the petitioner may have been prejudiced because the
 95.6 findings, inferences, conclusion, or decision are:

95.7 (1) in violation of constitutional provisions;

95.8 (2) in excess of the statutory authority or jurisdiction of the department;

95.9 (3) made upon unlawful procedure;

95.10 (4) affected by other error of law;

95.11 (5) unsupported by substantial evidence in view of the entire record as submitted; or

95.12 (6) arbitrary or capricious.

95.13 (e) The department is considered the primary responding party to any judicial action
 95.14 involving an unemployment law judge's decision. The department may be represented by
 95.15 an attorney licensed to practice law in Minnesota who is an employee of the department.

95.16 **EFFECTIVE DATE.** This section is effective August 2, 2015.

95.17 Sec. 13. Minnesota Statutes 2014, section 268.136, subdivision 1, is amended to read:

95.18 Subdivision 1. **Shared work plan requirements.** An employer may submit a
 95.19 proposed shared work plan for an employee group to the commissioner for approval in a
 95.20 manner and format set by the commissioner. The proposed shared work plan must include:

95.21 (1) a certified statement that the normal weekly hours of work of all of the proposed
 95.22 participating employees were full time or regular part time but are now reduced, or will be
 95.23 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

95.24 (2) the name and Social Security number of each participating employee;

95.25 (3) the number of layoffs that would have occurred absent the employer's ability to
 95.26 participate in a shared work plan;

95.27 (4) a certified statement that each participating employee was first hired by the
 95.28 employer at least one year before the proposed shared work plan is submitted and is not a
 95.29 seasonal, temporary, or intermittent worker;

95.30 (5) the hours of work each participating employee will work each week for the
 95.31 duration of the shared work plan, which must be at least 50 percent of the normal weekly
 95.32 hours but no more than ~~90~~ 80 percent of the normal weekly hours, except that the plan
 95.33 may provide for a uniform vacation shutdown of up to two weeks;

95.34 (6) a certified statement that any health benefits and pension benefits provided by
 95.35 the employer to participating employees will continue to be provided under the same

96.1 terms and conditions as though the participating employees' hours of work each week had
96.2 not been reduced;

96.3 (7) a certified statement that the terms and implementation of the shared work plan is
96.4 consistent with the employer's obligations under state and federal law;

96.5 (8) an acknowledgement that the employer understands that unemployment benefits
96.6 paid under a shared work plan will be used in computing the future tax rate of a taxpaying
96.7 employer or charged to the reimbursable account of a nonprofit or government employer;

96.8 (9) the proposed duration of the shared work plan, which must be at least two months
96.9 and not more than one year, although a plan may be extended for up to an additional
96.10 year upon approval of the commissioner;

96.11 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the
96.12 proposed shared work plan is submitted; and

96.13 (11) a signature of an owner or officer of the employer who is listed as an owner or
96.14 officer on the employer's account under section 268.045.

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

96.16 Sec. 14. Minnesota Statutes 2014, section 268.188, is amended to read:

96.17 **268.188 SUBPOENAS; OATHS.**

96.18 (a) The commissioner or an unemployment law judge has authority to administer
96.19 oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to
96.20 compel the attendance of individuals and the production of documents and other personal
96.21 property necessary in connection with the administration of the Minnesota unemployment
96.22 insurance program.

96.23 (b) Individuals subpoenaed, other than applicants or officers and employees of an
96.24 employer that is the subject of the inquiry, are paid witness fees the same as witness fees
96.25 in civil actions in district court. The fees need not be paid in advance.

96.26 (c) The subpoena is enforceable through the district court in Ramsey County.

96.27 **EFFECTIVE DATE.** This section is effective August 2, 2015.

96.28 Sec. 15. Minnesota Statutes 2014, section 268.194, subdivision 1, is amended to read:

96.29 Subdivision 1. **Establishment.** There is established as a special state trust fund,
96.30 separate and apart from all other public money or funds of this state, an unemployment
96.31 insurance trust fund, that is administered by the commissioner exclusively for the payment
96.32 of unemployment benefits. This trust fund consists of:

96.33 (1) all taxes collected;

- 97.1 (2) interest earned upon any money in the trust fund;
- 97.2 (3) reimbursements paid by nonprofit organizations and the state and political
- 97.3 subdivisions;
- 97.4 (4) tax rate buydown payments under section 268.051, subdivision 7;
- 97.5 (5) any money received as a loan from the federal unemployment trust fund in
- 97.6 accordance with United States Code, title 42, section 1321, of the Social Security Act;
- 97.7 (6) any other money received under a reciprocal unemployment benefit arrangement
- 97.8 with the federal government or any other state;
- 97.9 (7) money recovered on overpaid unemployment benefits ~~except, if allowed by~~
- 97.10 ~~federal law, five percent of any recovered amount is credited to the administration account;~~
- 97.11 (8) all money credited to the account under this chapter;
- 97.12 (9) all money credited to the account of Minnesota in the federal unemployment
- 97.13 trust fund under United States Code, title 42, section 1103, of the Social Security Act,
- 97.14 also known as the Reed Act; and
- 97.15 (10) all money received for the trust fund from any other source.

97.16 **EFFECTIVE DATE.** This section is effective August 2, 2015.

97.17 Sec. 16. **SPECIAL UNEMPLOYMENT BENEFIT ASSISTANCE.**

97.18 Notwithstanding Minnesota Statutes, section 268.085, subdivision 3, paragraph (a),

97.19 vacation pay will not delay unemployment benefit eligibility to an applicant who has been

97.20 indefinitely laid off due to lack of work as a result of adverse trade impacts and is not

97.21 expected to be recalled within six months by the employer from which the applicant was

97.22 laid off. This section does not apply to seasonal workers.

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

97.24 and is retroactive to March 1, 2015. This section expires on June 1, 2016.

97.25 Sec. 17. **POULTRY WORKER EXTRA UNEMPLOYMENT BENEFITS.**

97.26 Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are

97.27 available to an applicant if the applicant was laid off by:

- 97.28 (1) a commercial poultry producer as a result of the confirmed presence of highly
- 97.29 pathogenic avian influenza in the commercial poultry producer's flock; or
- 97.30 (2) a commercial poultry processor as a result of the confirmed presence of highly
- 97.31 pathogenic avian influenza in the flock of its poultry supplier.

97.32 Subd. 2. **Payment from fund.** Extra unemployment benefits are payable from

97.33 the unemployment insurance trust fund.

98.1 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra
98.2 unemployment benefits under this section for any week through December 31, 2016,
98.3 following the effective date of the applicant's benefit account of regular unemployment
98.4 benefits, as a result of a layoff described under subdivision 1, if:

98.5 (1) a majority of the applicant's wage credits were with a commercial poultry
98.6 producer or processor described in subdivision 1;

98.7 (2) the applicant meets the eligibility requirements of Minnesota Statutes, section
98.8 268.085;

98.9 (3) the applicant is not subject to a disqualification under Minnesota Statutes, section
98.10 268.095; and

98.11 (4) the applicant is not entitled to regular unemployment benefits and the applicant
98.12 is not entitled to receive unemployment benefits under any other state or federal law
98.13 for that week.

98.14 Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment
98.15 benefits amount available to an applicant is the same as the applicant's weekly regular
98.16 unemployment benefit amount on the benefit account established as a result of a layoff
98.17 under subdivision 1.

98.18 Subd. 5. **Maximum amount of extra unemployment benefits.** (a) The maximum
98.19 amount of extra unemployment benefits available is equal to 13 weeks at the applicant's
98.20 weekly extra unemployment benefits amount.

98.21 (b) If an applicant qualifies for a new regular benefit account under Minnesota
98.22 Statutes, section 268.07, at any time after exhausting regular unemployment benefits
98.23 as a result of the layoff under subdivision 1, the applicant must apply for and exhaust
98.24 entitlement to those new regular unemployment benefits.

98.25 Subd. 6. **Program expiration.** The extra unemployment benefit program under this
98.26 section expires on December 31, 2016. No extra unemployment benefits may be paid for
98.27 any week after the expiration of the program.

98.28 **EFFECTIVE DATE.** This section is effective August 2, 2015.

98.29 Sec. 18. **REPEALER.**

98.30 Minnesota Statutes 2014, section 268.042, subdivision 4, is repealed.

98.31 **EFFECTIVE DATE.** This section is effective August 2, 2015.

99.1 **ARTICLE 7**

99.2 **STATE GOVERNMENT OPERATIONS**

99.3 Section 1. Laws 2014, chapter 211, section 13, is amended to read:

99.4 Sec. 13. **EFFECTIVE DATE.**

99.5 Sections 1 to 3 and 6 to 11 are effective July 1, ~~2015~~ 2016. Sections 4, 5, and 12
99.6 are effective July 1, 2014.

99.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.
99.8 Until July 1, 2016, any employee, employer, employee or employer organization,
99.9 exclusive representative, or any other person or organization aggrieved by an unfair labor
99.10 practice as defined in Minnesota Statutes, section 179A.13, may bring an action for
99.11 injunctive relief and for damages caused by the unfair labor practice in the district court of
99.12 the county in which the practice is alleged to have occurred.

99.13 **ARTICLE 8**

99.14 **DESTINATION MEDICAL CENTER**

99.15 Section 1. Minnesota Statutes 2014, section 469.40, subdivision 11, as amended by
99.16 Laws 2015, chapter 1, section 6, is amended to read:

99.17 Subd. 11. **Public infrastructure project.** (a) "Public infrastructure project" means
99.18 a project financed in part or in whole with public money in order to support the medical
99.19 business entity's development plans, as identified in the DMCC development plan. A
99.20 public infrastructure project may:

99.21 (1) acquire real property and other assets associated with the real property;

99.22 (2) demolish, repair, or rehabilitate buildings;

99.23 (3) remediate land and buildings as required to prepare the property for acquisition
99.24 or development;

99.25 (4) install, construct, or reconstruct elements of public infrastructure required to
99.26 support the overall development of the destination medical center development district
99.27 including, but not limited to, streets, roadways, utilities systems and related facilities,
99.28 utility relocations and replacements, network and communication systems, streetscape
99.29 improvements, drainage systems, sewer and water systems, subgrade structures and
99.30 associated improvements, landscaping, façade construction and restoration, wayfinding
99.31 and signage, and other components of community infrastructure;

99.32 (5) acquire, construct or reconstruct, and equip parking facilities and other facilities
99.33 to encourage intermodal transportation and public transit;

100.1 (6) install, construct or reconstruct, furnish, and equip parks, cultural, and
 100.2 recreational facilities, facilities to promote tourism and hospitality, conferencing and
 100.3 conventions, and broadcast and related multimedia infrastructure;

100.4 (7) make related site improvements including, without limitation, excavation,
 100.5 earth retention, soil stabilization and correction, and site improvements to support the
 100.6 destination medical center development district;

100.7 (8) prepare land for private development and to sell or lease land;

100.8 (9) provide costs of relocation benefits to occupants of acquired properties; and

100.9 (10) construct and equip all or a portion of one or more suitable structures on land
 100.10 owned by the city for sale or lease to private development; provided, however, that the
 100.11 portion of any structure directly financed by the city as a public infrastructure project must
 100.12 not be sold or leased to a medical business entity.

100.13 (b) A public infrastructure project is not a business subsidy under section 116J.993.

100.14 (c) Public infrastructure project includes the planning, preparation, and modification
 100.15 of the development plan under section 469.43, and. The cost of that planning, preparation,
 100.16 and any modification is a capital cost of the public infrastructure project.

100.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 100.18 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
 100.19 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
 100.20 the laws that are amended.

100.21 Sec. 2. Minnesota Statutes 2014, section 469.43, is amended by adding a subdivision
 100.22 to read:

100.23 **Subd. 6a. Restriction on city funds to support nonprofit economic development**
 100.24 **agency.** The nonprofit economic development agency shall not require the city to pay
 100.25 any amounts to the nonprofit economic development agency that are unrelated to public
 100.26 infrastructure project costs.

100.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 100.28 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
 100.29 645.021, subdivisions 2 and 3, and applies retroactively from June 22, 2013.

100.30 Sec. 3. Minnesota Statutes 2014, section 469.45, subdivision 1, is amended to read:

100.31 Subdivision 1. **Rochester, other local taxes authorized.** (a) Notwithstanding
 100.32 section 477A.016 or any other contrary provision of law, ordinance, or city charter, and in
 100.33 addition to any taxes the city may impose on these transactions under another statute or

101.1 law, the city of Rochester may, by ordinance, impose at a rate or rates, determined by the
101.2 city, any of the following taxes:

101.3 (1) a tax on the gross receipts from the furnishing for consideration of lodging and
101.4 related services as defined in section 297A.61, subdivision 3, paragraph (g), clause (2); the
101.5 city may choose to impose a differential tax based on the number of rooms in the facility;

101.6 (2) a tax on the gross receipts of food and beverages sold primarily for consumption
101.7 on the premises by restaurants and places of refreshment that occur in the city of
101.8 Rochester; the city may elect to impose the tax in a defined district of the city; and

101.9 (3) a tax on the admission receipts to entertainment and recreational facilities, as
101.10 defined by ordinance, in the city of Rochester.

101.11 (b) The provisions of section 297A.99, subdivisions 4 to 13, govern the
101.12 administration, collection, and enforcement of any tax imposed by the city under
101.13 paragraph (a).

101.14 (c) The proceeds of any taxes imposed under this subdivision, less refunds and
101.15 costs of collection, must be used by the city only to meet its share of obligations for
101.16 public infrastructure projects contained in the development plan and approved by the
101.17 corporation, including any associated financing costs or to pay any other costs qualifying
101.18 as a local matching contribution under section 469.47, subdivision 4. Any tax imposed
101.19 under paragraph (a) expires at the earlier of December 31, 2049, or when the city council
101.20 determines that sufficient funds have been raised from the tax plus all other local funding
101.21 sources authorized in Laws 2013, chapter 143, article 10, to meet the city obligation for
101.22 financing public infrastructure projects contained in the development plan and approved
101.23 by the corporation, including any associated financing costs.

101.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of
101.25 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
101.26 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
101.27 the laws that are amended.

101.28 Sec. 4. Minnesota Statutes 2014, section 469.45, subdivision 2, is amended to read:

101.29 Subd. 2. **General sales tax authority.** The city may elect to extend the existing
101.30 local sales and use tax under Laws 2013, chapter 143, article 10, section 13, or to impose
101.31 an additional rate of up to one quarter of one percent tax on sales and use under Laws
101.32 2013, chapter 143, article 10, section 11. The proceeds of any extended or additional taxes
101.33 imposed under this subdivision, less refunds and costs of collection, must be used by the
101.34 city only to meet its share of obligations for public infrastructure projects contained in the
101.35 development plan and approved by the corporation, including all financing costs. Revenues

102.1 collected in any year to meet the obligations must be used for payment of obligations or
102.2 expenses for public infrastructure projects approved by the corporation or of any other
102.3 costs qualifying as a local matching contribution under section 469.47, subdivision 4.

102.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of
102.5 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
102.6 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
102.7 the laws that are amended.

102.8 Sec. 5. Minnesota Statutes 2014, section 469.47, subdivision 4, as amended by Laws
102.9 2015, chapter 1, section 10, is amended to read:

102.10 Subd. 4. **General aid; local matching contribution.** In order to qualify for general
102.11 state infrastructure aid, the city must enter a written agreement with the commissioner
102.12 that requires the city to make a qualifying local matching contribution to pay for
102.13 \$128,000,000 of the cost of public infrastructure projects approved by the corporation,
102.14 including financing costs, using funds other than state aid received under this section. The
102.15 ~~\$128,000,000~~ required local matching contribution is reduced by ~~one-half of the~~ any
102.16 amounts the city pays for operating and administrative costs out of funds other than state aid
102.17 received under this section for the support, administration, or operations of the corporation
102.18 and the economic development agency up to a maximum amount agreed to by the board
102.19 and the city. These amounts include any costs the city incurs in providing services,
102.20 goods, or other support to the corporation or agency. The agreement must provide for the
102.21 manner, timing, and amounts of the city contributions, including the city's commitment
102.22 for each year. Notwithstanding any law to the contrary, the agreement may provide that
102.23 the city contributions for public infrastructure project principal costs may be made over a
102.24 20-year period at a rate not greater than \$1 from the city for each \$2.55 from the state.
102.25 The local match contribution may be provided by the city from any source identified in
102.26 section 469.45 and any other local tax proceeds or other funds from the city and may
102.27 include providing funds to prepare the development plan, to assist developers undertaking
102.28 projects in accordance with the development plan, or by the city directly undertaking
102.29 public infrastructure projects in accordance with the development plan, provided the
102.30 projects have been approved by the corporation. City contributions that are in excess of
102.31 this ratio carry forward and are credited toward subsequent years. The commissioner and
102.32 city may agree to amend the agreement at any time in light of new information or other
102.33 appropriate factors. The city may enter into arrangements with the county to pay for or
102.34 otherwise meet the local matching contribution requirement. Any public infrastructure
102.35 project within the area that will be in the destination medical center development district

103.1 whose implementation is started or funded by the city after June 22, 2013, but before the
103.2 development plan is adopted, as provided by section 469.43, subdivision 1, will be included
103.3 for the purposes of determining the amount the city has contributed as required by this
103.4 section and the agreement with the commissioner, subject to approval by the corporation.

103.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of
103.6 the city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
103.7 645.021, subdivisions 2 and 3, and applies retroactively to the original effective dates of
103.8 the laws that are amended.

APPENDIX
Article locations in 15-4541

ARTICLE 1	JOB APPROPRIATIONS	Page.Ln 2.1
	DEPARTMENT OF EMPLOYMENT AND ECONOMIC	
ARTICLE 2	DEVELOPMENT	Page.Ln 30.11
ARTICLE 3	DEPARTMENT OF COMMERCE	Page.Ln 49.7
ARTICLE 4	HOUSING	Page.Ln 81.12
ARTICLE 5	LABOR AND INDUSTRY	Page.Ln 84.3
ARTICLE 6	UNEMPLOYMENT INSURANCE	Page.Ln 89.11
ARTICLE 7	STATE GOVERNMENT OPERATIONS	Page.Ln 99.1
ARTICLE 8	DESTINATION MEDICAL CENTER	Page.Ln 99.13